

PhD

THESIS SERIES

KELVIN TAM KA FUNG

**Brand Sustainability of Manufacturing Enterprises (MEs)
and Social Enterprises (SEs) in Hong Kong**

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While technologies, markets and the environment are changing rapidly, good brands are sustainable and relatively stable in stakeholders' minds. This thesis investigates the strategies, systems and processes of the development of Manufacturing Enterprises (MEs) and Social Enterprises (SEs) in Hong Kong concerning visual design elements and brand sustainability. Utilising the Grounded Theory, this study considers seven Hong Kong-based organisations in terms of engagement with stakeholders, emotional bonding and value creation in order to compare and contrast these elements. The findings suggest a mutual relationship among brands, offerings, values, company visions, and users' needs. People who are capable of decoding, remembering, and reflecting upon the values will continually react and support interactively in the sustainable system. This thesis argues that companies' values, visions, and needs remain intangible. It is proposed that brand sustainability and visual characteristics would help retain a relatively stable and consistent image, which can sustain organisations' successful development.

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**BRAND SUSTAINABILITY OF
MANUFACTURING ENTERPRISES (MES) AND
SOCIAL ENTERPRISES (SES) IN HONG KONG**

KELVIN TAM KA FUNG

Ph.D

The Hong Kong Polytechnic University

2016

The Hong Kong Polytechnic University

School of Design

**Brand Sustainability of
Manufacturing Enterprises (MEs)
and Social Enterprises (SEs) in Hong Kong**

Kelvin Tam Ka Fung

A thesis submitted in partial fulfillment
of the requirements for the degree of
Doctor of Philosophy

May 2014

Declaration of Originality

I hereby declare that this thesis is my own work and that, to the best of my knowledge and belief, it reproduces no material previously published or written, nor material that has been accepted for the award of any other degree or diploma, except where due acknowledgement has been made in the text.

_____ (Signature)

 Kelvin Tam Ka Fung (Name of Student)

Abstract

While technologies, markets and environment are changing rapidly, good brands are sustainable and relatively stable in the mind of stakeholders. This thesis studies the strategies, systems and processes of the development of Manufacturing Enterprises (MEs) and Social Enterprises (SEs) in Hong Kong with respect to visual design elements and brand sustainability – engagement with stakeholders, emotional bonding and values creation. Grounded Theory is used to compare and contrast these elements in 7 Hong Kong based organisations. Success factors in terms of brand strategies, companies' visions and visual systems are compared and contrasted. If users could decode, remember and reflect upon the values, they will continually react and support interactively in the whole sustainable system. It is a mutual relationship among brands, offerings, values, company visions and needs of users. However, values, visions of companies and needs of users are not tangible, and the products cycles are changing fast. Hence, the brands sustainability and visual characteristics help retaining a relatively stable and consistent image, reflection in mind and experience of the users, which further sustain the successful development of the organisations.

Publications

During the course of this study, the following related papers have been published:

Tam Ka Fung Kelvin (2012). Sustainable Branding and Social Innovation. *In Proceedings of the CUMULUS Conference 2012, Projecting Design, Global Design Bridge, Santiago, Chile.*

Tam Ka Fung Kelvin (2012). IT, Sustainable Branding and Creativity. *In the Proceedings of the BIT's 1st Annual World Congress of Cultural & Creative IT Industries 2012, Dalian, China.*

Tam Ka Fung Kelvin (2013). Design Relies on Constraints, Integration Matrix in Art and Design Education. *In the Proceedings of DesignEd Asia Conference 2013, Hong Kong.*

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1. Introduction

1.1 A Personal Background

I have only one interest that triggers me to study design, work in the design field and now teach in the design education – it is my interest in people. I also still remember now the last question in my job interview of becoming a teacher 20 years ago – “where will you bring along with your students to learn about design?” My answer was: “to consult nature.” These 2 simple things are still valid today luckily.

10 years ago I met Prof. John Heskett. His zeal captured me, and it is an honour for me to follow him for 5 years as my chief supervisor in this PhD study. After getting a distinction in the Master Degree in Polytechnic University, I felt I would like to research on something meaningful and useful to me and other designers. Usually PhD is something boring and too specific in mind. However, Prof. Heskett showed me how he observed a toothpick and the many systems in the world... I believe his spirit and wisdom is still triggering many people nowadays.

My profession started in an international watch company in which I learnt about design management and marketing and how designs should be communicated to internal and external stakeholders. Then I began my career as an educator in the Hong Kong Design Institute. Started as a frontline teacher, curriculum developer and finally to the present position as a Deputy Head of Department. I had also learnt a lot from my

community work as well as academic participation in the Hong Kong Examinations and Assessment Authority as moderator in art and design subjects and examiner for the English as medium of instruction for art and design subjects for few years. Recently, I have participated as the Papers marker of the Design EdAsia organised by the School of Design of the Hong Kong Polytechnic University and the Hong Kong Design Institute.

1.2 Context of the Study

Commodities, products, services and experiences as offerings to users today have relatively short life cycles. While technologies, markets and environment are changing rapidly; good brands are sustainable and relatively stable in the mind of stakeholders. **Brands sustain** in the mind of stakeholders by reminding the values of the offerings, which could either be 'designed' with respect to social, economic and environmental sustainability or emerge naturally with unintended process. While users could decode, remember and reflect upon the values, they will continually react and support interactively in the whole sustainable system. Since the 70's, Hong Kong has been developing its industries from Original Equipment Manufacturing (OEM), Original Design Manufacturing (ODM), Original Brand Manufacturing (OBM) to Original Strategy Management (OSM). *(Literature review of OSM will be discussed in Section 3.1.1)* Under the wave of social enterprises globally in the 2000's, Hong Kong has also been developing the idea of social enterprise since

2006 through the “Enhancing Self-Reliance Through District Partnership Programme” held by the Home Affairs Department of the Hong Kong Government, in parallel with the conventional modes of production since the 70’s. With the support from the Hong Kong Government, the “Social Enterprise Summit”, since 2008, every year helps to bond the people and organisations in the trade together; and the development has been matured gradually nowadays. This is a change in the mode and size of the production industries – and the product cycles continue to morph quickly, at the same time, brands continuously sustain in the mind of people with changes in the characteristics and processes. Meanwhile, ‘design’ as an element in branding continue to play a vital role in a broader sense, from products appearance, product visual language, co-creation strategies to sustained values in the memory and affection of customers, producers and every stakeholder in the pre-production, production and post-production stages. Apart from solely economic focus, there is a trend that the role of branding gradually merged into social and environmental focus, then with a balance of economic concern at the recent stage. Figure 1.1 shows the research framework, in which the Original Social Needs (OSN) is an emerging business model in Hong Kong nowadays. The term OSN is a term observed and named by me, which are not fulfilled or not the main focus of the conventional modes of manufacturing provided by MEs. These Social Needs are one of the main characteristics of the SE businesses, which may include the recycling of used

materials in manufacturing new products, empowering of women's availability and flexibility as workforce for manufacturing, providing healthy food products locally for the communities in batch manufacturing etc. Though there are also different emphases in OEM, ODM, OBM to OSM and OSN, the branding activities sustain and help reinforcing them with different roles and executions. As for designers and design educators, the comparison framework and mapping related to design elements such as appearance, visual brand language and design strategies will be useful for the present and future development with response to the co-existence of social and business needs in Hong Kong.

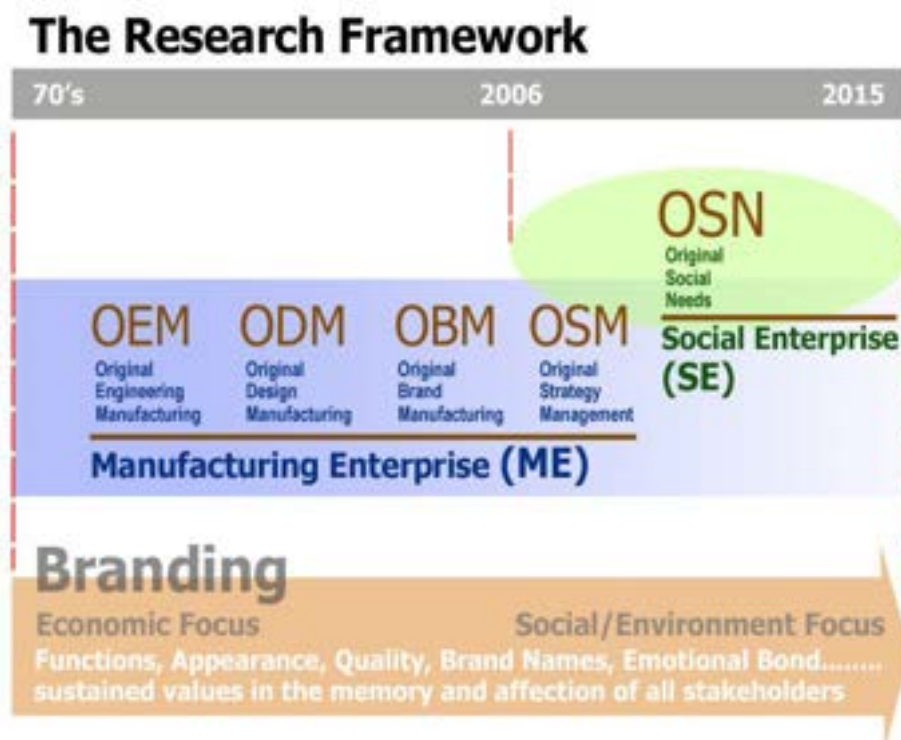


Figure 1.1 The Research Framework

1.3 Overview

1.3.1 Problem

"Design is to design a design to produce a design." (John Heskett, 2005) The commodities, products, services and experiences are the offerings (Pine and Gilmore, 1998, 2011) that are used and experienced by customers. On the one hand the offerings are important, on the other hand, in design, as elucidated by Prof. Heskett that the process, tools and final solutions are equally vital to form a complete meaning of design.

With offerings alone, people may not be able to recall the memory of the offerings especially there are ubiquitous similar offerings in the world. With a name and experience, brands help to unite a collective group of offerings to seal an overall impression and memory of the qualities and values in the mind of people. This also leads to the formation of the brand equity which are comprised of 3 aspects: 1) Total financial value, 2) a measure of the strength of consumers' attachment to the brand, and 3) a description of the associations and beliefs the consumer has about the brand (Paul Feldwick 1996), which will be discussed in details in Chapter 2 of this thesis.

Design and brand equity together contribute largely to the success of offerings. However, **a visual analysis related to**

design and branded offerings is not found in Hong Kong or not common in the world's literature. Most of them are marketing analysis of strategies and theories. In addition, there is **no such kind of study along the timeline of development of the industries in Hong Kong**. With this focus, this thesis will find out the patterns, visual analysis and strategies of Hong Kong's major modes of manufacturing production, Original Equipment Manufacturing (OEM), Original Design Manufacturing (ODM), Original Brand Manufacturing OBM (OBM) to Original Strategy Management (OSM), and the latest development of Original Social Needs (OSN). The term OSN is a term observed and named by me, which are not fulfilled or not the main focus of the conventional modes of manufacturing provided by Manufacturing Enterprises (MEs). Instead, the Social Enterprises (SEs) usually target on these social needs in their production consideration. It seems that this relatively new kind of business is quite different from the conventional modes of production, but they have a common point that economic returns are important in both of the production considerations. The main difference is the SEs also focus on a balance of social and environmental concerns together with economic returns. By far, a study of the co-existence of these conventional modes of ME production and the emerging SEs mode of production also not exists in Hong Kong. Hence, a comparison and contrast analysis will be contributive to the understanding of the development of design and branding in such areas.

1.3.2 Subject Matter, Objectives and Methodology

As mentioned above, the subject matter will be the emergence of Social Enterprises (SEs) in parallel to the conventional modes of production in Hong Kong since the 70's. Facilitated by design and branding activities, the offerings and strategies of SE could be analysed and compared to those of the conventional modes of production, resulted in visual frameworks and comparison tables, which will provide future references in the study of design and brand sustainability.

Objectives

(1) The objectives and values of this thesis is to study the strategies, systems and processes of the development of Manufacturing Enterprises (MEs), and Social Enterprises (SEs) in Hong Kong with respect to visual design elements (products appearance and visual language) and brand sustainability (engagement with stakeholders, emotional bonding, and values creation). The findings will be presented in Chapter 5 and 6 respectively.

In social enterprises, there are always collaboration of different kinds of stakeholders including artisans, artists, designers and professionals in the fields of social work, business, environmental NGOs, education etc. Therefore this collaboration encompasses

different ways of co-operation and functions which worth in-depth study and analysis in a systematic approach. Furthermore, in social innovation projects, brand strategies have been adopted or unintentionally established; and the success and advantages could be analysed also and give rise to further discussion and exploration of knowledge – in the areas of branding and product visual languages. It is not only about branding in marketing as illustrated by many existing studies, but also an integration of design elements and strategies into the whole system of different development of manufacturing models in Hong Kong.

(2) As SE is a relatively new kind of business, it would be compared and contrasted with the conventional modes of ME business in Hong Kong. Success factors of SE and ME in terms of brand strategies and visual systems will be compared and contrasted. The findings will be presented in Chapter 7.

The co-existence of these two kinds of businesses reveals the demands of our present community in the manufacturing products. While the conventional kind of ME is still the mainstream in Hong Kong, the SE kind emerges to be increasing in numbers of business units. So the comparison will provide information of the common and unique characteristics of both kinds of businesses, which sustain continually in the market in terms of design elements and strategies. However, it is not a

quantitative analysis on the market or business data in the context of this thesis.

Methodology

The approach of this research is theory building and not to test a hypothesis. Eisenhardt suggested that, "*theory-building research is begun as close as possible to the ideal of no theory under consideration and no hypotheses to test.*" She further suggested that, "*preordained theoretical perspectives or propositions may bias and limit the findings*" (Eisenhardt 1989 - Qualitative Marketing Research (Google eBook) p98)

This research is based on: 1) field research of 7 Hong Kong companies spanned 8 years of study; 2) Grounded Theory development through case studies; 3) constant comparison analysis in Grounded Theory.

"The goal of the Grounded Theory approach is to generate theories that explain how some aspects of the social world 'work'. The goal is to develop a theory that emerges from and is therefore connected to the reality the theory is developed to explain.

The constant comparative method is a method for analysing data in order to develop a grounded theory. Glaser and Strauss (1967) suggest that when used to generate theory, the

comparative analytical method they describe can be applied to social units of any size.” (<http://www.qualres.org/HomeCons-3824.html>)

These methodologies, their relevance, and interrelationships will be described in details in Chapters 4.

1.3.3 Research Questions

This thesis studied the following questions supported by case studies:

- 1) What are the differences and similarities among conventional modes of manufacturing business in Hong Kong from OEM, ODM, OBM to OSM, and Original Social Needs (OSN).
- 2) How did they develop with brand strategies in different contexts?
- 3) What are the successful factors in terms of brand strategies and design visual elements involved?

1.4 Outline of the Study

The outline of the study is illustrated in Figure 1.2 below.

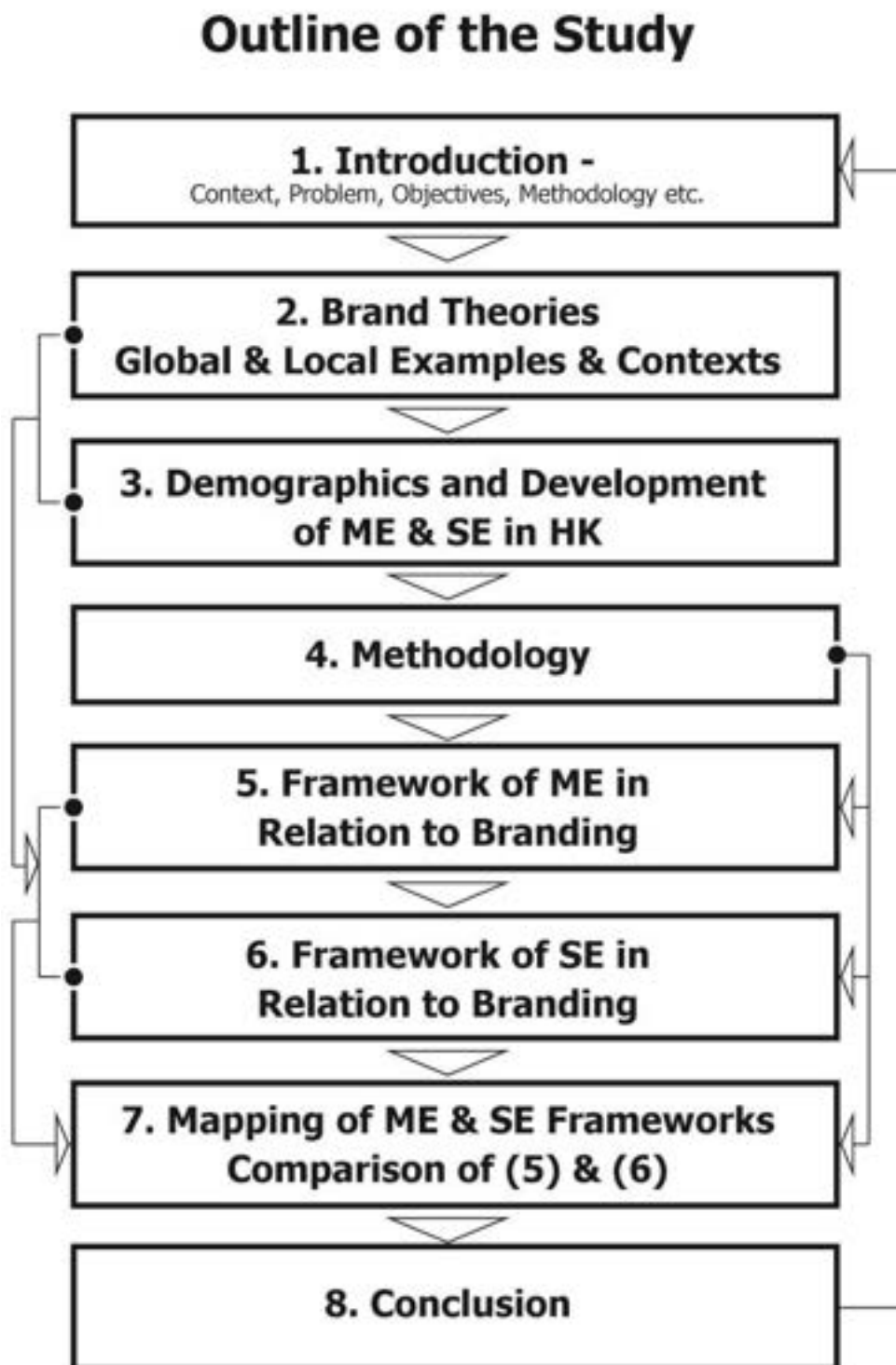


Figure 1.2 Outline of the Study

Chapter 1 is the brief introduction to layout the context, subject matter, problem, objectives, methodology, research questions and outline of studies.

Chapter 2 provides the literature review and contexts related to brand, branding, brand equity, as well as the global and local development of branding. This defines and illustrates the background and close relation of branding, design and business.

Chapter 3 describes the demographics and development of ME and SE in Hong Kong - The history and nature of business as well as the economic focus of ME and social focus of SE.

Chapter 2 & 3 together form a base and background for the comparison of MEs and SEs respectively in Chapter 5 & 6. The visual elements hence visual brand language are observed, described, articulated and interpreted by tables and charts.

Chapter 7 is derived from Chapter 5 & 6, when the 2 groups of findings are further compared and contrasted. Chapter 8 is the conclusion, which answer to the problem, objectives and research questions in Chapter 1.

2. Brand, Branding and Brand Equity

2.1 What is Brand, Branding and Brand Equity

2.1.1 The Definition of Terms

Brands and Branding

What is a Brand and what is Branding? A brand is a collective representation of the entity of any offering or body. It is commonly presented by a distinguishing name or symbol to identify the origins of products, services and/or experience. Branding is the process of creating an association between the brand and the products, services, perception, emotion etc. linked to the brand. More and more firms believe nowadays that branding contributes a lot to the success of their business and innumerable branding agencies have been set up. However, on the other side, there are also a number of brand myths present in the market, which will be discussed in 2.1.6 of this section.

Branding has been around for centuries as a means to distinguish the goods of one producer from those of another. In fact, the word brand is derived from the Old Norse word brandr, which means "to burn", as brands were and still are the means by which owners of livestock mark their animals to identify them.

According to the American Marketing Association (AMA), a brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition." Technically speaking, then, whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand.

In fact, however, many practising managers refer to a brand as more than that – as something that has actually created a certain amount of awareness, reputation, prominence, and so on in the marketplace. Thus we can make a distinction between the AMA definition of a "brand" with a small b and the industry's concept of a "Brand" with a big B. The difference is important for us because disagreements about branding principles or guidelines often revolve around what we mean by the term. (Keller, 2013)

Legally speaking a brand is simply a symbol which distinguishes a company's products and services from others in the same category and certifies its place of origin depicted through its unique style, pattern, design, color scheme, and graphics which help one brand to be identified from other competing brands and its value through

registration and conformity. In the financial world, however, the concept of a brand has a much broader meaning. The value of a brand comes from its ability to gain an exclusive, positive, and prominent position in the minds of a large number of consumers. These refer to the tangible attributes of the product as well as all the other intangibles associated with it, which may be either psychological or social which the marketer creates. Brands can help consumers upgrade their social status. The tangible and intangible benefits, which are derived from the consumption or use of a product of the brand are the determinants of the strength of the brand. These associations have been acquired over time through continued investment on the brand-building exercise by the company – in production in order to maintain the higher quality standard; in new product research which has been adapted to changes in the consumers' preference and taste in line with technology and competitive environment; in distribution channels; in sales force; in communication as well as in legal defense against counterfeits, etc. Brand-building exercise, therefore, is a company-wide effort to give superior experience to its identified set of customers. (Baisya, 2013)

In fact, Kotler in the early 1980s had already described a brand as "a name, term, symbol or design, or a

combination of them, which was intended to signify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (Kotler. 1984). Bedbury asserted that a brand as, “a psychological concept, held in the minds of the public.” He observed that, “one cannot entirely control a brand. At best one can only guide and influence it” (Bedbury, 2002.).

Brand Equity

Brand equity is the set of assets and liabilities linked to the brand. The conceptualisation of brand equity, which occurred in the late 1980s, was pivotal because it changed the way that marketing was perceived. Where brand image could be delegated to an advertising manager, brand equity – as a key asset of the firm – needs to be elevated to part of the business strategy, the purview of the CEO. Its management was strategic and visionary instead of tactical and reactive, long term in orientation rather than short term.

There are three types of brand assets in Brand Equity – brand awareness, brand loyalty, and brand associations. Each creates formidable competitive advantages, and each needs to be actively managed.

Brand Awareness. *It serves to differentiate the brands along a recall/familiarity dimension. It can provide a host of competitive advantages. First, awareness provides the brand with a sense of familiarity, and people like the familiar.*

Second, name awareness can be a signal of presence, commitment, and substance, attributes that can be very important even to industrial buyers of big-ticket items and consumer buyers of durables.

Third, the salience of a brand will determine if it is recalled at a key time in the purchasing process. The initial step in selecting an advertising agency, a car to test drive, or a computer system is to decide on which brands to consider.

Brand Loyalty. *An enduring asset for some businesses is the loyalty of the installed customer base. Competitors may duplicate or surpass a product or service, but they still face the task of making customers switch brands. Brand loyalty, or resistance to switching, can be based on simple habit, preference, or switching costs. Switching costs would be a consideration for a software user, for example when a substantial investment has already been made in training employees to learn a particular software system.*

Brand Associations. *The associations attached to a firm and its brands can be key enduring business assets, as they reflect the strategic position of the brand. A brand association is anything that is directly or indirectly linked in the consumer's memory to a brand. (Aaker, 2014)*

The term Brand Equity is also used with similar but slightly different interpretation in other sources. It is described in three different dimensions in the marketing literature. The first refers to "the total financial value of a brand as a separate asset – when it is sold or included on a balance sheet." The second is "a measure of the strength of consumers' attachment to the brand," and the third is "a description of the associations and beliefs the consumer has about the brand (Feldwick,1996). The first concept is about the determination of the financial worth of a specific brand (Abratt and Bick, 2003). The second and third concepts focus on the consumer, and another literature calls it "favourability" in illustrating the reaction of customers. (James Gregory, 2003) Aaker proposed brand equity is "a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to that firm's

customers” (David Aaker, 1996). These assets and liabilities can be categorised in 5 aspects: name awareness, perceived quality, brand associations, brand loyalty, and other assets such as trademarks and patents, and can be treated as the drivers and levers of the brand. Therefore, no matter how Brand Equity is interpreted or categorised, it is a measure or quality of the strength of a brand from the angle and with the interaction of consumers.

2.1.2 The Values of Branding and Its Sustainability

Commodities, products, services and experiences as offerings to users today have relatively short life cycles. While technologies, markets and environment are changing rapidly; good brands are sustainable and relatively stable in the mind of stakeholders.

Brands sustain in the mind of stakeholders by reminding the values of the offerings, which could either be ‘designed’ with respect to social, economic and environmental sustainability or emerge naturally with unintended process. While users could decode, remember and reflect upon the values, they will continually react and support interactively in the whole sustainable system.

Though branding is not just giving a name to a product, the name, resembling a basic identity of a human being, counts for the uniqueness and helps understanding, distinguishing and remembering immediately an organisation or a product without the need of detailed investigation of the vision, mission or the complex product features. Most brand experts agree that branding is a believe system in which core values are decoded, accepted and internalised. In a broad sense, brand does not limit to a product or company, but also could extend to a community, a city or even a country. In the book of the Balanced Brand, 2006, John Foley observes that brand involves all stakeholders - the customers, designers, employers, vendors, shareholders etc. The expectation or aspiration of building a brand is to seek the support and commitment of all stakeholders; this may result in economic return or community synergy and commitment. Patrick Hanlon in the book of the Primal Branding, 2006 gives examples that leaders can create and sustain a company and mission that people believe in resembling the codes of religion, which are called the 7 primal codes - the Creation Story, the Creed, the Icons, the Rituals, the Pagans or Non-believers, the Sacred Words and the Leader. This is similar to the growth of a person with the balanced functions of every internal organ. He has analyzed that the power of a believe system is that it inherently contains relevance, vision, trust, empathy, leadership, vibrancy, resonance, and commitment. Brands are ideologies with their own universe of truths, iconography, history, heroes, and demons. They also

echo with the classical theory of Maslow putting the metaphysical need of 'self-actualisation' on top of the pyramid, and leaving the basic physical needs on the bottom part. Above all, brand is a value system of expectation, experience and projection. It becomes customers' reflection of judgment and values. All these values relate to emotion and internal self. The US chief executive of Saatchi and Saatchi Kelvin Roberts had once said, "for a brand to be truly successful it needs to become a 'love mark' rather than a 'trademark'". No matter in whichever approach, branding has been examined and illustrated in such a way that can be understood with humanity instead of just marketing cliché. They are the latest theories in the field and supported with successful examples like IBM, Absolut, Pepsi International, UPS, Sears, General Motors, LEGO etc. (Kelvin Tam, CUMULUS 2012)

2.1.3 The Emotional Side of Brand

It is interesting to note that though branding can be studied scientifically from many perspectives, it still depends on one very basic human quality – the belief in a brand. The partners, the customers, the employees, the designers, the vendors, investors etc. need to work together with a belief in a brand. By adding a 'human' element to the product, branding helped them to trust the products directly rather than trusting the shopkeepers only in the old days before the introduction of branding in the businesses.

Many researchers pointed out that apart from the physical features and product qualities that counted in the hearts of customers, the emotional bonding or the passion or finally loyalty towards a brand was the core factor, which kept the brand alive and growing. Above all, the unique characters or 'personalities' of the products of a brand were vital in helping a brand stand out from its competitors. They were also called the Brand DNAs, which represented the unique qualities of a brand. The study of human factors in product design is becoming more and more important nowadays. As indicated in the research, the passion towards a brand depends not only on a cognitive recognition of a name or logotype or just impulsive stimulation from TV advertisements, but also depends on a prolonged use experience of the products and services over a period of time, in which products play a core role in building the trust with the users.

To understand the emotion and relation with products, I try to put it in simple words: 'I know it', 'I see it', 'I like it', 'I think about it', 'I buy it', 'I use it', 'I own it', 'I am part of it' and eventually 'I recommend it'. When branding is personalised, we may find more hints in relation to the gradual involvement in body, soul and spirit: respond to commercial propagations, develop a sense of ownership, affiliation and commitment. This echoes with the Visceral, Behavioral and Reflective reaction proposed by Professor Donald Norman. Figure 2.1 depicts the relationship of emotion and brand activities; this analysis and description is elucidated

based on the 3 levels of emotional reaction of Professor Donald Norman.

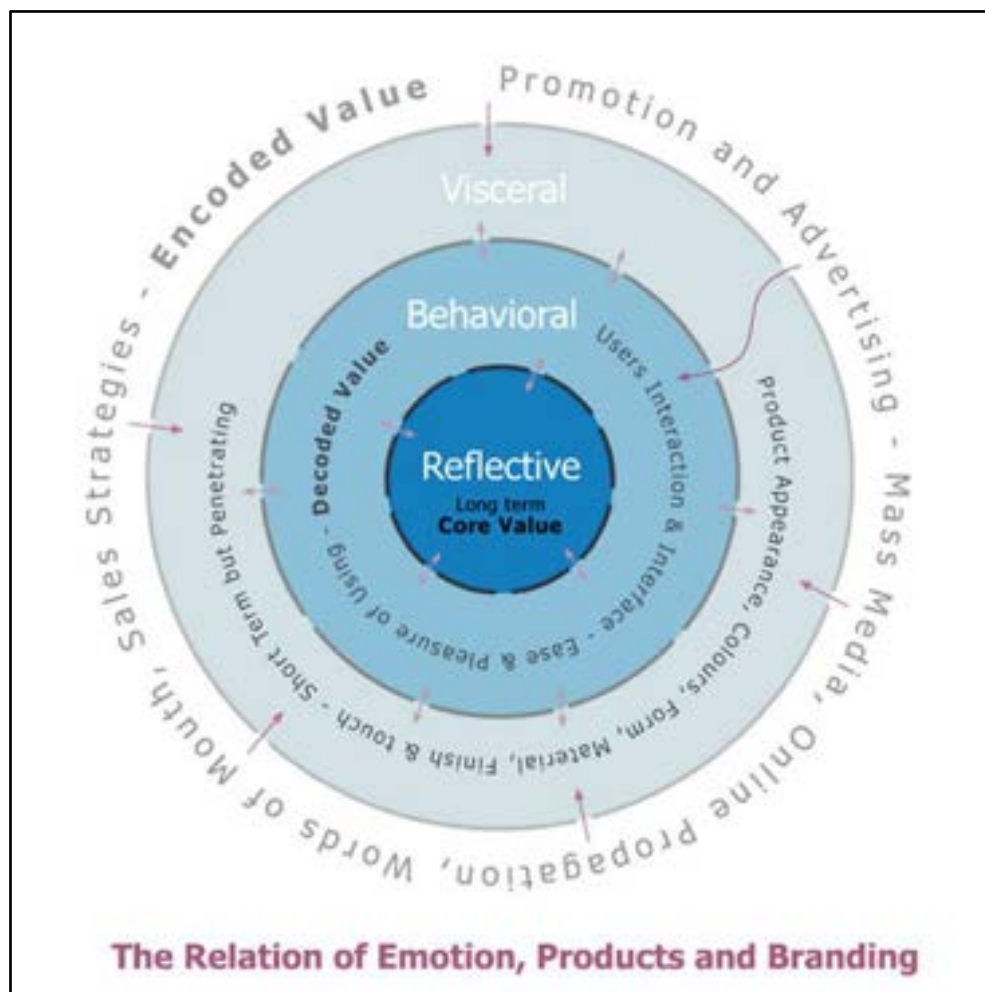


Figure 2.1 The Relation of Emotion, Products and Branding.

2.1.4 The Measurement of Brand

More and more firms nowadays believe that branding contributes a lot to the success of their business and innumerable branding agencies have been set up. In the United States, the CoreBrand Company has collected branding data from 1000 companies over

40 industries since 1990. It uses 2 simple but useful dimensions to analyze the position of the companies in relation to their brand – ‘familiarity & favourability’.

This comes up with four categories:

(1) High familiarity & high favourability,

The ‘Leading Brands’ - which project an image of being pioneering, accountable and salient.

(2) Low familiarity & high favourability,

The ‘Promising Brands’ - if nurtured carefully, have great potential for success

(3) High familiarity & low favourability,

The ‘Infamous Brands’ - though well known in the marketplace, may not be popular or well-managed brands.

(4) Low familiarity & low favourability.

The ‘Challenged Brands’ face the serious hurdle of both low familiarity and favourability.

Figure 2.2 shows the matrix of the relationship of these 4 categories of evaluation.



Figure 2.2 Favourability and Familiarity of Brands

The term Core Brand Power is used to represent these qualities. To increase the power, companies need to communicate with the market and within their own companies internally.

(James R. Gregory, 2003)

2.1.5 The Functions of Branding

2.1.5.1 Economic Returns and Engagement

Brand engaged customers to buy more and stay attached to the experience since it had been proliferated from its marketing root. Though voluntary organisations had been using a brand to advocate social visions decades before, they were still the

minorities. The traditional goal of branding is to occupy the mind space and drive the economy by establishing new values. People even preach branding as 'religion' with a view to earn the commitment of 'believers' in the lifetime.

In fact the idea of 'Corporate Religion' could be traced back to 1997 when Jesper Kunde first published his book with the same name and established his office in Copenhagen. He predicted that the winners of the future would be those corporations who could handle the changes when consumers no longer simply demand the product, but reliable companies and brands. The theme of the book was to bring together the internal company and the external market in a shared, connected flow of understanding. In 2002, Jesper in the book of Unique Now or Never stressed that 'the Brand is the Company Driver in the New Value Economy' - 'Within the new value economy, the capturing of mind space will become crucial (p 67). From this point, it met the observation of Donald Norman in the book of Emotional Design that 'attractive things and system work better', and he read emotion in 3 levels, namely visceral, behavioural and reflective level. There are also 3 levels of design, which can be mapped to product characteristics:

Visceral Design	Appearance and sound
Behavioral Design	The pleasure and effectiveness of use
Reflective Design	Self-image, personal satisfaction, memories & judgment

Table 2.1

The 3 Levels of Design in Relation to Emotional Response

These are also the qualities through which branding could help strengthening the values and engagement of users. They will also be discussed in Chapter 5 and 6.

2.1.5.2 Social Returns and Engagement

Branding actually is not exclusive to promoting sales. Many Non-Government Organisations (NGOs), environmental bodies and social organisations use branding to promote to buy less, reduce materialistic over-shopping and reuse possible resources. As for Social Enterprises, they are trying to balance social needs and economic needs such that on the one hand they could fulfill their social needs and on the other hand keeping the business alive with reasonable income.

In the past few years, with the support of the Hong Kong Government and the concerted effort of the SE, some brands started to emerge and engage a wide range of stakeholders. They are not limited to customers, but also artisans, craftsmen,

skilled labours affected by family conditions to be stayed at home or retired elites, housewives, the handicapped, the blind, who could contribute their different kinds of expertise not following the traditional types of nine-to-five working pattern. Such SE brands call customers to be a 'family', treating them as not only informed customers and fan clubs, but also engage them to partake in the planning and development of the produce or products. Engagement activities are not limited to the closely related products, but also cultural activities, Facebook friendship, media coverage and sharing, co-partners with shops and other SEs friends. Interestingly, these moves in branding and engagement have been existed in the Original Strategy Management (OSM) type of business, except that they are regarded as 'strategies' to enlarge the sales capability and the stock market share, whereas the SEs are using these elements as a natural engagement like friends and families. Besides, the activities are basically local, happened within a community such as producing honey or soap on the place where the users resided. This also helps the inactive local workforce such as the housewives to contribute to the production, workshop of teaching the production, and brand the products – which bear the names and seals of the makers. In a nutshell, branding has been generalised to a neutral role not only confined to the traditional role of promoting sales, but also extended to the role of promoting to consume less or to a balance of consideration of resources, business and the environment at

the present stage. This will further be discussed in Chapter 5 and 6.

(Source: <http://www.hkhoney.org/> , www.facebook.com/SoSoapHK , <http://www.kacama.hk/>)

2.1.6 The Brand Myths – Misconception of Branding

While many people carry positive attitudes towards brand power, there are innumerable brand failure cases every day. The book 'Brand Failures' written by Matt Haig analyzed 100 cases of brand failures, which included Xerox, Sony, New Coke, Parker Pens, Fender Guitars, Kodak etc.

³ *When the brands fail companies are always taken by surprise. This is because they have faith in their brand from the start, otherwise it would never been launched in the first place. However, this brand faith often stems from an obscured attitude towards branding, based around one or a combination of the following brand myths:*

(1) If a product is good, it will succeed.

(2) Brands are more likely to succeed than fail.

(3) Big companies will always have brand success. As brands get bigger and more successful, they also become more vulnerable and exposed.

(4) Strong brands are built on advertising.

(5) If it's something new, it's going to sell.

(6) Strong brands protect products.

This may have once been the case, but now the situation is reversed. Strong products now help to protect brands. As the cases show, the product has become the ambassador of the brand and even the slightest decrease in quality or a hint of trouble will affect the brand identity as a whole.

Besides, large brands are vulnerable to be attacked and even a slight mistake such as a malfunction in battery may ruin the brand name largely. The establishment will then be destroyed and it takes time to rectify the problem of the vast numbers of products in the world market. (Matt Haig, 2003)

In a nutshell, it is important to observe the successes and failures of brands within the contexts of product design, research and development process with an overall view towards the global market, local culture and, all in all, ethnographic factors involved. Whereas advertising and brand communications are the means to convey the message.

2.2 Branding in Contexts

2.2.1 International Context

2.2.1.1 The Demand and Importance

In the United States, the CoreBrand Company has collected branding data from 1000 companies over 40 industries since 1990. Advertising was the single biggest driver of brand power, accounting on average for about 30% of each company. The size of company (23%) and employee and investor communications (22%) were other factors affecting the brand power. Furthermore, the top 20% of companies spent an average of more than US\$140 million dollars annually in advertising.

In Europe, surveys had shown that 67% of all European IT companies had a strategic business plan with international aspects included. 19% of those companies had branding as a key element and had ideas to use their corporate identity and their products in the same set-up. Regarding corporate branding only 19% marked that they believed branding was equal to a name, PR and advertisements, while 68% was more focused on the set-up to support branding initiatives. The survey also revealed that while the role of advertising was deemed to be very crucial in branding, it seemed impossible to brand a company without a product. (James R. Gregory, *the Best of Branding*, the McGraw Hill Companies 2003).

2.2.1.2 From Economic Focus to Social Focus

Corporate identity is a design and marketing term used to describe the unique feature and characteristics of a company.

With the emergence of the idea of branding, brands took up and included those characteristics in the totality of brands. Since then brands convey a promise of better economic returns. Until recently, Corporate Social Responsibility (CSR) has been discussed widely and included as an index to evaluate a company's soundness related to social and environmental issues.

In the Harvard Business Review December 2006, Porter and Kramer published an article on the "Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility (CSR)", in which they pointed out the vital reasons why CSR is becoming more and more important, either willingly or unwillingly adopted or adapted by increasing numbers of companies. *" Governments, activists, and the media have become adept at holding companies to account for the social consequences of their activities. Myriad organisations rank companies on the performance of their corporate social responsibility (CSR), and, despite sometimes questionable methodologies, these rankings attract considerable publicity. As a result, CSR has emerged as an inescapable priority for business leaders in every country."* (Porter and Kramer, 2006) Of course, in turn, it is the stock market and index that will also be affected if the public does not support the companies at large. This quality also becomes one of the Brand DNAs, which contribute to the positive development of companies.

2.2.2 Hong Kong Context

2.2.2.1 The History and Origin

Brand study in Hong Kong can be traced back at least 23 years ago to a 1991 review undertaken by the Hong Kong Trade Development Council. Some of the strong brands in the case studies have decreased in market competitiveness today, because of changing technologies and life styles as well as the emerging of new competitive factors – explosion of the internet and e-commerce, globalisation of market etc. Small companies have merged, and only substantial enterprises prevail with brands evolving to represent them.

In the middle of the 80's, Hong Kong manufacturers began to relocate their manufacturing investment to the Mainland China with its lower cost and cheaper labour. However, since the middle of the 90's, they have experienced another tide of relocation of their investment. Under existing conditions of low growth, low inflation and strong competition, it is now very difficult to sustain competitiveness by only controlling the cost of capital and labour. Whether or not manufacturers can survive now also depends upon added values and high growth products. In the survey carried out by the Chinese Manufacturers' Association of Hong Kong in November, 2004, over 60% of the respondents replied that they had or would establish their own

brands or reinforce their brand strategies in the coming two years. Likewise, the Hong Kong Electrical Appliances Manufacturers Association collaborated with the Hong Kong Productivity Council and published the "Strategic Road Map for the Future Development of Hong Kong Electrical Appliances Industry" a month later in December 2003. The research report also indicated the need for OBM (Original Brand Management) modes of business in the future:

¹As the beacon of the industry's direction, more manufacturers recognise that developing brand names could enhance the competitiveness of a company, as brand building helps creating a unique identity and quality image. Hong Kong companies, by migrating into OBM, may differentiate their products with those of competitors, such that it provides a basis for manufacturers to achieve higher profit margin and lessen the dependent on individual overseas buyers.

Nevertheless, many Manufacturing Enterprises (MEs) in Hong Kong are still struggling in launching their own brands because of the budget, resources and unknown factors involved.

2.2.2.2 The Demand and Importance

According to the Hong Kong Government's statistics, about 63,000 Hong Kong manufacturing companies set up factories in the Mainland in 2002, so the potential of brand development should be spectacular. With the confirmation of the second stage CEPA and the prevailing conditions of Hong Kong in the Pearl Delta River Region, the study of how brands evolve and how design can be used in the Hong Kong manufacturing industries will be very valuable as a guide for the development of manufacturing industries in the future.

As brand is deemed as a critical element in the Hong Kong manufacturing industry, the Chinese Manufacturers' Association of Hong Kong completed a survey on 'Members' Brand Development Strategies' in November 2003. More than 3000 questionnaires were issued, and 216 pieces were completed. The natures of the business were mainly consumer products, textiles and clothing and some percentage of trading and services. The companies generally associated brands with higher profit margin, better customer satisfaction, ease of introducing new product lines, better compatibility with competitors, etc. According to the respondents, reputation and quality are the most important cornerstones of a successful brand, followed by product distinctiveness, customer services, innovation, image and packaging. About 24% of them had plans for branding, and 37%

of them were interested in setting up their own brands within 2 years. Among the companies who already had plans, about 40% of them had more than 1 brand, and only 14.5% of them employed brand consultancy companies in their planning. The survey revealed the existing situation, the attitude and the projection of developing a brand of some of the manufacturers in Hong Kong. We can find many reports and surveys in the world, including the Hong Kong market, that stress the marketing side of brand building. Although the importance of design is frequently stressed, a systematic study of how product design relates to brand evolution does not exist so far. The mentions in existing reports are fragmentary only and they are not analysed from the perspective of design, and visual comparison and investigation is basically not the focus of study.

(Hong Kong Electrical Appliances Manufacturers Association, and Hong Kong Productivity Council, *Strategic Road Map for the Future Development of Hong Kong Electrical Appliances Industry*, Hong Kong Electrical Appliances Manufacturers Association, and Hong Kong Productivity Council, December 2003)

Recently, in the 2012/2013 Annual Report of the SE Dialogue in The Dark (DID) Hong Kong reported a gross profit of HK\$ 5 Millions in which the brand encompasses the provision of different experiences related to activities in the dark such as Dinner, Concert and Birthday in the Dark. The DID is a brand and the experiences are the offerings with a social vision founded at the

beginning – tolerate, dialogue and share with the visually impaired as well as other less privileged people. At present, the DID reveals the importance of branding and a balance of economic returns and satisfaction of social needs.

2.2.2.3 The Status of OEM and OBM

OEM in fact is earning the profit margin by providing production services through machines and engineering knowhow. However, they are ubiquitous in Mainland China and profit margin is shrinking smaller and smaller. 'Design' is seen to be the added values to increase the profit margin using the same set of machines and engineers.

The "Strategic Road Map for the Future Development of Hong Kong Electrical Appliances Industry" report analysed the subject from a wider perspective ranging from Market Research and Concept Development, Aesthetic Design and Prototype Capability, Engineering Design Capability etc. From the local study, it showed that 58% of the survey respondents frequently initiated the aesthetic designs of their products for their customers, while 32% of them occasionally employed this practice. Approximately 60% of the former conducted the aesthetic design by in-house design team. They noticed that designers provided a turnkey solution from aesthetic design to manufacturing, and yet the study was only a preliminary idea of how the manufacturers

invest in the design process — again it was not focused on the design practice in depth.

After the manufacturers had their own designs, the next problem was there were overwhelming numbers of designs and customers could not remember which product had been good. Brands came into place to organise and group designs together to form clusters and tried to print a longer term of memory in the mind of users and continue the connection between producers and customers. This gave birth to Original Brand Manufacturing (OBM). However, there are too many brand myths such as discussed in point 2.1.6, which made only few brand names succeeded in the arena.

To further understand the issue, it will be discussed in Chapter 5 of this thesis.

2.2.2.4 From Economic Focus to Social Focus – The Emergence of Social Innovation

Branding has been developing since the 70's in Hong Kong in the food, electronic and electrical, watch and clock, toys, jewellery, fashion and textile industries etc. The main focus is economic return in marketing promotion. Under the wave of social enterprises globally in the 2000's, Hong Kong has also been developing the idea of social enterprise since 2006 through the "Enhancing Self-Reliance Through District Partnership Programme" held by the Home Affairs Department of the Hong Kong

Government, in parallel with the conventional modes of production since the 70's. With the support from the Hong Kong Government, the "Social Enterprise Summit", since 2008, every year helps to bond the people and organisations in the trade together; and the development has been matured gradually nowadays. Social Brands are developing with different levels of engagement with the stakeholders. Innovation of all kinds from food and commodities to products, service and experiences such as the 'Dialogue in the Dark' experience is developed as brands and continually engage participants with exciting and first person experiences. It also recorded profit in the past years.

In the past few years, with the support of the Hong Kong Government and the concerted effort of the SE, some brands started to emerge and engage a wide range of stakeholders. They are not limited to customers, but also artisans, craftsmen, skilled labours affected by family conditions to be stayed at home or retired elites, housewives, the handicapped, the blind, who could contribute their different kinds of expertise not following the traditional types of nine-to-five working pattern. Such SE brands call customers to be a 'family', treating them as not only informed customers and fan clubs, but also engage them to partake in the planning and development of the produce or products. Engagement activities are not limited to the closely related products, but also cultural activities, Facebook friendship, media coverage and sharing, co-partners with shops and other SEs friends. Interestingly, these moves in branding and engagement

have been existed in the Original Strategy Management (OSM) type of business, except that they are regarded as 'strategies' to enlarge the sales capability and the stock market share, whereas the SEs are using these elements as a natural engagement like friends and families. Besides, the activities are basically local, happened within a community such as producing honey or soap on the place where the users resided. This also help the inactive local workforce such as the housewives to contribute to the production, workshop of teaching the production, and brand the products – which bear the names and seals of the makers.

Though CSR is practised in OSM type of business, it just co-exists with the social concerns of the SE type of business. To make the point clearer, the OSM is not changed or transformed to SE type, but there is such common characteristic of both types of businesses. Below is one of the examples practising by the Company TT regarding CSR rating for reference.



Figure 2.3 CSR Rating of Company TT by the CSRHUB.

(Source: http://www.csrhub.com/CSR_and_sustainability_information/Techtronic-Industries-Company-Limited/)

In a nutshell, branding has been generalised to a neutral role not only confined to the traditional role of promoting sales, but also extended to the role of promoting to consume less or to a balance of consideration of resources, business, social needs and the environments at the present stage. This will further be discussed in Chapter 5 and 6.

2.2.3 Visual Brand Language

Visual Brand Language had only been a prevalent term emerged in the last decade. However, the term Visual Language or Corporate Identity has been very popular since the 80's or the idea of identity could even be traced back to the Middle Ages. Knights and nobles in the Middle Ages often had a 'coat of arms'. This was a special symbol that represented their family. The first coat of arms was used to distinguish one knight from another. When a knight had on his full armor, including plate mail and helmet, even his friends could not recognise him. Because of this, knights began to paint symbols on their shields. They eventually began to put the symbol on their banner and the coat they wore over their armor. This is how it got the name 'coat of arms'. 'Heraldry' is the practice of designing, displaying,

describing, and recording coats of arms and heraldic badges. *Heraldry was created during the 12th century crusades, soon being seen everywhere from stain glass windows, treasures and many other art forms. Bearing these arms became a prerequisite to be able to enter into a tournament as to own a coat of arms is a statement of nobility that gets passed on from generation to generation.*

(www.themedievalclassroom.com.au) This formed the preliminary system for recognising the identity of soldiers and their families with specifications of shapes, colours, letters and description of layouts.

Lots of examples and studies could be found in the 80's and 90's related to **Corporate Identity**, which specified the logos, images, colours, fonts and applications. According to Hans P Brandt, the Managing Director of Total Identity (2008), there is interplay between identity and image identity.

Identity *(desired image) is how an organisation presents itself. It is apparent in its behaviour, its symbols and its communication. It is the reverberation of an organisation's 'personality'. The term 'corporate identity' is often used to convey the sense of 'desired image' and thus to make its ambitions directly visible.*

Image (perceived identity) is the actual mental picture that target groups have of an organisation. It is formed by all impressions and experiences that people have of the organisation, real or perceived. The formation of an image always has a cognitive component (what I know about company x) and an affective component (what I think of company x). Image and reputation are the same thing, although in popular language reputation is most often used in a judgemental sense and is therefore directed at the affective component.

The Report of 'The Visual Language of Brand 2010' is a recent report collecting more than 5,000 examples of logos, commodities and products. It categorises them into different types, cues and market trends. It points out that companies are mimicking each other in sharing the cues and languages for communication in the market places. Hence collections of similar logos and commodities are displayed for the understanding of the common languages or cues. No matter how large the sample base is, the cues of 3-dimensional design characteristics are still the unfolded dimension of the product design areas, which is considered as the implicit knowledge of the designers and not easy to be shown systematically.

Nowadays, Visual Brand Language is not only limited to 2-dimensional applications, but it is also widely applied in 3-dimensional products or even interior and exterior space. However only 2-dimensional symbols and images could easily be found from the perspective of visual identity or corporate identity in the latest literature. They involve types, logos, colours, ways of applications of the graphics, but not specification and applications of 3-dimensional forms.

One of the few case studies by Toni-Matti Karjalainen (2007), Helsinki University of Technology, Espoo, Finland, shared a related approach, which was called 'It Looks Like a Toyota: Educational Approaches to Designing for Visual Brand Recognition'. Similar products were compared individually in forms and colours but not across different modes of business such as OEM, ODM, OBM or OSN in Social Enterprises.

For other existing bodies of knowledge or literature by far, they focus on the theories of brand management or collection of brand logos. Those books include: The Visual Marketing Revolution (2013), Visual Methodologies (2012) and Brand Identity Essentials (2010). Though they are good references for the theories and examples of good brands, they do not tell 'how' these theories are executed visually in the design process, or what specifications and

details could be made explicit for the visual reference of designers and engineers.

2.3 Summary of the Literature Review

In this chapter, the definition of brand related terms are defined. Brand Equity is the set of assets and liabilities linked to the brand. There are three types of brand assets in Brand Equity – brand awareness, brand loyalty, and brand associations. If managed carefully, these elements could form closer emotional bonding with users, and sustain continually through the brands. Commodities, products, services and experiences as offerings to users today have relatively short life cycles. While technologies, markets and environment are changing rapidly; good brands are sustainable and relatively stable in the mind of stakeholders. Brands sustain in the mind of stakeholders by reminding the values of the offerings, which could either be 'designed' with respect to social, economic and environmental sustainability. While users could decode, remember and reflect upon the values, they will continually react and support interactively in the whole sustainable system. Most brand experts agree that branding is a believe system in which core values are decoded, accepted and internalised. Above all, brand is a value system of expectation, experience and projection. It becomes customers' reflection of judgment and values. These factors will affect whether a brand could sustain in the 3 dimensions: economic, social and environmental dimensions. Local and foreign examples are given

for the understanding of the importance and effects of branding. History and origin about branding in Hong Kong from OEM, ODM to OBM is reviewed, which could help to study the future development and how brand may sustain continually in the future. The emergence of SEs co-exists with the OEM-ODM-OBM-OSM modes of production. Although they are not a transition from the development of OEM-ODM-OBM-OSM, they also carry a common characteristic of earning profits from the production of the products. As for the difference, the emphasis of social needs is the new characteristic in this mode of production, which is named as Original Social Need (OSN). Apart from the elements mentioned above which will enable the sustainability of a brand, the Visual Brand Language is an element that communicates and enhances the brand sustainability in the visual sense. It represents the identity, image, forms, colours and hence memory of using the products. It tells 'how' the theories about sustaining brands are executed visually in the design process, or what specifications and details could be made explicit for the visual reference of designers and engineers.

3. Manufacturing Enterprises (ME) and Social Enterprises (SE) in Hong Kong

3.1 What are ME and SE?

3.1.1 The Definition of Terms

Small and Medium Enterprise

"Small and Medium enterprises (SMEs) or Small and Medium-sized businesses (SMBs) are companies whose personnel numbers fall below certain limits. The abbreviation "SME" is used in the European Union and by international organisations such as the World Bank, the United Nations and the World Trade Organisation (WTO). Small enterprises outnumber large companies by a wide margin and also employ many more people."

(http://en.wikipedia.org/wiki/Small_and_medium_enterprises)

"In Hong Kong, Manufacturing Enterprises with fewer than 100 employees and non-manufacturing enterprises with fewer than 50 employees are regarded as Small and Medium Enterprises (SMEs) in Hong Kong."

(http://www.success.tid.gov.hk/english/lin_sup_org/gov_dep/service_detail_68_63.html)

Hence, in general, for the manufacturing enterprises with employee numbers above or below 100, they will simply be defined as Manufacturing Enterprises (MEs) in this thesis.

Original Strategy Management (OSM)

Since the 70's, Hong Kong has been developing its industries from Original Equipment Manufacturing (OEM), Original Design Manufacturing (ODM), Original Brand Manufacturing (OBM) to Original Strategy Management (OSM). The first 3 terms are commonly used in Hong Kong and the last term Original Strategy Management (OSM) was first proposed by Prof. John Heskett in 2003, and was quoted by Boztepe, S. (2010). in the Thesis of Management, Innovation and Strategy in Danish Design Consultancies:

"Heskett's model has four levels too, which can co-exist, and identified as Original Equipment Manufacturing (OEM), Original Design Manufacturing (ODM), Original Brand Management (OBM), and Original Strategy Management (OSM)."

The term OSM was also used by The Open University of Hong Kong in the Conference on Marketing Innovation and Strategic Management of Transition from OEM to OSM 2009:

"The Chinese manufacturing industry has entered into an era of transformation from original equipment manufacturing (OEM) to original strategic manufacturing (OSM). To successfully accelerate the transformation, the elevation of marketing innovation and modern strategic management are essential. Organised by South China University of Technology and City University of Hong Kong, and co-organised by the OUHK's Lee Shau Kee School of Business and Administration, the Conference on Marketing Innovation and

Strategic Management of Transition from OEM to OSM was held on 3–5 July 2009 in Guangzhou to explore the above topic. Nearly 100 academics from Europe, US, Hong Kong and Mainland China, ... attended the Conference.” (OUHK Annual Report 2009-2010)

In the business applications, the following is one of the online examples regarding the use of the term 'OSM':

"Noble Jewelry Holdings Limited has been well regarded as one of the leading jewelry service providers. Leveraging on its years of experience in adopting the ODM (Original Design Manufacturing) and OBM (Original Brand Manufacturing) models, Noble Jewelry extends that to OSM (Original Strategy Management) business model to provide management mix and values added supply chain services for customers. The Group is the first jeweler in Hong Kong to meet both the ISO 9001 Quality Management System and ISO 14001 Environmental Management System for the design, manufacture and sales of jewelry products..."

(Source: http://www.jewellerynetasia.com/en-us/noble_jew)

The following description about the characteristics of OSM was presented to the HKSAR Government, Education and Manpower Bureau by invitation:

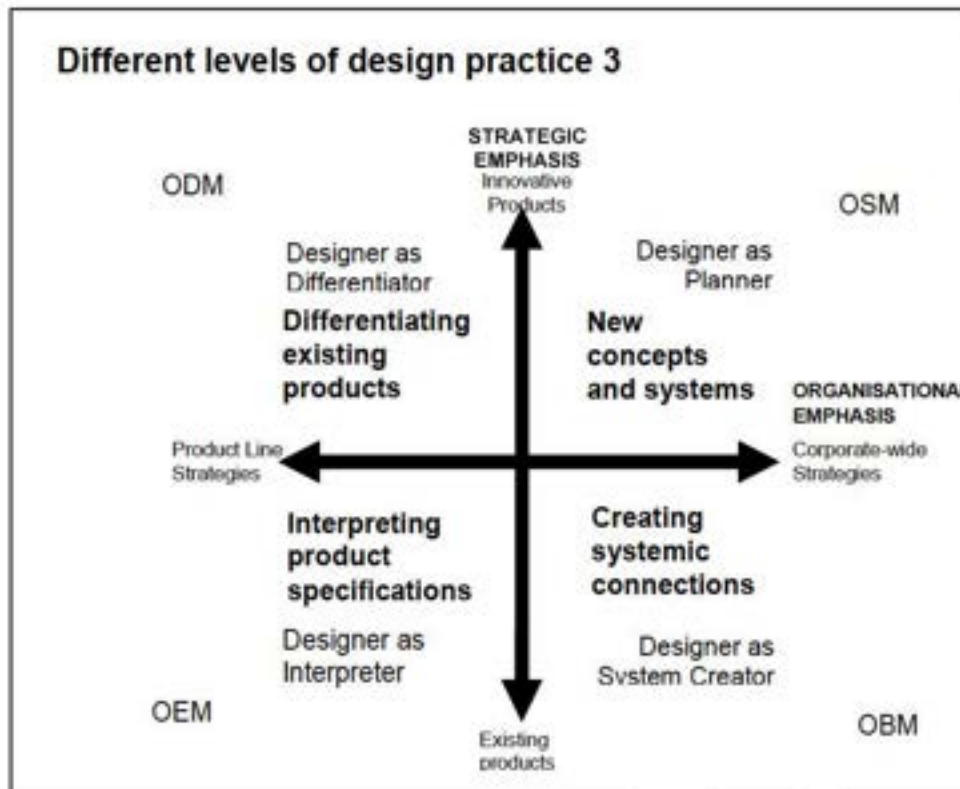


Figure 3.1 Different Levels of Design Practice: OSM

(Source: http://www.edb.gov.hk/attachment/tc/curriculum-development/kla/arts-edu/references/va/seminar%20notes_by%20John%20Heskett_%20version%20before%20editing_rev.pdf)

The OSM is about new concepts and systems. There are 2 emphases: Strategic emphasis and organisational emphasis, which involve innovative products and corporate-wide strategies respectively. In the OSM, the role of designer is a planner. Besides, OSM can co-exist with OEM, ODM and OBM.

Social Enterprise (SE)

A Social Enterprise (SE) is an undertaking operating with social vision and missions, which could be profit-making, partially profit-making with a margin usually lower than the conventional types of businesses, or non-profit making. The money earned will be reinvested into the business to continue develop the SE so that the social vision and missions could be continuously developed.

As SE is a prevalent term, so some definitions from present websites are quoted. In Wikipedia website, it defines a social enterprise as *"an organisation that applies commercial strategies to maximise improvements in human and environmental well-being, rather than maximizing profits for external shareholders. Social enterprises can be structured as a for-profit or non-profit, and may take the form of a co-operative, mutual organisation, a disregarded entity, a social business, or a charity organisation. The term has a mixed and contested heritage due to its philanthropic roots in the United States, and cooperative roots in the United Kingdom, European Union and Asia. In the US, the term is associated with 'doing charity by doing trade', rather than 'doing charity while doing trade'. In other*

countries, there is a much stronger emphasis on community organising, democratic control of capital and mutual principles, rather than philanthropy. In recent years, there has been a rise in the concept of social purpose businesses, which pursue social responsibility directly, or raise funds for charitable projects."

(http://en.wikipedia.org/wiki/Social_enterprise)

"A SE is an organisation that trades, not for private gain, but to generate positive social and environmental externalities (Santos 2012). Definitions of SE are abundant, and reflect distinct regional differences (Kerlin 2010). For example, in the US, SE discourse is dominated by market-based approaches to income generation and social change (Austin et al . 2006; Dees 1998; Defourny and Nyssens 2010), whereas in Europe, SE is located in the cooperative tradition of collective social action (Borzaga and Defourny 2001; Defourny and Nyssens 2010; Nyssens 2006). The UK borrows from both traditions, and the government-proposed definition states that an SE is 'a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners' (DTI 2002, p. 13).

All these definitions draw out the two defining characteristics of SE: the adoption of some form of commercial activity to generate

revenue; and the pursuit of social goals (Laville and Nyssens 2001; Mair and Marti 2006; Peattie and Morley 2008; Peredo and McLean 2006). Thus, SEs differ from organisations in the private sector that seek to maximise profit for personal gain by prioritizing social change above private wealth creation: typical social objectives include reducing poverty, inequality, homelessness, carbon emissions and unemployment (Dart 2004; Murphy and Coombes 2009). Hence, SEs are associated with pro-social motivations of wealth-giving, cooperation and community development (Lumpkin et al. 2013)."

Sustainability

In sustainability theories, generally people look at them from different perspectives such as social sustainability, economic sustainability and environmental sustainability. These elements usually inter-relate to each other with the participation of different stakeholders especially in the social innovation domain, which is the concern of today's social, economic and environmental development.

Sustainability is a general term in which every aspect of life has the concern of sustainability when it interacts with time factor, and usually there are constraints in limiting the sustainability such as natural resources, culture of lifestyle, economic benefits, technologies as well as government policies. Assuming all these constraints could be manageable, the concept of sustainability

still needs to be communicated and decoded by stakeholders or users if it is expected that the concepts of sustainability need to be 'sustained' in the minds and recurred continually.

3.1.2 Corporate Social Responsibility (CSR) and Its Importance

The emerging of Social Enterprise (SE) is a new trend developed on top of the traditional Small and Medium Enterprise (SME) in Hong Kong. While the manufacturing industry of Hong Kong is moving further to the north and west parts of Mainland China, the global trend of sustainable environment is becoming a great focus, and Corporate Social Responsibility (CSR) is conforming to become an index for the healthy growth of companies. These conditions give rise to the emergence of Social Enterprises with a social vision and smaller business units. Among those social visions and concerns, sustainability is generally an area that connects to the life of people nowadays.

Dimensions	The definition is coded to the dimension if it refers to	Example phrases
The environmental dimension	The natural environment	'a cleaner environment' 'environmental stewardship' 'environmental concerns in business operations'
The social dimension	The relationship between business and society	'contribute to a better society' 'integrate social concerns in their business operations' 'consider the full scope of their impact on communities'
The economic dimension	Socio-economic or financial aspects, including describing CSR in terms of a business operation	'contribute to economic development' 'preserving the profitability' 'business operations'
The stakeholder dimension	Stakeholders or stakeholder groups	'interaction with their stakeholders' 'how organizations interact with their employees, suppliers, customers and communities' 'treating the stakeholders of the firm'
The voluntariness dimension	Actions not prescribed by law	'based on ethical values' 'beyond legal obligations' 'voluntary'

Table 3.1 The Five Dimensions, how the coding scheme was applied and example phrases. (Alexander Dahlsrud, 2008)

Corporate Social Responsibility could be defined by 5 dimensions: The environmental, social, economic, stakeholder and voluntariness dimensions. Dahlsrud pointed out that *"There are many available definitions of CSR and they are consistently referring to five dimensions. Although they apply different phrases, the definitions are predominantly congruent, making the lack of one universally accepted definition less problematic than it might seem at first glance. The CSR definitions are describing a phenomenon, but fail to present any guidance on how to manage the challenges within this phenomenon. Therefore, the challenge for business is not so much to define CSR, as it is to understand how CSR is socially constructed in a specific context and how to take this into account when business strategies are developed."* (Alexander Dahlsrud, 2008)

In the Harvard Business Review December 2006, Porter and Kramer shared an article on the "Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility (CSR)", in which they pointed out the vital reasons why CSR is becoming more and more important, either willingly or unwillingly adopted or adapted by increasing numbers of companies. " *Governments, activists, and the media have become adept at holding companies to account for the social consequences of their activities. Myriad organisations rank companies on the performance of their corporate social responsibility (CSR), and, despite sometimes questionable methodologies, these rankings attract considerable publicity. As a result, CSR has emerged as an inescapable priority for business leaders in every country.*" (Porter and Kramer, 2006) Of course, in turn, it is the stock market and index that will also be affected if the public does not support the companies.

3.2 Social Innovation and SE in Global

Contexts

In the Stanford Social Innovation Review 2008, it quoted a previous 2003 article on the definition of Social Innovation. It defined Social Innovation as, "*the process of inventing, securing support for, and implementing novel solutions to social needs and problems.*" That same manifesto also described the publication's

unique approach to social innovation: "dissolving boundaries and brokering a dialogue between the public, private, and non-profit sectors."

"To summarise, it is essential to distinguish four distinct elements of innovation: First, the process of innovating, or generating a novel product or solution, which involves technical, social, and economic factors.

Second, the product or invention itself - an outcome that we call innovation proper. Third, the diffusion or adoption of the innovation, through which it comes into broader use. Fourth, the ultimate value created by the innovation."

(Phills, Deigmeier, Miller, 2008)

The 2 words 'social' and 'innovation' are not new vocabularies when read individually, but are relatively new when put together. The 4 dimensions of SI above provide a broader definition and reflect the reality at present.

Coincidentally, these 4 dimensions also present in the definition of Branding, in which the outcomes, processes - diffusion from for-profit to non-profit organisations in last decade, and values created and remembered in the mind of stakeholders also reflect the reality at present. Interestingly, the Social Enterprise (SE), which is using SI, is diffusing from non-profit to for-profit activities. This converging or

merging to a mixed mode of operation or development across the economic and social spheres brings us to the study of the outcome patterns, processes and the discussion of how these elements come together. That also constitutes to the topic of this research thesis: “Brand Sustainability and Social Innovation in Hong Kong”. The close relationship is reflected here.

To create social values, SEs have developed innovative strategies, new resource configurations (Austin et al . 2006; Zahra et al . 2009) and novel governance structures (McCarthy 2012; Membretti 2007). The strategic innovativeness of SEs is frequently asserted (Alvord et al. 2004; Bridgstock et al . 2010; Weerawardena and Mort 2006) and has been attributed to managing the demands of multiple stakeholders (Bridgstock et al . 2010), combining resources in new ways to meet social needs (Mair and Martì 2006), building social capital (Evans and Syrett 2007) and finding new ways to advance social change (Murphy and Coombes 2009; Steyaert and Katz 2004). The innovativeness of SEs has also been linked to resource constraints that, in turn, have created opportunities for new markets, products and services (Mair and Martì 2006; Seelos and Mair 2005; Di Domenico et al. 2010).

More recent studies exploring employment and volunteering have found the social component of the dual mission to be instrumental

in enabling SE leaders to recruit (Battilana and Dorado 2010) and mobilise effort from employees, volunteers and supporters (Haugh 2007; Membretti 2007; Thompson et al . 2000). The combination of enterprise and social mission has frequently been cited as a motivating force that provides employees with the intrinsic rewards of job satisfaction and as contributing to community impact (Bacchiega and Borzaga 2001).

Also, according to Liu and Ko (2012), staff turnover is higher in SEs with employees and volunteers compared with those with employees only and, therefore, prior to recruiting and relying on the efforts of volunteers, the costs and motivational advantages of volunteers needs to be carefully evaluated.

... In practice, the challenges summarised need to be addressed at the same time as maintaining commitment to social mission and nurturing relationships with stakeholders.”

(Doherty B, Haughand H, Lyon F. (2014).

There are resource constraints in the SEs that create opportunities for new markets, products and services. Apart from employees, supporters and volunteers are the stakeholders that contribute to the success of SEs. The integration of social missions and the idea of enterprise are deemed as a motivating force for employees, which provide job satisfaction and rewards as well as community contribution. It is also a challenge to maintain commitment to social mission and nurturing relationships with stakeholders.

3.3 Demographics and Development of SME in Hong Kong

As at December 2013, there were about 310,000 SMEs in Hong Kong, among them 10,633 SMEs were the manufacturing business units. The SMEs accounted for over 98% of the total business units and provided job opportunities to nearly 1.3 million persons, about 48% of total employment (excluding civil service).

(<http://www.gov.hk/en/about/abouthk/factsheets/docs/trade%26industry.pdf>)

(http://www.success.tid.gov.hk/english/lin_sup_org/gov_dep/service_detail_6863.html)

Since the 70's, Hong Kong has been developing its industries from Original Equipment Manufacturing (OEM), Original Design Manufacturing (ODM), Original Brand Manufacturing OBM (OBM) to Original Strategy Management (OSM). In the middle of the 80's, Hong Kong manufacturers began to relocate their manufacturing investment to the Mainland China with its lower cost and cheaper labour. However, since the middle of the 90's, they have experienced another tide of relocation of their investment. Under existing conditions of low growth, low inflation and strong competition, it is now very difficult to sustain competitiveness by only controlling the cost of capital and labour. Whether or not manufacturers can survive now also depends upon added values and high growth products. Meanwhile 'design' as an element in branding played a vital role in products appearance, product visual language to sustain values in the

memory and affection of customers. During the last decade, with increase in labour cost, Mainland social security fee in Pearl River Delta, most of the MEs have been moving further apart to the North West parts of China, and this give rise to the new form of the business mode of Social Enterprises in Hong Kong.

3.4 Demographics and Development of SE in Hong Kong

Hong Kong has been developing the idea of social enterprise since 2006 through the “Enhancing Self-Reliance Through District Partnership Programme’ held by the Home Affairs Department of the Hong Kong Government. From the data of the 2014 **Social Enterprise** (SE) Directory, there have been 714 SEs developed since 2006. In the latest 2013 SE Summit, the Organising Committee Chairlady, Dr. Jane Lee shared that, *“The Social Enterprise Summit was first organised in 2008 as a response to the Hong Kong community’s as well as the government’s growing interest in the cause of social entrepreneurship. In the past six years, the Summit has played a significant role in enhancing public awareness and understanding of the subject. In particular, it has made special endeavour to promote cross-sector dialogue and partnerships. The Summit is attracting increasing attention overseas, especially in the Greater China region.”*

In the summit programme book, the Chief Secretary for Administration, HKSAR, the Hon. Mrs. Carrie Lam, GBS, JP also

shared that "The Government has set up the \$500 million Social Innovation and Entrepreneurship Development Fund (SIE Fund). I hope the SIE Fund would help stimulate cross-sector collaboration and drive different resources to support social entrepreneurs in incubating and implementing new ideas, enabling the establishment of innovative and sustainable social enterprises..."

Social Enterprise has been a new kind of business around the world in the last decades. Different from the conventional Manufacturing Enterprise (ME) mode of production in Hong Kong, SE is even a smaller unit in the design development and production scale. OEM, ODM, OBM and OSM have been the 4 major modes of production, manufacturing and management process in Hong Kong industries since the 70's. As time goes by in the last decade, Social Innovation in form of SE emerged gradually from non-profit social services to profit-making business with recognised status and respect nowadays.

Small firms SEs survive because of the swift adaptation, understanding and interconnectedness of stakeholders in the whole chain of planning, production, consumption, post-consumption activities and up-cycling process. Besides, they are more viable among the connection of small cells or operation units, inter-connection or synergy could be fostered with complementary effects. This will be discussed in Chapter 6 later.

While the conventional modes of ME business based on design, production and management still exists, the new mode of business SE **emerges gradually and co-exists** in Hong Kong and around the world nowadays. It would be valuable to make comparison between these 2 modes of methods or approaches in the business models with relationship in design elements because it will provide sources of inspiration in the design process. Success factors could be compared and contrasted also. **Apart from marketing and business advantages, the design approaches, branding strategies, social visions and environment concerns would be of great value in the findings. Visual analysis and analysis related to design and arts and crafts co-creation would be the unique feature of this thesis.** Besides, MEs are usually concerning about factories and trading companies which focus on profit making as the top priority, while SEs usually possess social visions and concerns on environment but also have business concerns at the same time.

In the book on Social Enterprise published by Home Affairs Bureau in December 2007, there was a bilingual message from the HKSAR Chief Executive Donald Tsang. The English text contained the following passage:

"Social enterprises can be developed in multiple ways, and successful social enterprises share three common features: Like commercial interests, a social enterprise has to be run in such a

way as to generate revenue from the provision of services or products. It should be business-minded, operate on a continuous basis and adapt to market changes to be financially self-sustained; Social enterprise sets specific social objectives, such as providing products or services for the elderly or the poor. They create employment and training opportunities for the socially disadvantaged. They protect the environment, or fund other social services organisations through the profits earned; Profits should principally be reinvested in the business or in the community to help achieve specific social objectives. Maximizing profit is not the ultimate goal of a social enterprise."

However, nowadays it is a hot topic of defining the percentage of reinvestment to the business and percentage to be given to the shareholders. In the Hong Kong Social Entrepreneurs Newsletter, it was proposed to define SE as:

"A social enterprise is a business with a social mission; it aspires to become self-sustaining by generating income and profit, but its profits are primarily for reinvesting in the enterprise to further fulfill its social mission. For government-funded social enterprises, no profits are to be distributed to shareholders; for privately funded social enterprises, the recommended ceiling of distribution of profits to shareholders is 33%."

(the Social Entrepreneurs Newsletter , Issue 91, 18 Dec 2010, Edited by KK Tse

http://www.hksef.org/files/files/Social_Entrepreneurs_Newsletter_No_91.pdf)

In the Research Study on the Social Enterprise Sector in Hong Kong by The Chinese University of Hong Kong (2014), Social Enterprises are studied and the following shows the characteristics, brand building process, Strategic Vision and Policy Priorities in SE Promotion. This information provides useful references to the ground understanding, and how SEs are sustained through branding and promotion as well as the role of networking with different stakeholders in the society.

"Characteristics and Background Information of SEs

SEs are characterised by their double bottom lines to achieve social missions and commercial sustainability as a business enterprise. SEs have been developing in Hong Kong for over a decade, and have gained better public awareness in recent years. Over this period, both from a policy perspective and in practice, they have taken up many responsibilities and fulfilled a lot of expectations of the community.

The development of the work integration social enterprise (WISE) (i.e. social enterprises that aim to facilitate the gainful employment of the socially disadvantaged groups for better integration into the society) first took off in 2001 to address the unemployment problem of people with disabilities. The WISE has become a popular model for both Government and non-governmental organisations to support initiatives for alleviation of poverty since then.

In our survey, 83.3% of SEs (145 out of 174 respondents) stated that work integration is their social objective. Hong Kong has many strong WISEs, and now other types of SEs have gradually developed as well.

More SE practitioners seek to apply social innovations through the work of the increasingly diversified SEs to address previously intractable social problems. These SEs differ in social objectives, ownership, governance structure, business models, and tend to address broader social issues beyond job creation and work integration. These issues include environmental protection, heritage revitalisation, promotion of social cohesion and caring for the elderly, etc.

In terms of development stage, 18% of SEs are starting up and 69% of them are either operating stably or scaling up. 60% of SEs are registered charitable organisations or part of such organisations and 37% are registered as companies. 62% of SEs achieved a breakeven or gained profit in 2012.”

Brand-building and Market Promotion of the SE Sector:

Compared to similar inquiries that have been conducted in the past, the present poll adopted a more comprehensive framework to examine the respondents’ receptiveness to SEs over five related areas including (i) awareness; (ii) appreciation; (iii) acceptance; (iv) action; and (v) gotten accustomed to supporting

SE.

Bridging Awareness and Action: Quite a lot of Hong Kong people have already tried using SE products or services (accounted for 17.9% of the poll respondents). However, comparing to the overall level of public recognition of SE, there has ample room for making progress in growing the SE market. The key is to convert awareness into action, and measures to strengthen consumer engagement and induce consumer action should be explored.

Effective Marketing Communication: Many SE operators are small in scale and lack the capacity to undertake meaningful sales and marketing campaigns. This is the main reason why the Government needs to assume a prominent role in marketing and promotion, and it should continue to play a role in assisting the SE sector to launch sector-wide marketing and media campaigns.

Given the unique nature of SE and its emphasis on social value creation, the sector should strengthen its use of both "social media" and "social change media" in the future marketing campaigns.

Strategic Vision and Policy Priorities in SE Promotion

Given the historical context under which SEs have been developed in Hong Kong, it is understandable that at present we have a relatively strong group of WISEs as compared with those

SEs serving other kinds of social objectives. The general public still sees poverty alleviation and job creation for the disadvantaged being the chief functions served by the SEs. While there is increasing awareness of SEs, we have yet to have wide recognition in the community of the distinctive features of SE as a new platform for different sectors and organisations to meet the needs of community groups with "innovative approaches".

In the light of the emergence of new breeds of SEs and their increasing organisational diversity, promotion across sectors will yield better results if there are clear and common themes. In this connection, this research inquiry -- in particular the case research findings as discussed in Chapter 2 -- suggests that encouraging social innovation in public problem-solving (鼓勵社企以創新方法解決社會難題) and facilitating multi-stakeholder participation in SE development (協助眾多持份者參與社企發展) should be the themes when the Government supports development of the SE sector in Hong Kong. ...Finally, connecting SE promotion with local community building is proposed as a means of solving social problems at district and neighborhood levels.

The benefits could spill over from the SE sector into the education and business sectors. A case in point is impact investing which has developed into an asset class in the finance sector. (Kaplan, S. 2010) Hong Kong can develop into an impact-investing hub where social innovators, impact investors, family foundations, and social entrepreneurs flock to work together, better jobs, lively

communities, and exciting living could be the results. When this happens, Hong Kong can become a regional hub of SEs and acquire a new kind of competitiveness beyond its infrastructure and legal institutions.”

In summary of this Research Study on the Social Enterprise Sector in Hong Kong by The Chinese University, the double bottom lines to achieve social missions and commercial sustainability as a business enterprise are the main characteristic of SEs. Brand-building and market promotion of the SE sector is important to make users to be receptive to SEs. There are 5 areas of engaging the users: (i) awareness, (ii) appreciation, (iii) acceptance, (iv) action, and (v) gotten accustomed to supporting SE. Besides, “social media” is a way to strengthen the emphasis of social values creation. Finally, clear objectives, brands and social values of SEs can be sustained through facilitating multi-stakeholder participation in SE development. This research study provides some ground information, which supports the discussion of SEs in Chapter 6 about how brands of SEs are sustained at present and in the future.

4 Research Methodology

4.1 Grounded Theory and Comparative

Analysis

Glaser and Strauss established the principles of grounded theory as the inductive development of theory from qualitative data, using a general method of comparative analysis (Glaser and Strauss 1967). They stated that, "*In discovering theory, one generates conceptual categories from evidence, then the evidence from which the category emerged is used to illustrate the concept.*" Glaser and Strauss deemed that in order to develop a theory from data, a researcher only require enough data to suggest a hypothesis, not prove it. Grounded theory development implies a constant comparison approach to data analysis.

The goal of the Grounded Theory approach is to generate theories that explain how some aspect of the social world 'works.' The goal is to develop a theory that emerges from and is therefore connected to the reality the theory is developed to explain.

The constant comparative method is a method for analyzing data in order to develop a grounded theory. Glaser and Strauss (1967) suggest that when used to generate theory, the

comparative analytical method they describe can be applied to social units of any size.

As Glaser and Strauss (1967, pp. 28-52) describe it, this process involves:

- Identifying a phenomenon, object, event or setting of interest
- Identifying a few local concepts, principles, structural or process features of the experience or phenomenon of interest
- Making decisions regarding initial collection of data based on one's initial understanding of the phenomenon. Further data collection cannot be planned in advance of analysis and the emergence of theory
- Engaging in theoretical sampling -- Subsequent sampling decisions should be purposeful and relevant.
- The rationale for selecting comparison groups is the researcher's theoretical relevance for fostering the development of emergent categories.

Coding procedures in Grounded Theory Approaches

Strauss and Corbin (1990) describe some flexible guidelines for coding data when engaging in a Grounded Theory analysis:

- **Open Coding** - "The process of breaking down, examining, comparing, conceptualising, and categorizing data" (p. 61).
- **Axial Coding** - "A set of procedures whereby data are put back together in new ways after open coding, by making connections between categories. This is done by utilising a coding paradigm

involving conditions, context, action/interactional strategies and consequences" (p. 96).

Selective Coding - "The process of selecting the core category, systematically relating it to other categories, validating those relationships, and filling in categories that need further refinement and development" (p. 116).

During the analysis process, data coding will guide subsequent theoretical sampling decisions.

After collecting additional data, the researchers return to analyzing and coding data, and use the insights from that analysis process to inform the next iteration of data collection.

This process continues until a strong theoretical understanding of an event, object, setting or phenomenon has emerged.

4.2 Data Collection

Data collection was carried out in two phases. The objective of the first phase was to develop a framework using comparative analysis of branding in relation to design and manufacturing modes from four case studies covering OEM, ODM, OBM and OSM modes of business of MEs in Hong Kong. The objective of the second phase, was to investigate and develop a framework using comparative analysis again for the Original Social Needs (OSN) of SEs in Hong Kong. This is to be studied in Chapter 5

and 6 respectively. (refer to section 1.4 – Outline of Study). Then they will be further compared and contrasted in Chapter 7 with respect to their Visual Brand Language (VBL) as well as the strategies involved, the success factors and limitations.

The research started with qualitative interviews, note taking, samples collecting of designs and printed visuals. Initial analysis was carried out within the individual companies to form framework. Then frameworks among companies of the two phases were compared and contrasted, and finally an overall refined frameworks concerning the VBL and strategies contribute to the success and failure of the brands will be formed.

The qualitative interview questions can be found in Figure 4.1 below.

1. Initial Open-ended Questions

1. What is your story of experience in the development of products and brand?
2. When did you first experience or notice that there was a need of engaging your customers?
E.g. promotion, branding or whatever kinds of methods
3. Could you describe how did you start your design or production team?
4. Could you share with me a successful story of your own design
(Example: expectation, process, success, failure?)
5. How did you think of your brand name? New name (or acquired)?
What's your experience on this? Others comments?
6. Do your company practise OEM, ODM, OBM, OSM, OSN? at the same time or one after the other or only one?
7. Actually, in your experience, how do you compare 'OEM, ODM, OBM, OSM & OSN from the angle of a company owner/designer.
8. Which mode of manufacturing or management in your experience was more beneficial to your company? Why?

II. Intermediate Questions

9. What are your strategies in building up your products, to make more people like them and connect the people continually?
10. What is the length of the product development life cycle in general?
11. Tell me about your thoughts and feeling on the success of some successful brands you learnt about?
12. Approximately when do you or your company first learn about branding and its importance?
13. Has any agent or source been helpful to you in managing/ setting the brand strategies? (Employing branding agents, internal marketing people, from books and magazines, seminars?)

III. Ending Questions

14. What's the vision and mission statement of your company, if any?
15. Do you find any difference in designing/making a product with or without brand?
16. If yes, are there any specific criteria or standard for the branded products (in the R&D or similar depts.)?
17. Whom do you think should know about the brand characteristics and strategies apart from the CEO and R&D Manager?
18. In your view, what could be the important elements or strategies, which work together with branding?
19. How do you rank these elements which contribute to the success of a good brand: (a short list in point form will be given to interviewees for easy ranking)
Rank these elements which you think they will contribute to the success of a good product:
 - advertising,
 - product quality,
 - emotional value/ impact to users,
 - environment concerns,
 - experience of use,
 - features (kinds of function of a product),
 - price,
 - safety,
 - styling and appearance,
 - Others _____
20. How will you comment on the Story/History of a Brand in your company in helping the successful result of the products? (in terms of 'familiarity' and 'favourability')
21. How about setting position and character to a brand?
22. Though branding is not only about giving a name or logo to products, do you think it makes a difference if you have a good name and logo? Why?
23. What problems did you encountered when actually introducing, re-vitalising or maintaining a brand? Any sources led to the problems? How did you resolve them?
24. Some brands like Nike have a mission statement, like 'just do it', how do you think that they add to the brand?
25. Would you mind sharing with me some visual elements such as logo, printed materials, catalogues and online visuals in relation to your company and products?
26. How did you or your boss support branding at any point of the history of your company?

27. Today small unit is good and flexible and have good potential of growing...
No. of people in your company? No. of types product or product line?
Turn over per year?

Figure 4.1 Qualitative Interview Questions for the research

Mapping of Interview Questions with Research Objectives and Questions

Research Objectives & Questions (Key Words)	Interview Questions				
Open Coding	I. Initial Open-ended Questions	II. Intermediate Questions		III. Ending Questions	
<p>Objective 1</p> <p>strategies, systems and processes of the development</p> <p>with respect to visual design elements (products appearance and visual language)</p>	<p>1. What is your story of experience in the development of products and brand?</p> <p>2. When did you first experience or notice that there was a need of engaging your customers? E.g. promotion, branding or whatever kinds of methods</p> <p>3. Could you describe how did you start your design or production team?</p> <p>4. Could you share with me a successful story of your own design (Example: expectation, process, success, failure?)</p> <p>5. How did you think of your brand name? New name (or acquired)? What's your experience on this? Others</p>	<p>9. What are your strategies in building up your products, to make more people like them and connect the people continually?</p>		<p>15. Do you find any difference in designing/making a product with or without brand?</p> <p>18. In your view, what could be the important elements or strategies which work together with branding?</p> <p>19. How do you rank these elements which contribute to the success of a good brand: advertising, product quality, emotional value/ impact to users, environment concerns, experience of use, features (kinds of function of a product), price, safety, styling and appearance, Others _____</p> <p>23. What problems did you</p>	<p>16. If yes, are there any specific criteria or standard for the branded products (in the R&D or similar depts.)?</p> <p>25. Would you mind sharing with me some visual elements such as logo, printed materials, catalogues and online visuals in relation to your company and products?</p>
<p>and brand sustainability (engagement with stakeholders, emotional bonding, and value creation)</p>			<p>10. What is the length of the product development life cycle in general?</p> <p>12. Approximately when do you or your company first learn about branding and its importance?</p>		<p>14. What's the vision and mission statement of your company, if any?</p> <p>21. How about setting position and character to a brand?</p> <p>22. Though branding is not only about giving a name or logo to products, do you think it makes a difference if you have a good name and logo? Why?</p> <p>24. Some brands like Nike have a mission statement,</p>

	<p>comments?</p> <p>6. Do your company practise OEM, ODM, OBM, OSM, OSN? at the same time or one after the other or only one?</p> <p>7. Actually, in your experience, how do you compare 'OEM, ODM, OBM, OSM & OSN from the angle of a company owner/designer.</p> <p>8. Which mode of manufacturing or management in your experience was more beneficial to your company? Why?</p>			<p>encountered when actually introducing, re-vitalising or maintaining a brand? Any sources led to the problems? How did you resolve them?</p> <p>27. Today small unit is good and flexible and have good potential of growing... No. of people in your company? No. of types product or product line? Turn over per year?</p>	<p>like 'just do it', how do you think that they add to the brand?</p> <p>26. How did you or your boss support branding at any point of the history of your company?</p>
<p>collaboration of different kinds of stakeholders including artisans, artists, designers and professionals in the fields of social work, business, environmental NGOs, education etc.</p> <p>Therefore this collaboration encompasses different ways of co-operation and functions</p>			<p>13. Has any agent or source been helpful to you in managing/ setting the brand strategies? (Employing branding agents, internal marketing people, from books and magazines, seminars?)</p>		<p>17. Whom do you think should know about the brand characteristics and strategies apart from the CEO and R&D Manager?</p>
<p>Successful factors and advantages</p>			<p>11. Tell me about your thoughts and feeling on the success of some successful brands you learnt about?</p>		<p>20. How will you comment on the Story/History of a Brand in your company in helping the successful result of the products? (in terms of 'familiarity' and 'favourability')</p>

<p>Axial & Selective Coding</p> <p>Objective 2</p> <p>As SE is a relatively new kind of business, it would be compared and contrasted with the conventional modes of SME business in Hong Kong. Success factors of SE and ME in terms of brand strategies and visual systems will be compared and contrasted.</p> <p>Question 1</p> <p>What are the differences and similarities among conventional modes of manufacturing business in Hong Kong from OEM, ODM, OBM, to OSM, and Original Social Needs (OSN)</p> <p>Question 2</p> <p>How did they develop with brand strategies in different contexts?</p> <p>Question 3</p> <p>What are the successful factors in terms of brand strategies and design visual elements involved?</p>	<p>After Opening Coding process, results of above will further be put together to form Axial Coding then Selective Coding related to Objective 2 and the following Research Questions.</p>
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According to Strauss and Corbin (1967), researchers should discover the findings without a predefined structure. However, Charmaz (2014) asserted to predefine a structure before interview, though the structure still allows flexibility of change during coding process. Besides, the above open-ended nature of some questions allows diversified answers.

4.3 Choice of Cases

Case study selection and population are important issues in grounded theory development where “sampling of cases when building theory relies on theoretical sampling” (Glaser and Strauss 1967). In grounded theory development, cases are chosen for theoretical rather than statistical reasons and “the goal of theoretical sampling is to choose cases which are likely to replicate or extend the emergent theory” (Eisenhardt 1989). Theoretical sampling is the process of comparing new areas with existing information. It is a kind of qualitative research rather than quantitative. It enables a deeper understanding of partially known and analysed cases, which could further facilitate the development of concepts and frameworks through comparison.

Based on the theoretical sampling approach and existing access opportunities, 7 relatively similar organisations were selected. The research started with the review of literature of branding and manufacturing industries in local and overseas contexts as well as the emergence of social enterprises in Hong Kong in the current situation. Case studies of 7 Hong Kong based companies, from very small size to international renowned companies in the stock market, were involved. The common point is *they all rely on design and branding in their business development*. They represented different types and sizes of typical Hong Kong manufacturing from Original Equipment Manufacturing (OEM),

Original Design Manufacturing (ODM), Original Brand Manufacturing (OBM) to Original Strategy Management (OSM), and Original Social Needs (OSN) at present. This study recorded the prime age of typical Hong Kong Manufacturing Enterprises (MEs) businesses, which develop in parallel with the new mode of small unit size Social Enterprises (SEs) nowadays. Apart from mode of manufacturing, the focus of business is moving from economic coverage to social and environmental coverage, which are naturally and gradually accepted and practised by emerging companies and individuals in Hong Kong and over the world.

Based on the required characteristics of this study, I tried to search for companies that suited the requirements, and at the same time they should be accessible for interviews and information collection. With my former experience of study and work, I located the first 2 companies in which the design managers were my previous classmates in the Industrial Design Degree Programme in the Hong Kong Polytechnic University, and the nature of their businesses matched well with the first 2 modes of businesses – major in OEM and ODM respectively. As for the companies major in OBM and OSM, I located the third and fourth companies by connecting the CEO and design manager of the companies in which I had worked for. With the relationship and trust in me, they were willing to share their experiences and practices with me. Finally, the connection of the social enterprises (SEs) came from my recent linkage with the founders of the 3 companies, and the linkage of the Hong Kong Honey and

KACAMA started from collaboration of student workshops and visits to the SEs, which were part of the study activities of my students in the Hong Kong Design Institute. The workshops were not directly related to my study, but I got the chance to get acquainted with them and hence further interview is possible. While for SoSoap, I was introduced to the founder by one of my secondary schoolmates, and the founder was so eager to share about her experience before and after the setup of the SE, especially her personal story of the 3-year yacht travelling around the world, which changed her world view before the setting up of her SE. Among these 7 companies, the former 4 MEs would like to keep their names anonymous, whereas the 3 SEs are welcome to share their information with their names opened.

Introduction of the 7 Cases

1. Company BL

Company BL is a typical OEM electronic toys company found in 1952. It practises mainly Original Equipment Manufacturing (OEM) and Original Design Manufacturing (ODM) business and some Original Brand Manufacturing (OBM) in its business. Its annual turnover is HK\$ 1.8 Billion. Though its main business is in OEM and ODM, it notices the importance of branding, so it is one of the focus developments now and in the future.

2. Company EL

Company EL is an electronic communication products company. It practises mainly Original Design Manufacturing (ODM) business and some Original Equipment Manufacturing (OEM) and Original Brand Manufacturing (OBM) in its business. Its annual turn over is HK\$ 4.4 Billion. Design and branding are important for their development, but visual brand language (VBL) is considered as a kind of 'constraint' in their design manual.

3. Company TT

Company TT is a Hong Kong based electrical and electronic power tools company with a turnover growing gradually from HK\$ 4.8 Billion to HK\$ 15.8 Billion from 2003 to 2013. In the Strategic Review 2013, the Chief Executive Officer mentioned that "*At TT we are highly focused on our strategic drivers: powerful brands, innovative products, exceptional people, and operational excellence. These are the keys to our continued growth and success.*" Powerful brands rank first in his forward and actually this company owns more than 10 brands in its product lines. This will be a very good example of studying branding and designs, and this one is the largest company within this study.

4. Company SL

Company SL is a Hong Kong based watches manufacturers. It is one of the largest watch companies in Hong Kong. Though its

sister company recorded a HK\$20.6 Billion turnover in 2013, since the Hong Kong company is still a private company, so the figures are confidential. The value of studying this company is it designs many sub-brands under the main brand and the VBLs are unique in the development process.

5. 'So...Soap!' 區區肥皂

A Hong Kong mother aims at raising the awareness of housewives' needs, sustainable and healthy lifestyle through handmade soap production locally in the communities they are living in. The motto "Your hand can make a difference" on So...Soap's bottles reflected its founder Ms. Bella Ip's mission to promote a sustainable future with this eco-conscious brand. Established in 2008, the first handmade soap was sold and now expands to 37 shops selling the products of her team of mothers, including the Lane Crawford in Central, Hong Kong. The Chinese brand name has a double meaning – "simply soap" and "each district has its soap", a reference to her aims of producing simple soap in each community. In addition, an advertising agency is helping SO...SOAP to brand its products making it one of the famous brands of SE in Hong Kong.



Figure 4.2 SO..Soap!'s production kit for producing handmade soap. And the original 500 ml recycled plastic bottle (right top) and the hybrids packaging (right bottom)

Source: SO...SOAP Company

6. Hong Kong Honey

Hong Kong Honey is a typical Social Enterprise in Hong Kong, founded by Mr. Michael Leung. He sets up his studio in different parts of Kowloon and finally settles in Shanghai Street, Yau Ma Tei, Kowloon at present. Before establishing HK Honey in July 2010, Michael had become Hong Kong's first urban beekeeper, regardless of his design background previously. Hong Kong Honey is first of its type in Hong Kong, which keeps bees at urban rooftops, and supplies for the restaurants nearby for the fresh honey. It also produces bee wax candles with recycled containers but with its specially designed labels. Workshops are held to share with those with the similar visions and the participants include students from tertiary education. Recently, InterContinental Hotel Hong Kong has collaborated with Hong Kong Honey to establish their rooftop honey to become the first hotel with a self-owned beehive in Hong Kong. The brand name

of HK Honey is now quite well known in Hong Kong supported by art and design activities and the SE community.



Figure 4.3 InterContinental Hotel, Hong Kong, Chefs and Michael Leung.

Source: <http://hk.dining.asiatatler.com/news/hong-kong-s-first-hotel-with-a-rooftop-beehive>

7. KaCaMa Design Lab

The KaCaMa design Lab is set up by 3 design graduates of the Hong Kong Polytechnic University. The name of the company is the initial of the Chinese name. In the logotype, the radicals of the Chinese characters are subtly revealed. The company calls itself a lab because its focus is to explore new sustainable materials in their design process. The logotype also implies a look of the chemistry periodic table elements according to their idea. The idea of focused branding is in its development stage and the present focus is exploring possibilities of new designs. Apart from using sustainable materials, it also sources potential producers and materials providers in Hong Kong.

In Figure 4.4, The company not only produces social and eco-conscious designs, but also uses the same team of workers producing the meal – on spot production, to produce the candles.



Figure 4.4 An social and eco-conscious candle design using kitchen wastes (egg shells).

Source: KaKaMa Company

After interview with these companies, within case comparison and across cases comparison would be carried out to analyse, describe, articulate and interpret the research questions by data analysis tools discussed in the following section.

4.4 Data Analysis

In Grounded Theory development using case study methodology, Eisenhardt asserts an overlap of data analysis and collection, with field notes including both observation and analysis. She also recommends maintaining flexibility of data collection in theory building and states that, "It is legitimate to alter and add data collection methods during a study." This includes the addition of cases as well as questions to a protocol (Eisenhardt 1989).

Two level of analysis are being suggested, they are **within-case analysis and cross-case analysis** (Eisenhardt p189, Yin 1994). Apart from pure description to generate the insight of the case study, visual images and comparison charts will be produced to illustrate the characteristics of the findings. The open, axial and selective coding method will be used step-by-step with the collected information in an inductive manner.

5. The Framework of ME Operation in Relation to Brand Sustainability

5.1 The Strategies Adopted

5.1.1 Manufacturing as the Base

Since the 70's, Hong Kong has been developing its industries from Original Equipment Manufacturing (OEM), Original Design Manufacturing (ODM), Original Brand Manufacturing OBM (OBM) to Original Strategy Management (OSM). Actually, manufacturing is the base for these modes of operation by the Manufacturing Enterprises (MEs). Figure 5.1 shows the co-existence of the 4 modes of manufacturing and management.

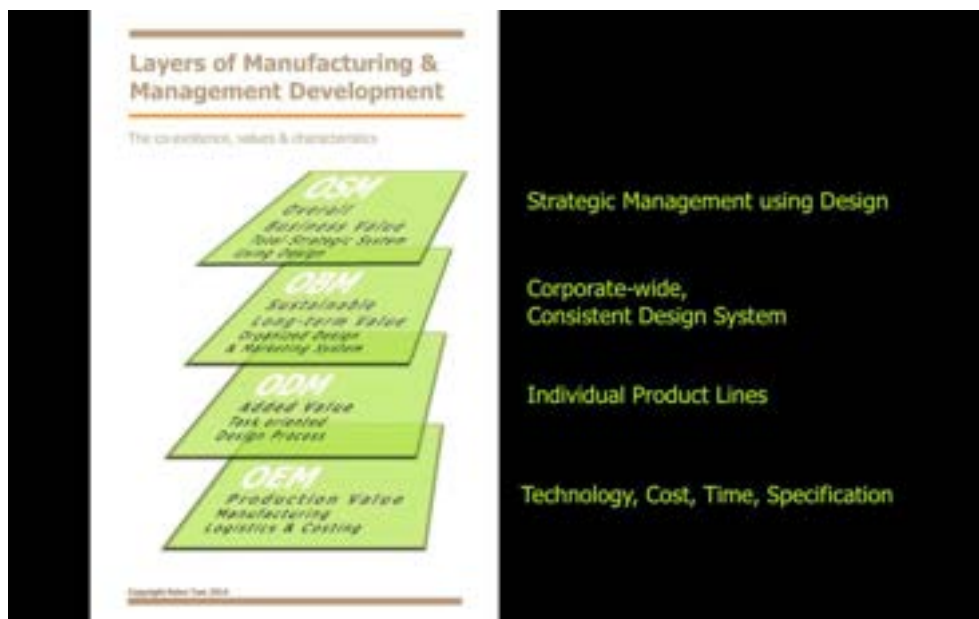


Figure 5.1 Layers of Manufacturing and Management Development of the Hong Kong MEs

Though these 4 modes of operation happened one after the other in history, they co-exist nowadays as many companies are working in mixed modes. They have the common point of

manufacturing, but the focus of values and characteristics are different. Besides, these layers could reflect the adoption of different modes of manufacturing and management together or selectively.

Original Equipment Manufacturing (OEM)

OEM earns its name in the original engineering aspects with special technologies, engineering knowhow in production in satisfying the specifications of its clients who provide design and sometimes with control drawings. The critical factors are costing and time control.

Original Design Manufacturing (ODM)

ODM manufacturers usually develop its own design after a period of suffering from low profit margin in doing OEM, in which it discover design is the element that could come in a set such that the clients must buy the production service together with the designs they made. Designs are treated as the promising partners that could ensure continual and higher-profit production as OEM, and individual product lines could be established.

Original Brand Manufacturing OBM (OBM)

Branding has been treated as the magic wand on top of product design when product lines are accumulated year by year and customers cannot remember the design one by one and when the product cycle is changing fast in the market. Manufacturers relies these branded categories to set up their image and status in trade fair and promotion. It takes a long road to establish a good brand, and there are brand myths in the grey area of the mind of many manufacturers, which has been discussed in Section 2.1.6

before. No matter how many brands died daily, OBM helps to establish a corporate-wide consistent system in the development and production process.

Original Strategy Management (OSM)

OSM is an overall strategic management using design and strategic factors to manage the business, such as to manage the manufacturing business to the wholesale and retail scope, extend the product line to a variety of products, and working with media and university partners. Nowadays, some larger companies even extend to the social sphere to reinforce the image of Corporate Social Responsibility (CSR) as a kind of strategy, which has been discussed in Section 3.1.2. and will further be articulated in Chapter 6 of this thesis.

Figure 5.2 shows the demographics and background of the 4 cases studied. They all have over 13 years of operating their brands, which they deem as an important asset for the development of their companies. Most of them have self-developed brands, and only one company - the TT Co. has over 10 acquired brands which are proved to be very successful and the stock market values increased gradually from HK\$ 4.8 Billion to HK\$ 15.8 Billion from 2003 to 2013 (TT Company Annual Report 2003 to 2013). There is also a trend that the OBM weighting for the two bigger companies TT and SL is much higher, and they have shifted away from the OEM business successfully over the years. Whereas the smaller company BL is still operating with a major focus in OEM.

	Co. BL	Co. EL	Co. TT	Co. SL
Nature	Electronic Toys	Wireless Electronic Products	Electrical and Electronic Tools & Equipments	Complete Watches, Movements, Jewelleries, Printers, LCD Displays
Turnover in 2013 (HK\$ Billion)	1.8	4.4	15.8	--
Founded in (Year)	1952	1988	1985	1930
In Stock Market	No	2000	1990	1960
OEM weighting	***	*	--	--
ODM weighting	***	*****	***	**
OBM weighting	*	**	*****	*****
OSM weighting	--	--	**	***
Experience of Developing OBM (Year)	13	15	15	46
No. of self-developed brand	2	2	0	10
No. of acquired brand	0	1	10+	0

Figure 5.2 The Demographics and Background Information of the 4 cases studied.

Figure 5.2 depicts the comparison of the 4 cases in different degree of the 4 modes of manufacturing and management in layers format. The weighting factors are based on a few elements expressed by the interviewees such as the emphasis of their companies' development, and the numbers of the 4 modes of manufacturing products. However, since it is not a quantitative analysis, so they are not presented in numbers.

It could be observed that design and branding are the common elements in the 4 companies, where the company EL has a heavy weighting in the design factors but not strong in other 3 factors. The larger the company, the heavier is the dependent on branding. OSM is only found in the company TT and SL only, and

the bottom OEM layers are transparent, which implies that there is no OEM mode of manufacturing in the 2 companies.

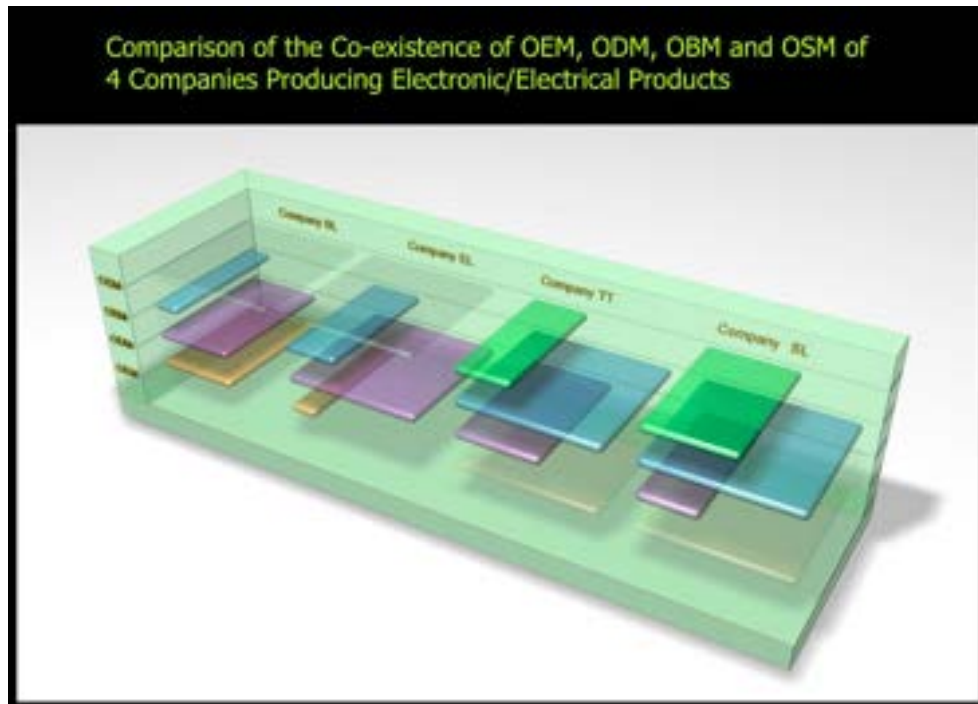


Figure 5.3 The comparison of the 4 cases in different degree of the 4 modes of manufacturing and management in layers format.

5.1.2 Design and Brand as the Values

In OEM, the main value comes from the production knowhow, logistics and costing. As there are many OEMs in the Pearl River Delta areas, hence the competition is very keen. It becomes harder and harder in surviving the condition nowadays.

In ODM, design and design process are considered as the 'added values' to products, which make them exclusive for production and sales. Instead of measuring products by common functions, weight of plastics and speed of production, design adds values not only to customers, but also enable exclusive production by the OEM facilities already in place.

As for OBM, it considers the sustainable long-term value of a company and its products rather than individual design pieces. It organises designs to a totality and give stakeholders a focus and memory of the design and experience. In such case, the manufacturer could find its direct clients instead of depending on the middle persons, this means that a higher-profit margin would be possible and a much steady support for OEM and ODM is enabled in the long term.

OSM is an overall consideration of the business value using designs and branding strategies. A wide range of strategies will be used to capture the market. As mentioned previously, CSR is one of the value factors, which will help to improve the image and influence stock values of a company.

5.1.3 Strategic Management as the Advanced Facilitators

5.1.3.1 Acquired Brands with Similar Nature.

Among these four companies, only one company is focusing on acquiring brands, however the success could be observed through the increase of turnover throughout the years. Figure 5.4 shows the layers in a wider coverage.

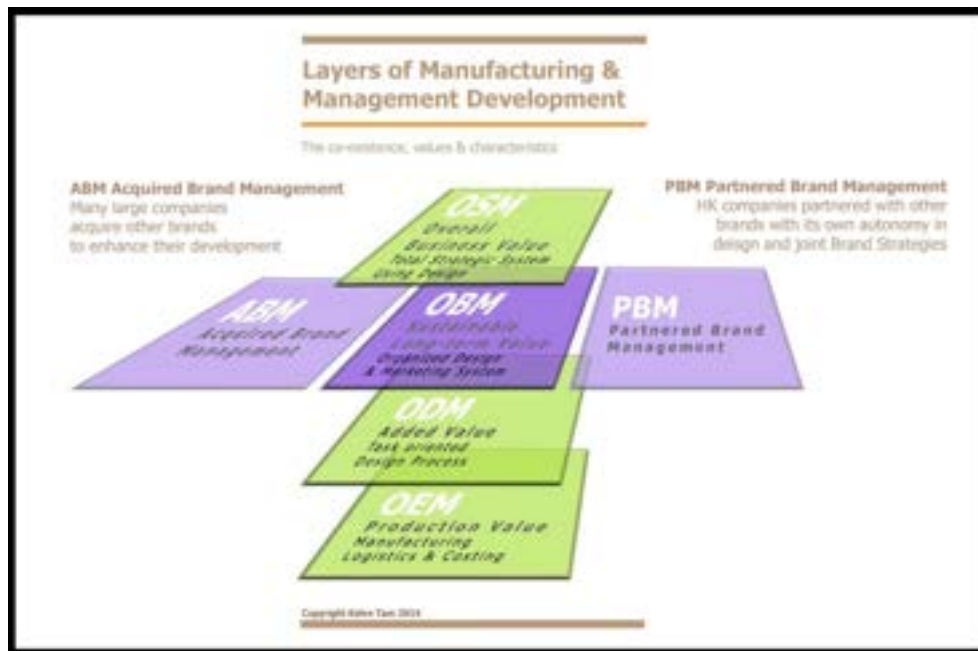


Figure 5.4 The Layers of OBM with Acquired Brand Management and Partnered Brand Management.

The Acquired Brand Management require a formal legal procedure to buy the brand into the buying company, which usually is brand with high familiarity but less favourability over time. However, the new host company such as the Company TT could revitalise the brand with new designs and brand strategies. The Acquired Brand Management is simply a kind of management, which involves acquiring existing brands of other companies. The customers' affiliation to the brands is also taken and sustained when the brands are acquired. New products under the old brands will get the attention of the old customers quickly. When the new products perform new functions and maintain or even enhance the quality, the brands can be sustained or expanded with market share.

Whereas the Partnered Brand Management is the management of products produced under the agreement of 2 companies, but the

names of the 2 brands still present on the products. The purpose is to enhance the advantages of the 2 brands, while they are still 2 individual brands performing well in the market.

5.1.3.2 Social Media as Advertising Means

Figure 5.5 describes the role of social media in relation to branding and the emotional response of stakeholders. It is designed by me based on the 3 levels of emotional response founded by Prof, Donald Norman (2004).

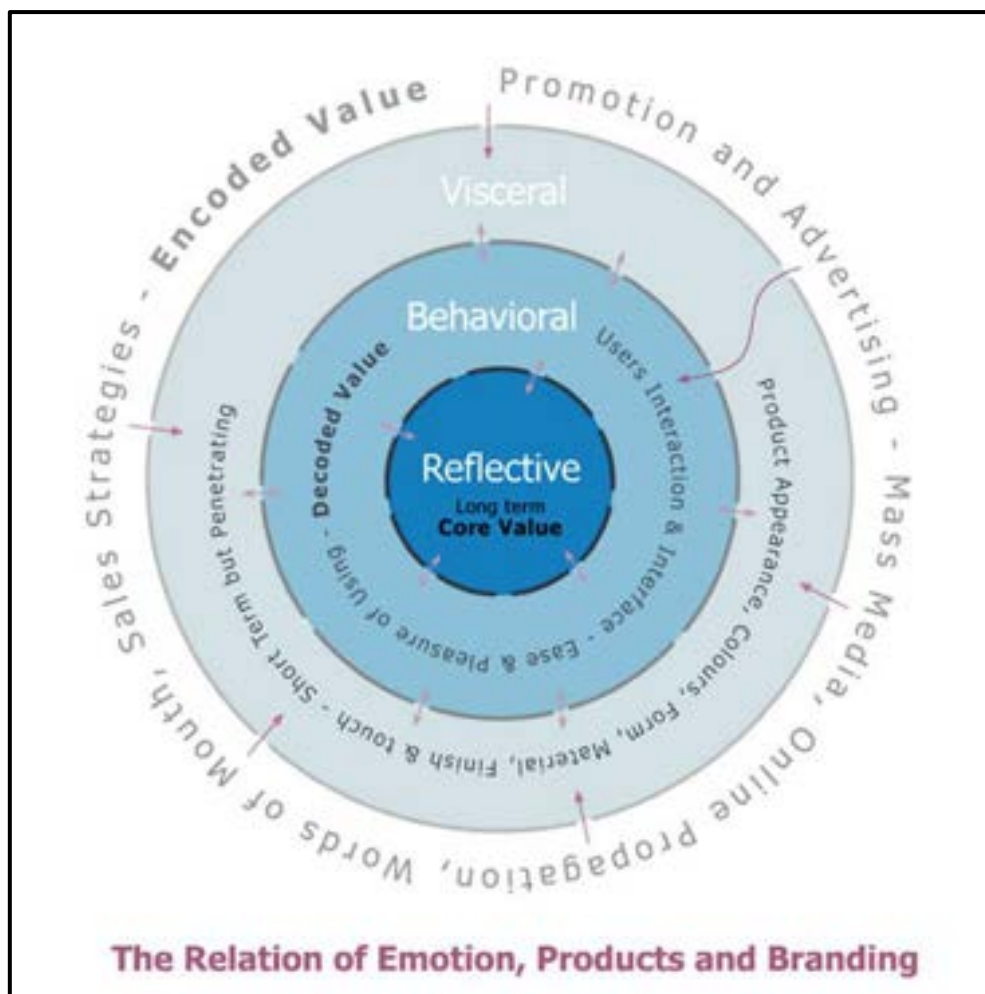


Figure 5.5 The Relation of Emotion, Products and Branding.

Social media include mass media, words of mouth of users, Facebook, Twitter and so on, which act as advertising means and encode values in the visceral level of the emotion response. They are ubiquitous and penetrate through the visceral level. Though potential users have not started using them, they are invited or engaged in some way through these visceral activities.

In conventional modes of manufacturing since the 70's, the online media was not so popular, so the traditional type of advertising was the main stream, which has been inherited to nowadays OBM and OSM modes of operation. Before the birth of branding, traditional advertising was the mother and the Corporate Identity was deemed as the early form of branding.

5.1.3.3 Innovations in Forms of Functions, Appearance and Quality and Brand Familiarity and Favourability

In the visceral level, product appearance, colours, forms, materials, finish and touch are immediate stimuli and are penetrative. Social media use these attribute to invite customers and engage them in this visceral level. Brand equity of 'name awareness, perceived quality and brand associations' could be conveyed through these visceral elements. After that, 'favourability' could be reinforced through the behavioural level, in which users interact with the products and experience the pleasure of use. Then the quality and values of products are decoded through this behavioral level of interaction. Finally, 'brand loyalty' may be

established through long-term interaction where the core value is printed in the mind of users, which could be reflected upon when encountering the same brand in the future. The arrows in Figure 5.5 shows the 2-way flow in-and-out directions of the encoded values, that mean the encoded and decoded messages will oscillate time and again such that there is no fix stage in the brand-product-emotion relationship. Encoded values could be internalised through a long-term process while the trust or loyalty could be vulnerable attacked by rumours or mistakes found unexpectedly, a burning battery for example. The terms 'familiarity' and 'favourability' are often used to described the awareness and trust on brands, which has been discussed in Section 2.1.4. In a nutshell, the visceral stimuli affect the familiarity and partially favourability; but the behavioural stimuli contribute mainly to the favourability of the branded products.

5.2 The Expected Outcomes through Branding

5.2.1 The Economic Expectations of Brands

The basic expectation for OEM, ODM, OBM and OSM is economic returns. However, according to the companies, they have different agenda behind. Figure 5.6 describes the economic expectations of the 4 cases.

The Economic Expectation of Building a Brand			
Company BL	Company EL	Company TT	Company SL
To escape from the competition of OEM marginal-profit situation, as well as setting up an "image" of a company with its own brands.	To escape from the competition of OEM marginal-profit situation, as well as to continue the co-operation with its large clients.	To provide a one-stop-shop service to the end users, hence optimizing profits and reputation in the stock market.	To continue the fame of the brand heritage; to differentiate the nature of different businesses; and win reputation in the stock market.

Figure 5.6 The Comparison of Economic Expectation of Building a Brand.

One common goal is to escape from the competition of traditional OEM business, which is of marginal-profit. Four verbs reflect clearly the intends behind: 'set-up' an image, 'continue' business, 'optimise' profit and reputation, and 'differentiate' the nature of the many businesses within the same company groups. They are very distinctive goals and explicit in the communication through interview.

While on the other hand, there are also emotional expectations in building their brands.

5.2.2 The Emotional Expectations of Brands

Firstly, product names are given to make them human like. The purpose is to engage users with an identity. Secondly, there are target groups, which implies characters of that group, such as

teenagers, family, amateur and environmental advocates. Figure 5.7 shows the comparison.

The Emotional Expectations of Building a Brand			
Company BL	Company EL	Company TT	Company SL
Mi-Jam	Motorola (FRS)	Ryobi	Eco-drive
Attached to i-Pod, Specially for Teens, Musical (good sound quality, not a toy)	Family Radio Services, Highly effective (ac quality higher than the stated standard), Reliable, Friendly	Approachable Bold Helpful Powerful Innovation Durable	Close to the heart of every citizen Live with the Earth Fusion of tech & beauty Reliable & fascinating Healthy & hearty

Figure 5.7 The Comparison of the Emotional Expectation of Building a Brand.

The adjectives used are in a progress level of more detailed or poetic description from left to right. Sometimes simple is good, but for the emotional values, it seems that more pertinent adjectives could define the brand in a more specific, concrete and understandable way. This in turn reinforces the memory if the performance of the products really meet the promise of those adjectives.

5.3 The Process of Branding

The process of branding is coincidentally not planned in the 4 cases. The brand stories behind are unique and interesting. Figure 5.8 compares the process of building the brands in these 4 cases.

The Process of Building a Brand			
Company BL	Company EL	Company TT	Company SL
Started with a strong product idea	Paired up with Motorola as a ODM partners	Started with acquiring a Japanese brand	Started with a unique watch named 'Citizen'
pulling together a team, and setting up the brand with a product line.	Provide expertise that was unique both in production know-how and design sensibility	Revitalized it with design input which was then sold to the USA market	Based on the idea of Micro-human Tech, a range of products were explored
No time and resources to set up any Visual Brand Language and brand strategy.	The experience was transformed into the brand building of its own brands.	With production expertise and partnership with chain stores	Millions of successful products drove the development
Yet, the brand/ product line was very successful.		Further enter into stock market	Setting up of 'Life Design Centre' and VBL of all markets
		Setting up of the Strategic Development Dept....	Brand Localisation dominates

Figure 5.8 Comparison of the Process of Building a Brand of the 4 Cases

Company BL had a belief of 'a strong product idea', which is implicitly set in the mind of the design manager. Company EL started with the collaboration with a brand partner, a famous one, which assured a perceived success to the CEO of the company. Company TT started with acquiring a Japanese brand (that also explain why this company continued to acquire more than 10 brands in its continual development of brand building). Then it revitalised it with design appearance input then sold to USA. Company SL started even with a humanistic reason when the Mayor of Tokyo gave the watch the name 'Citizen' 84 years ago.

After the start up, all of the cases grouped a team to work on the initial idea. However, Company BL was limited by tight schedule, and could only quickly come up with design ideas. Company EL and

TT had called a team of experts to work on the brands. However Company EL focus mainly in technical knowhow on engineering development, but Company TT also team up with partner chain stores as a kind of strategic move as it understood it is vital to do so in the US market. Company SL observed and analysed the unique feature of the brand, and discovered 'Micro-human Technology' could be extended to a range of products and expanded the brand. It further set up a Life Design Centre for the design and brand development, followed by localising design and production in foreign countries such as Hong Kong. This is clearly strategic in the management and planning. Finally both Company TT and SL went to the stock market and further expanded their brands. Company TT acquired at least 10 more brands, and Company SL concentrated in 1 mother brand with a number of sub-brands or series names. Of course, today all 4 companies are facing the pressure of high wages and social security expenses in the Mainland China and finding solutions to sustain their brands to be resilient in the market.

5.4 The Relationship Between Design and Branding System

5.4.1 Visual Brand Language as a Powerful Tool and Standard for Design and Sustainable Development

Visual Brand Language (VBL) is basically the language system in forms of visual elements organised and displayed in a manner understandable by the designers, engineers, CEOs, customers and related stakeholders. They would be applied to a series of products according to the planned brand characters in the present and future

design and development. In this research, different companies recognise and interpret it by slightly different terms such as design guidelines, design constraints, design standard – which mean the same idea. From implicit knowledge to explicit knowledge, it takes time and visual tools and other specification tools to construct the VBL such as the existing fonts system, colour code systems, texture code system, vocabularies and associations in emotional feeling etc. In *The Tacit Dimension*, Michael Polanyi (1967) analysed the fact that 'we can know more than we can tell'. He termed this pre-logical phase of knowing as 'tacit knowledge'. *Tacit knowledge comprises a range of conceptual and sensory information and images that can be brought to bear in an attempt to make sense of something* (see Hodgkin 1991). Many bits of tacit knowledge can be brought together to help form a new model or theory. Hence, throughout the design and brand development, the knowing comes before telling. For Company BL, the design manager said 'it is the instinct in his mind to know the common standard to guide the brand.' He proved it to be workable by showing the product series. However, as for bigger companies involving a bigger team of research and development, it is obvious that not all designers, engineers and salesmen could get common consensus about the design elements especially when they experienced a crossover in the design among 5 brands in the Company TT, in which many prevalent design elements would like to be added to new designs. There was argument among the teams, even there were VBLs as guidance. To sustain the well being and development of design, the brands and hence the

companies, there is an inclination that all companies in the interview value and have put effort in the setting up of VBL. The following figures show the VBLs of the companies interviewed. It could be noticed that some are elementary or a bit implicit and some are more matured and explicit with system codes and specifications.



Figure 5.9 VBL of Company BL (1) Source: Blue Box Company



Figure 5.10 VBL of Company BL (2) Source: Blue Box Company



Figure 5.11 VBL of Company EL Source: Elite Group of Company



Figure 5.12 VBL of Company TT (1) Source: TTI Company

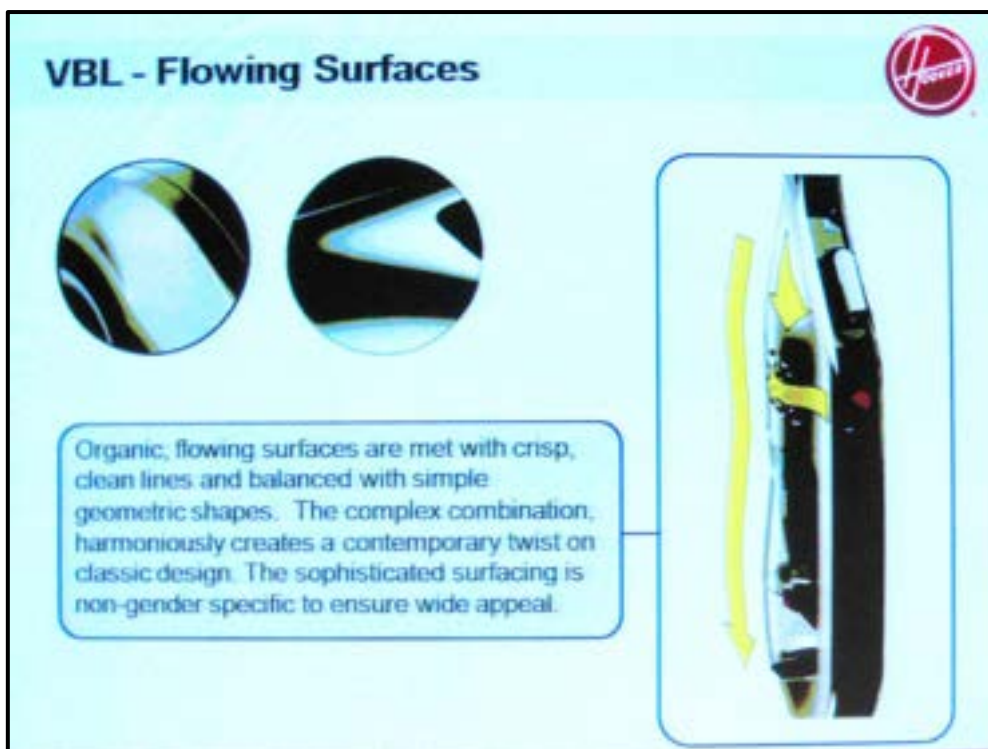


Figure 5.13 VBL of Company TT (2) Source: TTI Company

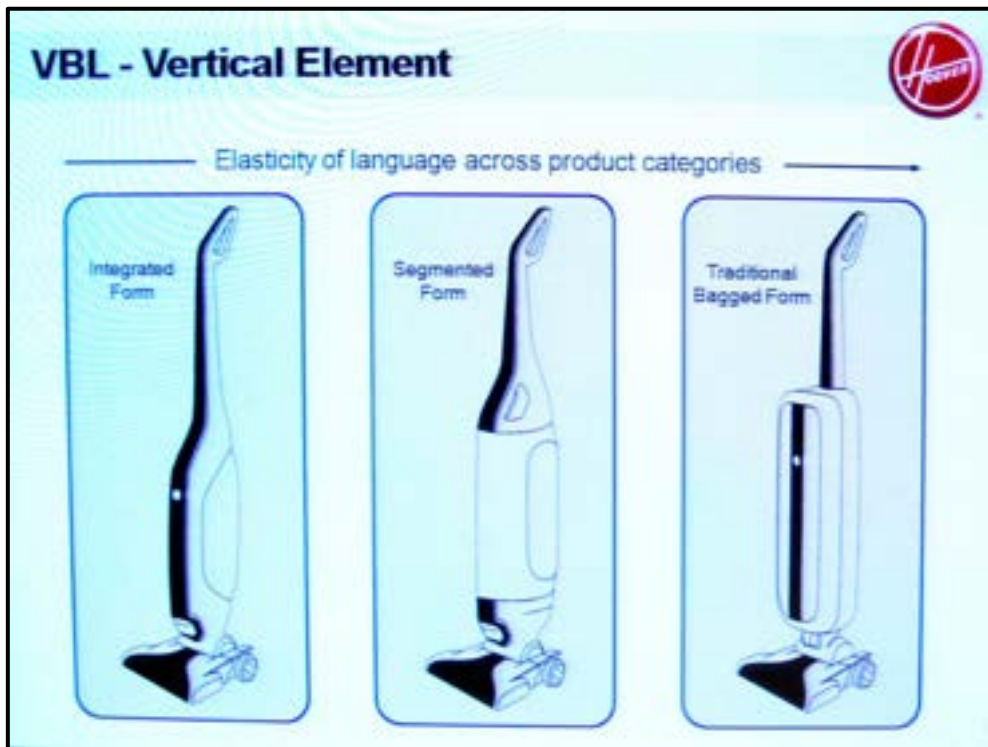


Figure 5.14 VBL of Company TT (3) Source: TTI Company



Figure 5.15 VBL of Company TT (4) Source: TTI Company

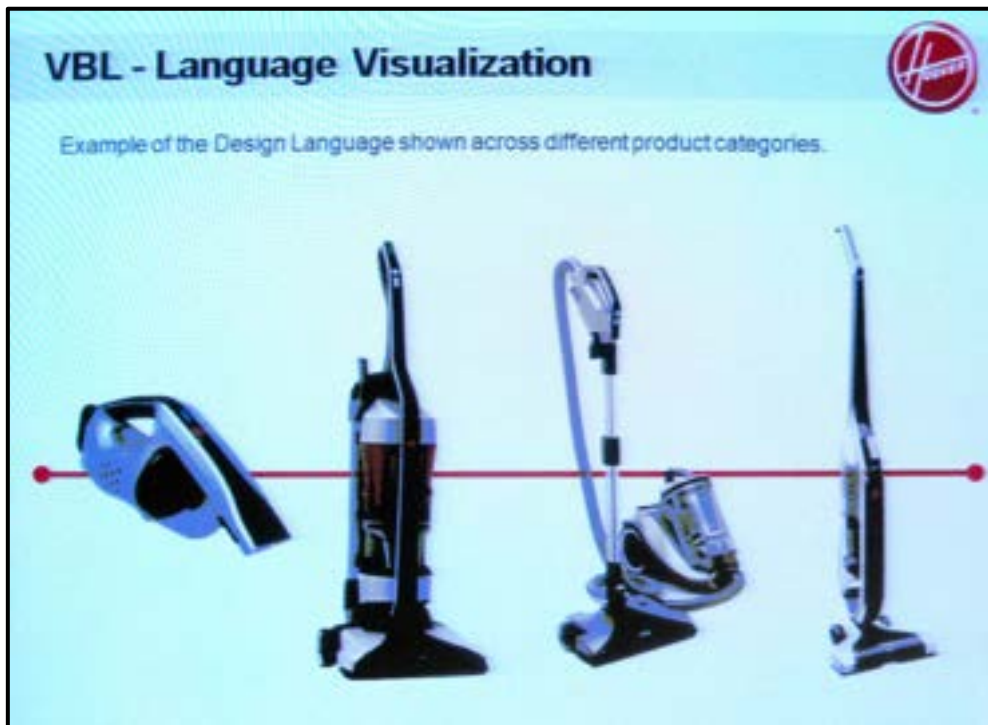


Figure 5.16 VBL of Company TT (5) Source: TTI Company



Figure 5.17 VBL of Company TT (6) Source: TTI Company

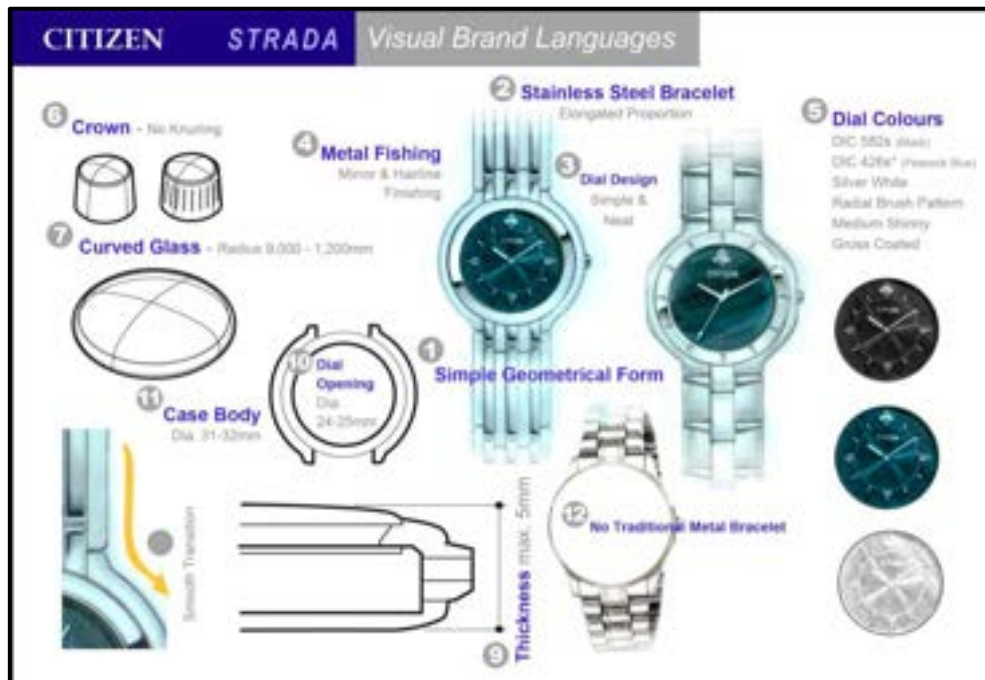


Figure 5.18 VBL of Company SL Source: SML Company

The above VBL examples contain implicit and explicit visual information that appeals to customers, gives an overall brand image with details, provides specifications for engineers and designer teams in the pre-production, production and post-production and sales activities. They form the integral parts which articulate the products to the brand equity with consistent and long-term impact to stakeholders. On top of the marketing strategies, VBL is the concrete element for sustaining brands by exploring the tacit knowledge and values in the mind of CEOs, designers and engineers. This is especially useful for the manufacturing industries in developing OBM and OSM. However, this will be a bit different in the social enterprises, which are more organic and humanistic in nature and this will be discussed in the coming Chapter 6.

5.4.2 The Transformation of Conventional Design Process to Design Systems in Branding Structure - from ODM to OBM

The Visual Brand Language is an example of transformation of implicit knowledge to explicit knowledge with a systematic approach. This is also a key milestone in the transformation from ODM to OBM mode of manufacturing in the studied cases. The comparison and contrast are analysed in Figure 5. 19 below.

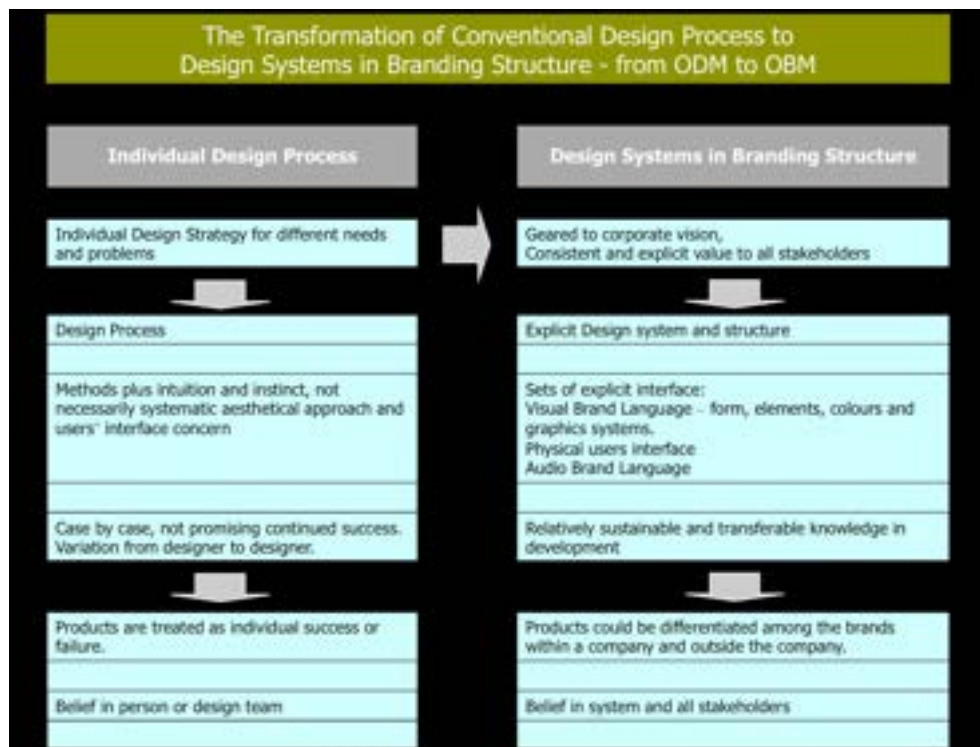


Figure The Transformation of Conventional Design Process to Design Systems in Branding Structure - from ODM to OBM

In individual design process, design methods and systems are accumulated bit by bit from time to time. The main target in the design process is to satisfy needs or solve problems. Whereas the roles of design in the branding structure are geared to the corporate vision and consistent and explicit values of the

stakeholders. Though intuition or instinct may work in ODM, it varies from designers to designers and could not be consistent as it focuses on individual products success. On the other hand, in OBM, the design system is relatively sustainable and knowledge is transferrable in the development process. That is the wisdom and instinct of design seniors could be visualised, inherited and interpreted to all related stakeholders. The quality has once been deemed as the private asset of designers is becoming more transparent and open. In ODM, products are treated as individual success or failure; whereas in OBM, products are considered as the overall success of the company and it helps differentiating products among the brands within a company and outside the company. The belief system has been shifted from individuals to a system concerning all stakeholders including the factory workers, engineers, designers, salesperson and the customers.

6. The Framework of SE Operation in Relation to Brand Sustainability

As mentioned in Chapter 2.1.2, the values and sustainability of brands have the following characteristics; this Chapter explores the SE operation in relation to them. Besides, since the nature of structure and brand strategies of SEs is more organic, which involves more humanistic factors in the branding and business operation, the structure of analysis is a bit modified during the coding process.

"While technologies, markets and environment are changing rapidly; good brands are sustainable and relatively stable in the mind of stakeholders. While users could decode, remember and reflect upon the values, they will continually react and support interactively in the whole sustainable system. Though branding is not just giving a name to a product, the name counts for the uniqueness and help distinguishing and remembering immediately an organisation or a product without the need of detailed investigation of the vision, mission or the complex product features. Most brand experts agree that branding is a believe system in which core values are decoded, accepted and internalised. The expectation or aspiration of building a brand is to seek the support and commitment of all stakeholders; this may result in economic return or community synergy and commitment. Above all, brand is a value system of expectation, experience and

projection. It becomes customers' reflection of judgment and values." (Kelvin Tam, CUMULUS 2012)

6.1 The Strategies Adopted

6.1.1 Social Visions as the Base

"A SE is an organisation that trades, not for private gain, but to generate positive social and environmental externalities (Santos 2012). The combination of enterprise and social mission has frequently been cited as a motivating force that provides employees with the intrinsic rewards of job satisfaction and as contributing to community impact (Bacchiega and Borzaga 2001)."

To buy and waste less, help the local workers, produce-and-consume locally and better use of materials and resources etc. are the social visions of the SEs today. Branding is no longer only a strategy to promote economic sustainability, but also a way to glue social and environmental resources to awaken people in re-thinking consume less and slower and think of themselves as an element of the global integral part – a user and producer at the same time. Branding helps products, services and experiences sustaining in the mind of people, and sustainable branding helps balancing the sustainability of social, environmental and economic dimensions, as well as enhancing commitment of users.

To illustrate an overall picture and structure, the following is outlined from “social visions” to meeting “social needs”:

Social Visions > Social needs > social innovation > balance of resources in environment and economy > tools: skills and knowledge of producing commodities, arts and crafts products, services and experiences > facilitators: design and branding – strategic planning and development > finally meeting social needs – earn living, balance environment resources enabled by design and brand strategies. Branding helps wrapping up and reinforces the whole concept of sustainability in the mind and experience of people, not just promoting consumption, but also balance the use of resources and reduce wastes and adverse effects in a strategic and planned manner.

Comparison of the Social Visions of the 3 HK SEs		
SO...SOAP!	Hong Kong Honey	KaCaMa Design Lab
<p>"Your hand can make a difference" on So...Soap!'s bottles is the motto of the founder Bella Ip.</p>  <p>On the one hand the soap is made by the producers' hands, while on the other hand they are produced for the washing of the users' hand.</p>	 <p>Michael Leung is the first urban beekeeper in Hong Kong. The vision of Hong Kong Honey is to care for the value of bees and their population in Hong Kong. It also aim at producing honey and supply for the need of the host building or restaurants nearby. Such that the health conscious customers</p>	<p>KaCaMa is set up by Kay, Catherine and Match in 2011. The social vision is to up-cycle the used materials such as the banners, hangers, packaging foam etc. and apply to new designs,</p>  <p>which hopefully would produce delights and colourful lifestyle in Hong Kong. They are all graduates of a design school of the Hong</p>

<p>Bella’s vision is to let mothers in the community to work according to their household schedules.</p> <p>Her goal is to cooperate with non-profit groups to set up self-sustaining, natural hand-made soap production groups. Her target is 100 at the moment.</p>	<p>would know where the food comes from when they enjoying their drink.</p> <p>At the same time the bees are able to bring nectar from flowers within the distance of 5 km in radius such that the flowers within such circle could be benefited by the pollination through the bees, which also help the urban parks and domestic planting.</p>	<p>Kong Polytechnic University. The vision comes from the school project about ‘sustainable designs’. Actually, their vision was inspired by the experience of exploring sustainable ideas in the project, and finally found out there are genuine social needs in Hong Kong.</p>
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Table 6.1 Comparison of the Social Visions of the 3 HK SEs

Source: SO...SOAP, HK Honey, KaCaMa Companies

6.1.2 Integration of Design, Brand and Social Visions as the Values

Branding conventionally is carried out by branding companies, agents or branding experts to help promoting action of consumption and capturing the minds and memories of customers. In SEs, the founders usually take a major role in the branding activities. No matter in whichever approach, branding has been examined and illustrated in such a way that can be understood with humanity instead of just marketing cliché. Figure 6.1 illustrates the hierarchy of commitment and values on top of the ‘theories of offerings’ proposed by Pine and Gilmore (1999). They asserted that the offering of experience is the highest in the offerings pyramid. However, in 2006, I observed that ‘commitment’ is also ‘offered’ for participation such as in churches, armies, fans clubs and SEs. (Kelvin Tam, CUMULUS 2012) It is to note that Pine and Gilmore (2012) updated that there was a top

level of 'transformation', similar to the idea of 'commitment', which echoed with what I had previously asserted, but I specifically named this level as 'commitment' co-offered by the users and producers. According to Pine and Gilmore, going up the pyramid from commodities to experiences, the offerings will give the users a deeper memory as reflection in the long run. Meanwhile, they are more willing to be engaged by the offerings as they are involved in the experiences related to these offerings. In SEs, some companies provide commodities, goods, services, experiences and commitment at the same time. Users usually have the chance of being invited as the producers of the offerings. In doing so, the users will have a closer relationship with the SEs, and more commitment by understanding the social visions, brand values as well as the products and commodities.



Figure 6.1 The Different Levels of Offering with Commitment as the Top Level of Offering.

In the research, all of the 3 cases promote different levels of commitment; and they will be discussed in the following section 6.1.3 in details.

6.1.3 Strategic Management becomes Basic Elements

In Chapter 3, it is explained that, "The OSM is about new concepts and systems. There are 2 emphases: Strategic emphasis and organisational emphasis, which involve innovative products and corporate-wide strategies respectively. In the OSM, the role of designer is a planner. Besides, OSM can co-exist with OEM, ODM and OBM." (Heskett, J. 2003)

In Social Enterprises, strategic management is articulated to the daily operation and communication in the social sphere rather than an economic or marketing sphere. Though the 3 examples studied here do not intentionally expand their business like an empire, their concerns in the social, environmental and economic dimensions make them holistic and transform the operation or so called management in a holistic manner naturally. This resembles the growing of cells, tissue, organs, systems and the whole body Earth as a whole. The following sections study the strategic movements of these SE cases.

6.1.3.1 Local Production and Consumption as the Powerful Facilitators

Branding knowledge and practice are enhanced with true-hearted commitment by the users-and-producers at the same time in the SE operation. Ostensibly, it looks like nostalgic to have farmers to promote their own produce, and ask bee keepers to sell their own honey in the market. However, they are multi-talented and knowledgeable people in the modern time such as a product designer is running a bee keeping business using traditional Chinese bee keeping method, and the university graduates are running an soap production workshops with diverse activities to invite immersion of participants to reflect upon the idea of handmade produce and simple life. This is specifically interesting when East meets West and traditions meet modernity in the Hong Kong environment. (Kelvin Tam, CUMULUS 2012)

Comparison of the Local Production and Consumption of the 3 HK SEs		
SO...SOAP!	Hong Kong Honey	KaCaMa Design Lab
<p>Bella leads a team of housewife and produce the handmade soap locally. Start from Tai Po, her workshops now distribute around Hong Kong communities.</p>  <p>The original idea is</p>	<p>Actually, local production in the urban area is the vision of Michael.</p>  <p>To provide fresh honey is an obvious advantage. This makes the job meaningful when it is carried out in the urban areas. Apart from local production. Chinese</p>	 <p>KaCaMa notice the problem of kitchen waste in Hong Kong. By observation and brainstorming, they believe they could collaborate with the St. James group to generate design with high up-cycling value. The same group of workers work in</p>

<p>just to facilitate housewives to work according to their own schedules. Coincidentally, it brings a series of advantages.</p>	<p>traditional ways of keeping bees are adopted, and he learns it from an experience Chinese beekeeper. No veil and smoke will be necessary and this will not hurt the bees too.</p>	<p>the same place of making the lunch boxes, egg shells are up-cycled to produce egg candles. This is an intended decision to use local production and consumption which brings along with a series of benefits.</p>
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Table 6.2 Comparison of the Local Production and Consumption of the 3 HK SEs

Source: SO...SOAP, HK Honey, KaCaMa Companies

The benefit of produce and consume locally is saving energy for transportation, over packaging, promotion, recycling in the pre-production and post-production process. Besides, the activities, energy and process involving quality assurance are saved also, because the producers are the users, or the users could talk face to face to the producers. In the case of Hong Kong Honey, the customers feel safe and could know where does the honey come from and quality is assured without a label certified by a lab. In the case of KaCaMa, the egg shells come from the kitchen leftover where the candles are produce by the same group of workers of the Saint James Group in the same place of cooking the tomato-egg rice. There is no need to protect the fragile eggs in transportation; hygiene can be ensured, and the workers feel the pride and satisfaction in making the egg candles – also no need for them to travel to work in another place. As for the case of SO...SOAP!, the distribution of work location in Hong Kong works for respective communities is a typical example of helping the mothers at home to work according to their own schedules. Some of them are new comers from Mainland China and some of

them are educated housewives who want to look after their children and just could not travel far away for work.

Figure 6.2 shows the personal chop/label of the soap maker who make that bottle of soap, which not only show the identity or information of the produce, but it also reveal the pride, quality assurance and satisfaction of the soap maker. This simple label also establishes a trust between the maker and users. In long run, this could provide a personal contact and opportunity for the users to start up soap making if they wish to. It is not a very serious decision made in the research and development department in a ME, but rather natural and a simple idea could be flexibly accomplished without complicated decision and policy in SEs in general.



Figure 6.2 The Chop/Label of the Soap Maker of SO...SOAP!

Source: SO...SOAP Company

Prof. Ezio Manzini (2013) observed that: *"The third wave of innovations toward distributed systems challenges mainstream globalised production and consumption systems. These production systems include initiatives ranging from the*

rediscovery of traditional craftsmanship and local farming, to the search for hyper-light and lean production, to the hypothesis of networked production systems based on the potentialities of new forms of micro-factories such as fab labs ("small-scale workshop[s] offering personal digital fabrication") and by the makers movement ("[a] subculture ... representing a technology-based extension of DIY culture). While this trend is still in its initial phase, the whole production and use system must be re-shaped following a new localisation principle; products must be designed so that their production can be as near as possible to where they will be used (point of use production). This principle can be implemented by mixing traditional technology, craftsmanship and high-tech solutions."

This conforms largely to the findings of the Hong Kong SE cases in this research. The application of mixing traditional technology, craftsmanship and high-tech solutions will be discussed in Section 6.1.3.3.

6.1.3.2 SE Partners with Similar Nature become Co-workers

It is an outstanding characteristic that all SEs in the research have a strong network with other SEs with similar nature. For example Hong Kong Honey, SO...SOAP! and Mapopo (a farm next to urban area in Tai Po) are linked up closely by their news, activities including workshops, talks and Facebook. Without the

burden of large companies which are afraid of leaking any business secret to competitors, the SEs are generous in sharing information, customers and products they designed and branded. Instead of only compete against each other, they supplement one another in a harmonious manner.

"Given that, it should be reasonable to conceive and realise something similar for man-made systems. The socio-technical systems that, integrated with natural ones, constitute our living environment should be made of a variety of interconnected, but (largely) self-standing elements. This mesh of distributed systems, similarly to natural ones, would be intrinsically capable of adapting and lasting through time because even if one of its components breaks, given its multiplicity and diversity, the whole system doesn't collapse." (Johansson, Kish, Mirata. 2005).

SO...SOAP! Case

At present, there are 37 branches spreading through 9 districts/communities of Hong Kong encompassing rural areas, new developed housing estate and commercial districts. In the commercial districts, these soap products are previously accepted and to be displayed and sold in the high-class Lane Crawford Department Store, which marks the role and importance of this sustainable signature product produced by small social enterprises. It is interesting to note that, the 4 founders of this social enterprise are all women and the population covered by these 9 districts/communities is over 3,355,000, which is almost

half the population of Hong Kong. Nevertheless, long distance transportation for delivery is unnecessary as they are all produced locally and fresh!



Figure 6.3 The 37 branches of So...SOAP! (區區肥皂), situated in 9 districts of Hong Kong encompassing rural areas, new developed housing estate and commercial districts.

Source: SO...SOAP Company

It also collaborates with the Lane Crawford department store. From the setting up in Tai Po to the entering into Lane Crawford, SO...SOAP!'s effort and clear vision is recognised, and this also attribute to the consistent branding strategies.

(Kelvin Tam, CUMULUS 2012)



Figure 6.4 SO...SOAP! lands on Lane Crawford store.

Source: SO...SOAP Company

Hong Kong Honey Case

The original area Michael is keeping the bees is Wanchai, which is of a population of 167,200. The people living there are the group with highest range of income in Hong Kong. Since there are mainly commercial buildings, many people there are workers who just resemble the pilgrims that work, eat and shop there. Michael has 19 team members including 6 interns who love to learn beekeeping and related arts and design activities. The other 13 persons are artists, designers, beekeepers and accountant, who work on candle design and making, art creating and connecting the local restaurants and supply for the fresh honey. By extending the beekeeping techniques to other districts and remember the bees could fly more than 5 km for getting the

nectar back to the beehives, this 'small' business could really spread out the to other parts of Hong Kong, making urban beekeeping a viable and sustainable lifestyle.

The latest project is the rooftop beehive on the Tsim Sha Tsui Intercontinental Hotel, which is comparable to the counter of SO...SOAP! in the Lane Crawford shop. It supplies for the lounge of the hotel by providing fresh honey that informed the customers the clear source of the honey. This also let more people understand the value of bees and the benefit of locally produced honey.



Figure 6.5 The Rooftop Beehive in Intercontinental Hotel Tsim Sha Tsui

Source: HK Honey Company

InterContinental Hong Kong has partnered with Hong Kong Honey to become the first hotel in the city to set up a beehive on its rooftop and produce its own honey. As part of InterContinental's environmental initiatives, the goal of this project is three-fold: to help popularise urban bee keeping in Hong Kong; to help increase

the declining bee population; and also to reduce the hotel's carbon footprint. (Kelvin Tam, CUMULUS 2012)

Chef Simon Kwok has taken on the role of beekeeper, noting, *"From a chef's point of view, we are looking at the end product, but of course, we need to know how the honey is produced. We leave the bees alone and just check on them once a day. Then we will harvest the honey every few months, together with Michael [Leung] and his team from Hong Kong Honey."*

<http://www.lifestyleasia.com/hk/en/culture/feature/hong-kong-honey-intercontinentals-rooftop-beehive/>

KACaMa Design Lab Case

As a 'Lab', KaCaMa is always diligently looking for new materials donors and special production partners who do not normally produce the designs in their daily operation. The close relationship with them is important in making their dream products come true into production. Onion-vegi diffusion bags, polystyrene (PS) recycled beads sofa, Germany 'sausage' plants, banner lighting, cork pens and egg shell candles for examples are the new ideas that need the co-workers to work with them. This is quite different from SO...SOAP! and Hong Kong Honey, whose product could self-contained by stable material source. They should depend upon on others substantially, which is a disadvantage and advantage at the same time, for the production is rather unstable and uncontrollable, but their new designs will not be copied by their producers, because they are not the OEM

producers who are able to copy designs rapidly without clients' consent. Figure 6.6 shows the results of the collaborations.



Figure 6.6 The Results of Collaborations with Different Materials Providers and Producers. Source: KaCaMa Company

Top Left: PVC Banners from District Boards + Lighting producer

Bottom Left: Recycle vendor of PS beads + Skilled sewing labours

Top Right: Onion and vegetable remains from catering organisation + KaCaMa Lab

Bottom Right: Cork recycling from catering units + gifts and premium makers.

6.1.3.3 Social Media not Confined to Commercial Media - the Roles of Artisans, Artists, Designers, and Customers as Creators

The social media involved in the researched SEs do not confine to mass media, but also extended to a wide range of stakeholders encompassing artisans, street artists, artists, designers, photographers, housewives, customers and the general public. **Engagement and commitment** are the 2 key words that characterise the holistic coverage of the connection between the researched SEs and the stakeholders. As mentioned before, interconnectedness is the main trait of SEs nowadays. Co-workers and shared information seems even as a norm in the SEs relationship. Unlike the Original Strategy Management (OSM) mode of production, 'engagement' of stakeholders does not need to be planned seriously with 'strategies'; instead, engagement of stakeholders in SEs is natural and noncommercial or at least unintended-commercial. The relationship is friendly resembling a family in general. Referring to Section 6.1.2 Figure 6.1, 'Commitment' is on the top of the offering pyramid, which makes stakeholders immersed in the offerings and activities such as the fan club member, church and army members. It is more like charismatic attraction rather than bureaucratic 'strategies'. In SEs, it is also emerging towards this direction of movement. Once stakeholders are engaged with commitment, and it is the dream of most MEs in the business and branding strategies, a long-term favourability towards the brands and offerings could be established.

Table 6.3 below will compare the *Engagement with Stakeholders* in various kinds of activities of the SEs researched. They are multi-faceted and it may be noticed that they are more holistic than the conventional modes of MEs businesses.

Comparison of the Stakeholders Engagement of the 3 HK SEs		
SO...SOAP!	Hong Kong Honey	KaCaMa Design Lab
<p>Mass Media: Mass media connection is not bought like paying Ads in ME business. Indeed, it's the initiative of the media to report on the special issue and noise produced by SEs. SO...SOAP! was reported by SCMP and the Next Magazine. Her social vision of 'make a difference with your hand' is well praised.</p>  	<p>Mass Media: Same as other SEs, HK Honey was reported by SCMP even in an earlier time. The social vision is of great interest in the articles. His Chinese way of keeping bees is also a highlight.</p> 	<p>Mass Media: KACaMa has the largest number of media coverage among the 3 SEs. It has more than 12 magazines and newspapers reporting their innovations.</p>    

<p>Users Producers: Users are frequently invited to be producers and open their business in their living area. Workshops and talks are held from time to time.</p> 	<p>Users Producers: The Hotel chefs who also take care of collecting the honey are 'part' of the producer in the team. The Intercontinental Hotel HK.</p> 	<p>Users Producers: KaCaMa is strong at media connection, but their users are not asked to participate in the production. One of the reasons is their products are rather complex in production which need certain techniques or technologies and machines.</p>
<p>Local Production & Producers: This is the main character of this SE. The name of the SE convey the meaning of the brand DNA – 'every community has this workshop'.</p>  <p>Mentioned in Section 6.1.3.1, the producers are totally engaged in the place where they live, grow up and do their business. The products also bear their name and label.</p>	<p>Local Production & Producers: Beehive on rooftop is a typical local production model. There is no batter than caring the production by a producer living in the same place.</p>  <p>The idea of 'local' also extends to the knowhow inherited from local HK beekeepers Michael is their apprentice.</p>	<p>Local Production & Producers: KaCaMa is clever in observing the workforce St. James social group, who is taking care of the catering service for social needs. The problem of kitchen wastes is solved simultaneously when they introduced the idea</p>  <p>of using the used eggshells and applying them to produce egg shell candles. 'Coincidentally' happened in the same location – no need to transport the fragile egg from place to place!</p>

Artisans, Artists, Photographers, Designers:

SO...SOAP! is the only SE in this research that 'employed' an branding agent in organising its brand equity. CoLab always help it to develop the SE in a holistic direction.



Artisans, Artists, Photographers, Designers:

HK Honey is the strongest SE among the 3 SEs that has engaged local artisans, artists, photographers, designers and cultural people in sharing and promoting the social vision and brand. Its Facebook almost looks like a gallery – you may notice in below examples.



a watercolour painting by Mr. Yip



a street painter drawing Michael's portrait











the art piece of bee, by Benny Luk

Artisans, Artists, Photographers, Designers:

KaCaMa only works with designers in a 'need base'



With good relationship with media, their work is also reported in the Art Plus magazine.

<p>Business Partners: Bella Ip, the founder, is excellent in socialising with famous companies such as Agnis b. and the Lane Crawford department store. By far it has already developed to 37 workshops in Hong Kong.</p>  	<p>Business Partners: The rooftop beehive has landed on the HK Intercontinental Hotel, which is one of the signature partners of HK Honey by far.</p>   <p>Other partners are local restaurants, and some lifestyle shops such as Kapok, Konzapp and Daydream Nation in Wanchai, Sheung Wan.</p>	<p>Business Partners: KaCaMa's business partners are usually those supply them with used materials such as the CEC, Conventional and Exhibition Centre, wine companies and restaurants.</p>  <p>a tray made from used hangers from CEC trade fair</p>  <p>SD Works of School of Design PolyU – used banner for lighting</p>  <p>used cork for ball pen</p>
<p>Schools and NGOs: SO...SOAP! also collaborate with MaPoPo Community Farm in Tai Po for joint activities. The same community location where she started her SE.</p>	<p>Schools and NGOs: Michael is very diligent in working with schools, NGOs and other community organisations.</p>  <p>My HKDI students attending the workshops of honey wax candles</p>	<p>Schools and NGOs: Though KaCaMa is not very active in collaborating with schools and NGOs, they are very sincere in accepting invitation and sharing workshops with students.</p>



Michael exchange his honey with Mr. Ip's soy milk he produced



A joint project of HKDI students with KaCaMa in using onion colour to dye art pieces.

Exhibitions and Overseas Connection:
Overseas reach out and exhibitions are one of the strong points of Bella/SO...SOAP!



She learnt Marseille recipe in France and introduce to HK

Exhibitions and Overseas Connection:
HK Honey time and again cross over with beekeepers from other countries to exchange experience of bee keeping.

Actually, Michael graduated in London. His partners in HK Honey are also foreigners, this also facilitate the development of HK Honey in an international perspective.



Exhibitions and Overseas Connection:
KaCaMa had chances to exhibit their experimental bags with plants colour diffusion in different rates. Idea comes from food tints accident.



The idea of this tricycle planting stall, Waste in the wurst, comes from


 <p>This may attribute to the traveling experience from Queensland on a sailing yacht for 3 years before starting the SO...SOAP!</p>		<p>the mobile sausage stalls in Germany. Imitating the making of traditional wurst, KaCaMa mixes well soil and leftovers to produce fertilisers in a sausage-shape.</p>
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Table 6.3 Comparison of the Stakeholders Engagement of the 3 HK SEs

Source: SO...SOAP, HK Honey, KaCaMa Companies

6.1.4 Innovation in Form of Satisfying Social Needs together with Concerns of Economic Return

Social Enterprises (SEs) encompass a wide range of ideas and practices in the dimension of economic, social and environmental sustainability. Apart from satisfying social and environment needs, SEs nowadays also strive to fulfill the economic needs to sustain the social visions as well as the financial needs of the companies. To understand this aspect, the background and stories of the founders and enterprises, as well as their intention will help interpret their concerns and visions.

SO...SOAP! is a local production of natural/handmade soap, which is collaboration of individuals and branding company. It all started with a mother aimed to create healthy homes and one

piece of organic soap at a time. A Hong Kong mother is hoping to make the world a better place by selling soap – using her all-natural, locally handmade products to help achieve sustainable ways of living and raise awareness of the need for a healthy community lifestyle. She came up with the idea of making soap in 2007, when she needed an income to support her family. But she wanted a job on her own terms and one that was “organic” – something, according to her definition, that does not harm the environment, does not aggravate social problems and supports a sustainable community economy.

The brand’s name in Chinese (區區肥皂) is a double meaning, which means both “simply soap” and “each district soap”, natural soap in a community-based, social-oriented enterprise. Her soap is made in batches at a community centre in Tai Po, where mothers work according to their household schedules. The soap is then sold within the district.

The soap is branded with austere graphics and up-cycled polypropylene plastic bottles. Discounts are given to customers who return for refills. The whole set of product that made the soap is even more interesting, which could be set up easily and is mobile to be used in different districts of Hong Kong. Instead of selling the products or commodities, the production tools are sold and method and class of production is included. Above all, local employment is created simultaneously for housewives who have time and ability to do so. Sustainable branding here involves a

branding agent, local participants who produce and use the products. Nevertheless, design elements are not compromised - product graphics, aesthetics and functions of the production tool production are well considered and designed. After all, it is again teamwork that makes it successful, and the cross-cultural name also adds to its popularity. Social needs and economic needs are blended naturally in such conditions and background. (Kelvin Tam, CUMULUS 2012)

Mr. Michael Leung is the founder and creative director of **Hong Kong Honey**. He also runs a multi-disciplinary design studio in Hong Kong called Studio Leung and recently changed to the name ShanghaiStreetStudio(SSS). Michael has worked with international companies such as LEXON, American Apparel, Corian, the Motorola Design Studio, Louis Vuitton, MUJI & Droog Design; so he well known about what is branding and marketing. The most outstanding point of this Hong Kong Honey is Michael has been the apprentice of 2 Chinese Bee master beekeepers, and learned the traditional Chinese method of Bee Keeping without using veil and smoke for collector and honey collecting respectively. This really resembles the 'Avatar' movie, in which modern scientist go into the world of rural nature and learn the tactics of living and merge with the scientific knowledge to solve complex problems. Michael together with a team keep the bees on rooftop of a high-rise building in a business centre area and sell honey to the nearby restaurants and brand it as the locally

produced honey. However, this produces no nuisance to the nearby residence because honeybees will fly more than 5 km to collect their nectar back to the beehive. In collecting the honey, Michael will leave half of the collection for the bees as 'mutual benefit'. This also helps vitalising the plants in the circle of radius 5 km around his building. He believes urban beekeeping is practicable and could be explored further in other part of Hong Kong both economically and environmentally. Of course natural and fresh food to be produced and consumed locally is also the aspiration and this dream really comes true. He has also been interviewed and reported recently by the South China Morning Post on this initiative. Sustainable branding with its voice, products, story, social benefits and economic return is again answered with commitment and immersion of an urban beekeeper, who owns a team of people with different knowledge and capabilities. It is also a successful example of rebranding of heritage, and social design activist in cohabitation. (Kelvin Tam, CUMULUS 2012)

KaCaMa Design Lab is co-found by 3 industrial design students of the Hong Kong Polytechnic University – Kay, Catherine and Match. Educated and grown up in Hong Kong, these 3 young and zealous designers learnt about the sustainable design in their university project. Of course social needs and meaningful ideas were the valuable elements learnt in schools, which contributed to the establishment of the social and environmental visions.

Meanwhile, they also discovered that economic return is equally important for the development of new sustainable designs. In order to maintain the growth of the Design Lab just established after graduation, they continually explored and experimented new up-cycling material, collected them from exhibition organisations, and sourced different kinds of producers to make their specially designed products as mentioned in the previous section. They have a dream to change the habits of consumers with their innovation in designs, materials and methods of production. They believe up-cycling is vital in conserving the environment or making it resilient, so their social visions also include to preach the message of conserving the environment through designs and their brand. Even though the designs are made of up-cycling materials, there is no compromise on aesthetics and functions, indeed they have been designing designs which bring delights and colours to daily life. A balance of social and economic needs also born with these background and experience in design education and business in parallel.







6.1.5 The Visual Brand Language of Products and Enterprises

Visual Brand Language (VBL) is basically the language system in forms of visual elements organised and displayed in a manner understandable by the designers, engineers, CEOs, customers and related stakeholders. They would be applied to a series of products

according to the planned brand characters in the present and future design and development. In the research of the different Social Enterprises (SEs), although they have more or less an identity of their brand, there is no formal VBL in a holistic manner when compared to the MEs mentioned in Chapter 5. Their VBLs mainly cover fonts system and colour identity (but not colour code systems). There is no system of vocabularies and associations in emotional feeling of the brand attributes. Instead, a mission statement governs their innovation and brand. To relate their strategies with respect to the tacit knowledge theory of Michael Polanyi (1967) – the fact that *'we can know more than we can tell'*. SEs practitioners emphasise more on the emotion and knowhow rather than the affiliated design standards. To them the basic social vision and value are more important. However, one SE SO...SOAP has sought the input from branding agent to establish its brand equity. Hong Kong Honey is doing on its own as the founder himself is a designer, his co-worker is a photographer. Whereas the KaCaMa, though comprised by a team of designers, in the research, it is found that they are busy working on the sourcing of materials and producers, it is not their first priority to establish a holistic brand image though there is a wish. A freelance graphic designer is helping them in some visual communication issues.

Since their VBLs are rather simpler in the execution and not very sophisticated, a comparison could be tabled for visual understanding in Table 6.4.

Comparison of the Visual Brand Languages (VBL) of the 3 HK SEs		
SO...SOAP!	Hong Kong Honey	KaCaMa Design Lab
<p>Logotype: The fonts are not important, but the bilingual name implies triple meanings. The first Chinese character means HK districts, the 2nd is a simplified Chinese which symbolises inclusive design for Mainland housewives in HK. The English name is very expressive.</p> 	<p>Logotype: The fonts according to the founder is the font of the international brand 'BALLY', which hopefully implies an international feeling similar to this brand. It also comes in a set with its sister companies HK Farm and HK Salt.</p> 	<p>Logotype: Very elaborated design with a sense of the chemical periodic table, a combination of the names of the team, and also with the Chinese radicals of their names – an implicit meaning with interesting visuals. It's really a hybrid of the East and West or local and global.</p> 
<p>Colour: Black and white is the basic tones for the logotype. Transparent, red, blue, yellow and brown are the colours of its product.</p> 	<p>Colour: Light and dark brown are the basic colours of the logotype. Yellow, grey and white are the colours on its products.</p> 	<p>Colour: Orange is the basic colour of the logotype and website. Its products has no specific colour code.</p> 

<p>Materials: Recycled polyethene (PE) bottles, Pine wooden cart.</p> 	<p>Materials: Pine wood beehive, Recycled glass bottle, Bee wax for making candles.</p> 	<p>Materials:</p> <p>A variety of up-cycling materials, which are not used as VBL, but just for individual designs.</p>
<p>Forms and Shapes: Rectangular and cylindrical forms.</p> 	<p>Forms and Shapes: Rectangular and hexagonal forms.</p> 	<p>Forms and Shapes:</p> <p>No signature form or shape.</p>
<p>Informative Graphics: Simple and clear lines, echo with the font of the logotype.</p> 	<p>Informative Graphics: Yellow graphics with grey background. Clean and organic.</p> 	<p>Informative Graphics:</p> <p>No specific standard but just a variety of design. Different products, different fonts and styles.</p>

<p>Sound as Branding: Recently a jingle is added to the website to give a signature brand on sound.</p>	<p>Aroma as Branding: The aroma of honey is also a signature in its brand.</p>	<p>--</p>
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Table 6.4 Comparison of the Visual Brand Language (VBL) of the 3 HK SEs

Source: SO...SOAP, HK Honey, KaCaMa Companies

Among these 3 SEs, the KaCaMa has little to deal with VBL and so the brand image is not s strong one and it is only about the special logo only at the moment. The SO...SOAP! is the strongest though the product is rather simple. It should be note that Eddie Yu of CoLab is its branding agent, but it does not charge SO...SOAP! for the design fee as he sees that the social vision is good. Recently, a jingle is added in the website as a kind of sound branding which is unique among the 3 SEs and it is not very common in Hong Kong at the moment, but this has already been popular in USA a decade before. Hong Kong Honey also carries a crispy brand image with natural style, which is elaborated by Michael. The aroma of honey and charisma of himself also added to the brand values. In short, VBL is not treated so seriously in SEs compared to that treated in MEs in Hong Kong. This may attribute to the different focus of vision, or SEs are not so emphasised on the importance of VBL when compare to the social engagement and activities. This part will further be discussed in the coming Chapter 7, and compare together with the MEs in Hong Kong.

7. The Mapping of the ME and SE Framework

Recently Professor Manzini (2013) shared his view on the latest trends in social innovation and social enterprises, which is very relevant to the cases in Hong Kong also. This includes the MEs and the SEs modes of business.

"How far are we from this complex, and therefore resilient, man-made environment? In my view, this question has no single and simple answer; contemporary society demonstrates a contradictory dynamism that forces us, on this point as on many others, to describe what is happening as a double trend: the mainstream, unsustainable trend, enduring from the last century, and a new, emerging trend. In our case, we have the clash between the big dinosaurs of the XX Century, and the new, interconnected small creatures of the emerging new world."

(Professor Ezio Manzini, 2013)

He further discussed that, *"Forty years ago, the "small" that Schumacher referred to was really small. In fact, it was so small; it had little chance of influencing things on a large scale. The same can be said for his concept of "local" – it was truly local as it was (quasi) isolated from other locals. In contrast, at the time, technological and economic ideas were largely driven by ideas of economy of scale and "the bigger the better". Prevailing trends discounted any possibility that the small could be beautiful if economy and effectiveness were taken in account.*

Today, as we have seen, the context is extremely different. Today, the small can be influential on a large scale, as it acts as a node in a global network. The local can break its isolation by being open to the global flow of people, ideas and information. In other words, we can say that today, in the networked society, the small is no longer small and the local is no longer local. The small and the local, when they are open and connected, can therefore become a design guideline for creating resilient systems and sustainable qualities, and a positive feedback loop between these systems."

Small and local production is emerging as influential on a large scale in the global network. The emergence of SEs in Hong Kong is also part of this network. Though the MEs are still the mainstream in the manufacturing business, the SEs also co-exist as noticed in the present days. More importantly, when they are open and connected, design guidelines could be shared among designers and businessmen for creating sustainable brands in such resilient systems.

7.1 The Structure of ME and SE Operation

7.1.1 Comparison of ME and SE Framework

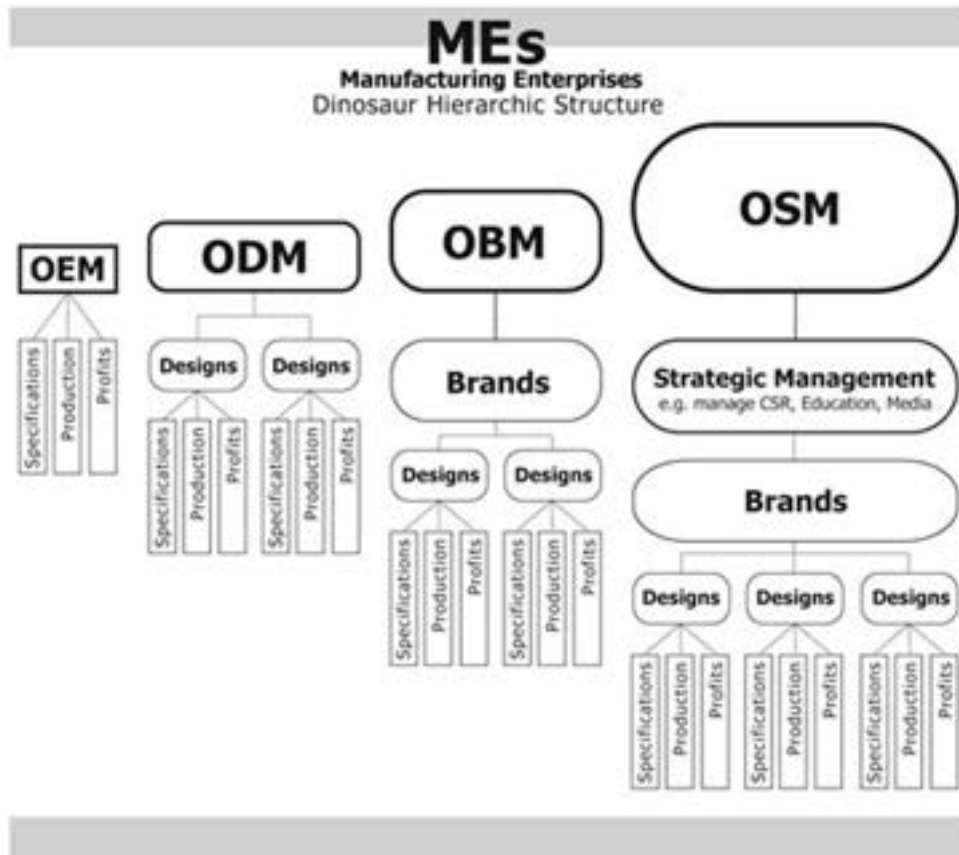


Figure 7.1 The MEs Hierarchic Structure.

The MEs are like gigantic structure with one major purpose of earning more profits. In OEM, the main concerns are fulfilling the specifications of the clients with their engineering knowhow, machineries and labours. It's simple but profit margin is becoming less and less as the clients could search for any OEM as their partner since the machines and production could be commonly found in the field. The ODM tries to design the products by itself so that they could control more factors in the production and ensure a higher chance of getting the orders and higher profit margin. The OBM is then developed with one or

more brands to organise the designs, such that the designs as well as the factory could sustain in the long run. Though still very hierarchic, but some humanistic elements are injected into the development of designs, such as engagement with customers to make them familiar and favourable of the brand(s). The rectangular shapes are presented with larger radius to symbolise the humanistic characteristics. Obviously, the company could have the chance to develop to a bigger size. The OSM is represented by rectangular shapes with more rounded corners because it goes closer to the social needs of the market. However, the main purpose is still getting substantial profits, but just packaged in a way that project a sound image to the customers. This kind of company as analysed in Chapter 5 is the company going into the stock market. The companies are immense and look strong in appearance, but it is hard to sustain the large trunk of workers. One crisis in such kind of company may lead to tremendous setback for the whole system.

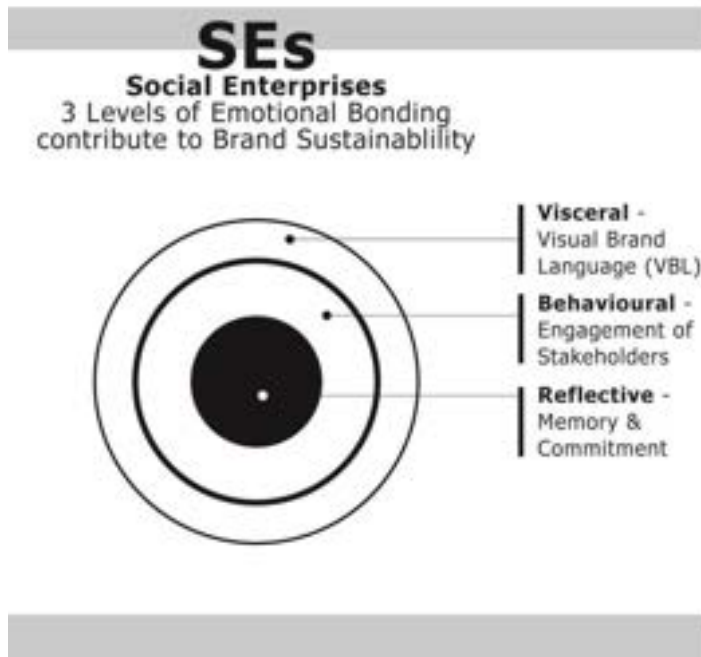


Figure 7.2 The SE as a Small Unit with 3 Levels of Emotional Bonding in Interacting with other SEs and stakeholders.

On the other hand, SEs in the research are comparatively very small in size, which are more flexible and swift in responding to changes and difficult situations in the market. They are small but could be more influential than the large companies. In Chapter 5, the Relation of Emotion, Products and Branding is illustrated in Figure 5.5, which is the reaction of a person to the 3 levels of emotional stimuli. When this model is applied to SEs, usually comprised of few workers, the similar structure could interpret the humanistic characteristics. That also explains why in SEs, it is quite natural to engage the stakeholders so frequently.

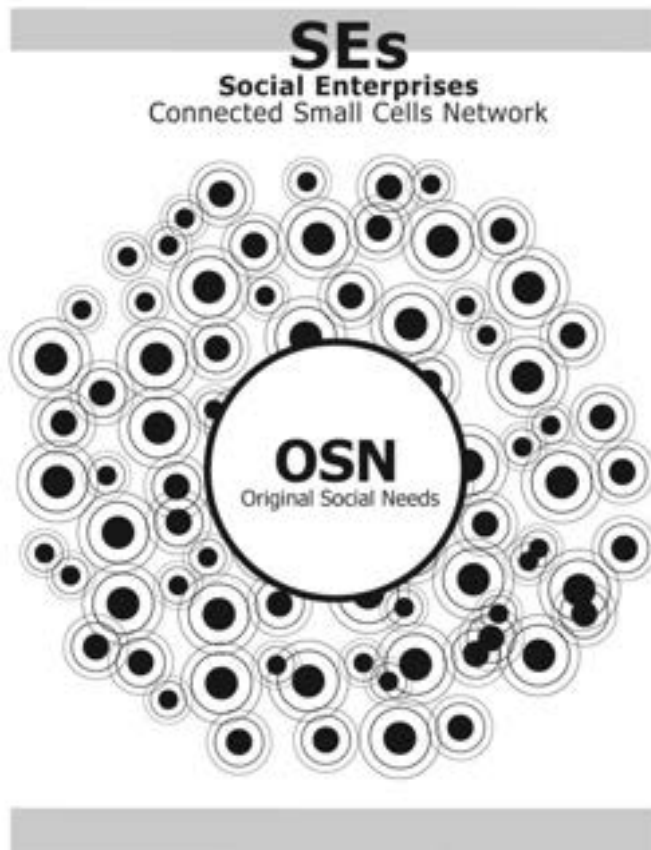


Figure 7.3 The SEs Connected Small Cells Network Structure

SEs are interconnected units who are capable of sharing and co-working together. It is a distributed system on a large scale. One unit is very small, but planet Earth is formed by small animal and plant cells in such manner. Cells form tissue, tissue forms organs, organs form system, and systems form the whole body. So the SEs researched in this thesis together with other SEs are co-workers and they are not afraid of leaking any secret to each other. Their roles are unique and they do not want and have no power to engulf the other SE. Instead of producing with a hierarchic system resembling the MEs, SEs show the ability of integrating traditional craftsmanship, cultural heritage and technologies, such as Chinese way of bee keeping on rooftop of a

hotel, good sewing ability of the skilled women to make high quality bags, and blending French tradition with Hong Kong tradition in soap making etc. All in all, SEs are connected unity in the visceral, behavioural and reflective levels, which form a much internalised relationship with stakeholders and co-workers, and branding becomes a means not only to increase profits, but also a tool to bond people together to care about social and environmental needs, in turn helping the balance of the global resources.



Figure 7.4 Co-existence of OSM and OSN

In the research data, since 2006, the government has been supporting SEs in Hong Kong in their business development,

which goes hand in hand with the convention modes of production in Hong Kong. In this junction, in fact the Original Strategy Management (OSM) has been prevalent in Hong Kong, which means there are intended strategies in larger enterprises to engage stakeholders in all directions. These include to earn a sound image in the Corporate Social Responsibilities (CSR), which is discussed in Section 2.2.1.2 and 3.1.2. Besides, OSM companies are very aggressive in partnering with mass media. Though the intention of OSM and OSN mode of business is different, the ostensible behaviours are similar. This is a common point of OSM and OSN (Original Social Needs). On the other hand, OSNs are also benefited from learning how to earn some reasonable amount of profits from the conventional modes of production. As mentioned in Section 3.4 where the suggested maximum profits of SEs in Hong Kong should no higher than 33% of the income. The overlapping of the OSM and OSN shapes in Figure 7.4 shows the co-existence of OSM and OSN, as well as the common concerns on social responsibility and profit making.

7.1.2 The Role of Brand Sustainability in MEs and SEs

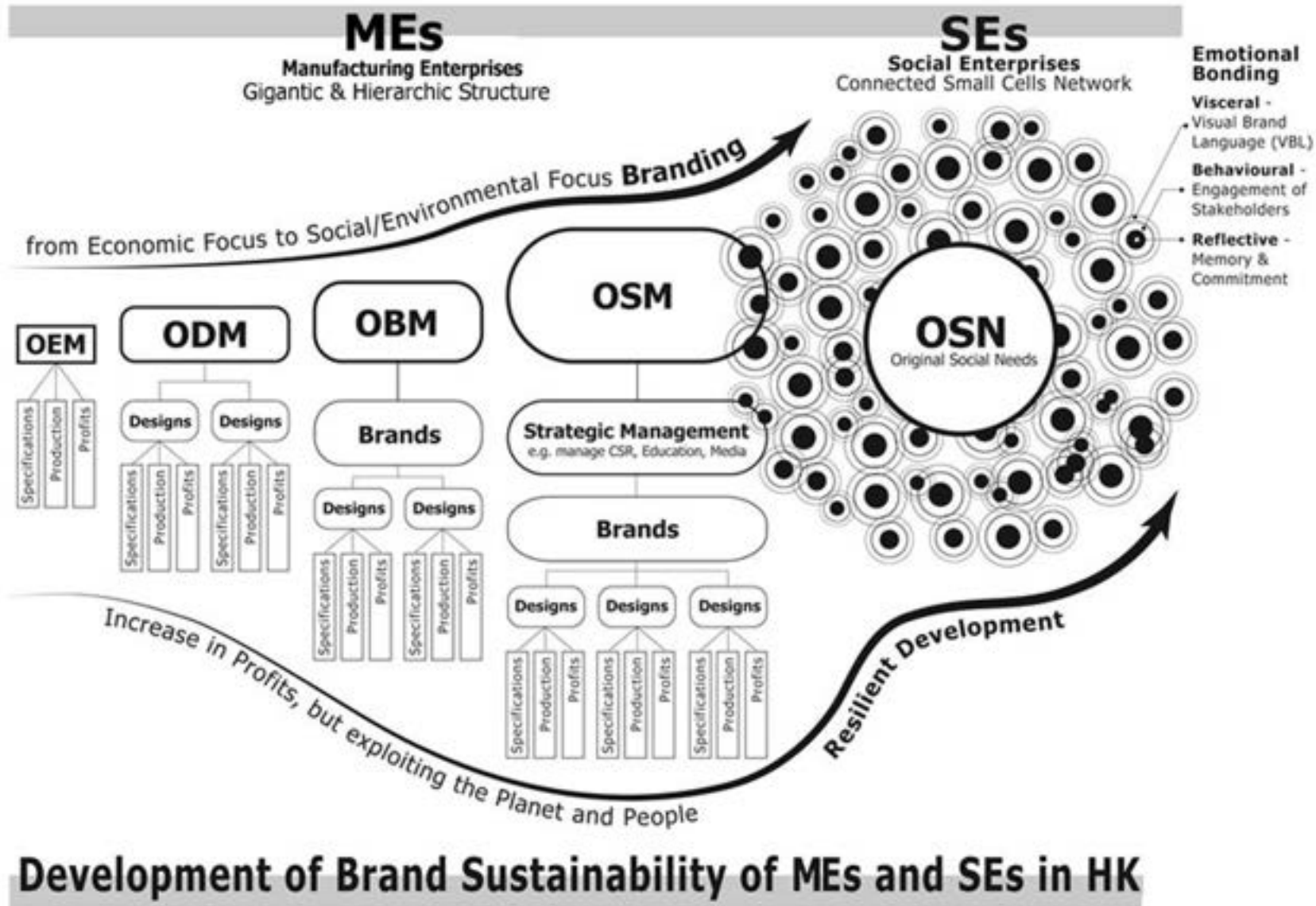


Figure 7.5 Development of Brand Sustainability of MEs and SEs in Hong Kong.

Figure 7.5 interprets the framework of the ME, SE and Brand Sustainability.

Since the 70's, MEs started their business in Hong Kong and built their factories in the Pearl River Delta in the Mainland China. It is a main trend globally that MEs together with cross-country enterprises take most of the resources in the planet to exchange for their soaring profits. The three 'Ps' – Profits, People and Planet is a trinity that coexist together resembling the 3 dimensions of Sustainable Development: the Economy, Society and Environment. The increase in Profits prodigiously means deeper and faster exploitation in the People and Planet resources. The faster the product cycle does not mean a better living. The SEs are helping a resilient development by slowing down consumption or reducing the waste of energy and human resources in their advocating of the social visions. However, it should be stressed that the SEs with OSN just co-exist with the OSM presently, and the OSM companies are NOT going through a transition to become the OSN type of companies. The arrow on top shows the increasing awareness of social and environmental concerns of both SEs and OSM type of manufacturing companies. The overlapping of the SEs circles and OSM rectangular shapes shows the co-existing of this element in branding at the same time. The brands sustain continuously and grow because of this advantage. A simple version showing the co-existence status is depicted in the Research Framework (Figure 1.1 of Chapter 1)

The new definition of branding is a holistic fold – to balance the needs of people in a society, the profits of enterprises and the planet as ONE (Heidegger 1927) as mentioned in Section 6. The emphasis of the brand equity is hence on the engagement of all stakeholders true-heartedly and frequently. The cases of SEs in this research reveal that the engagement is ubiquitous in Hong Kong. Stakeholders are kept updated every second online! All of the SEs have Facebook and SO...SOAP! has recently started sound branding with a tailor made jingle, and Hong Kong Honey continue to engage friends with its signature honey aroma. These elements also help the brands of these companies to sustain and grow faster.

Some SEs are growing bigger such as the SO...SOAP, which own 37 units now in different district of Hong Kong and the founder’s goal is 100 in the future. If she insists of the operation in small units scattered in the communities, it will sustain as a virtual big companies in another sense.

7.2 Sustainable Factors of ME and SE Brands

7.2.1 Sustainable Factors in Company Visions

	Co. Vision	Manufacturing Type (Main Focus)	Identities & Sustainable Factors
Company BL	The vision is to provide professional service in manufacturing high quality products to meet customers’ needs and international standards. At the same time design service is also provided in the research and development process.	OEM	<ul style="list-style-type: none"> • Interpreting products specifications. • Sustainable factors are the production technologies, quality control ability, efficiency of production, cost

			control etc.
Company EL	The vision is to provide research and development service to add values to product designs. The clients are companies holding famous brands of electronic products.	ODM	<ul style="list-style-type: none"> • Differentiating existing products. • Sustainable factors are the added values by design – functions and appearance. • Plus the factors of OEM. (Above)
Company TT	It highly focuses on its strategic drivers: powerful brands, innovative products, exceptional people, and operational excellence. This strategic foundation is driving its business to record levels by empowering its people to create cutting edge products.	OBM	<ul style="list-style-type: none"> • Creating system connections. • Sustainable factors are ability in engaging users through the royalty of brands, consistent product quality and related services as well as the emotional bonding with users. • Plus the factors of ODM. (Above)
Company SL	As a global leader in miniaturization and precision technology, it is poised to carve out new product possibilities to create the next "best thing," in its efforts to earn the admiration of our customers and to meet their growing expectations. The combination of our creativity and technology in these efforts is reflected in the group's dynamic new slogan: "Micro Human Tech." (CITIZEN Watch Co. 2015)	OSM	<ul style="list-style-type: none"> • Creating new concepts and systems. • Sustainable factors are the ability in previewing and creating new concepts and systems – social, economic, technological needs. At present OSM companies also pay attention to environmental needs. • Plus factors of OBM. (Above)
SO...SOAP	<p>The vision is to let mothers in the community to work according to their household schedules.</p> <p>The goal is to cooperate with non-profit groups to set up self-sustaining, natural hand-made soap production groups in different communities of Hong Kong.</p>	OSN	<ul style="list-style-type: none"> • Satisfying social needs. • Sustainable factors are the user-and-producer centred approach. • Networking with non-profit groups. • Internationalise the products by exhibitions and workshops • Balance of environmental and

			business concerns
HK Honey	The vision is to produce honey and supply for the need of the host building or restaurants nearby. Such that the health conscious customers would know where the food comes from when they enjoying their drink. At the same time the bees are able to bring nectar from flowers within the distance of 5 km in radius such that the flowers within such circle could be benefited by the pollination through the bees, which also help the urban parks and domestic planting.	OSN	<ul style="list-style-type: none"> • Satisfying social needs. • Sustainable factors are same as SO...SOAP, and • Have a closer connection with wider range of stakeholders, e.g. schools, artists, restaurants and hotels.
KaCaMa	The vision is to up-cycle the used materials such as the banners, hangers, packaging foam etc. and apply to new designs, which hopefully would produce delights and colourful lifestyle in Hong Kong.	OSN	<ul style="list-style-type: none"> • Satisfying social needs. • Sustainable factors are same as SO...SOAP, and • It produce a bit complex consumer products which promote the ideas of up-cycling.

Table 7.1 Sustainable Factors in Company Visions.

The identities and sustainable factors of each company, which represents the different modes of manufacturing, are tabled above. The first 4 modes – OEM, ODM, OBM and OSM, involve production of more complex types of electronic and electrical products, whereas the latter 3 OSN mode of companies involve simpler products. These two main categories co-exist in Hong Kong. Since their visions and hence brand strategies are different, they will not replace one another although they have common points of social and profit concerns. The differences could be read in the table, and the commonality and convergence are discussed below. They also reveal the swift and flexible adaptation to arising needs of the Hong Kong manufacturing companies.

Relationship with End Users

Since the 70's in Hong Kong, optimising profits has been the top vision of manufacturing companies. Though the products have to be sold to the end users, the manufacturers do not meet them in the OEM process. The OEM factories sustain their business by efficiency and accuracy in production. Later, as ODM and OBM have been more popular, the producers and designers have the chances to meet the clients or end users directly in the research and development process; and brands is a representation of the qualities and memory in sustaining the relationship with users. In OSM mode of manufacturing, sustainable factors are the ability in previewing and creating new concepts and systems – social, economic, technological needs. At present OSM companies also pay attention to environmental needs. These involve thorough understanding of the social and hence users' needs by considering different dimensions in the production management and planning. In OSN companies, not only the end users are the focuses, but the workers producing the products are also the concerns. Further, the relationship and trust between producers and users are also fostered intentionally, which is vital in sustaining the brands with such human bonding. As mentioned above, the products are less complex in production and maintenance and repair are not required, so an agent in between to guarantee the maintenance is not required. This is also a characteristic that enables such kind of relationship and sustainable quality.

Social Aspect

As mentioned in Chapter 3 and 5, the Corporate Social Responsibility (CSR) helps to show the concerns of the society and environment, and hence will influence the stock value of large manufacturing companies. Though the visions of these OBM and OSM include this CSR factor that sustains their brands, it may not be identical to the same factor as shown by the OSN companies, which do not have the burden of running a large company, but just a vision to share with the other stakeholders their values and beliefs. This social responsibility concern sustains the brands development, but the intention and implication are different.

Balance of Economic and Environmental Aspects

The OEM, ODM, OBM and OSM are conventionally understood as companies that should gain profits in the manufacturing business. The profits also sustain the companies and the brands. Whereas OSN companies or SEs are targeting on social needs and profit making are not set as a vision. However, to sustain these brands, profits are also important for renewing the tools and paying the expenses. Nowadays, the SEs studied in this thesis also notice this aspect, and a balance of economic return is a common point among all these companies. On the other hand, the OBM and OSM companies also put emphasis in development environmentally friendly products such as light energy watches and poison-free lithium batteries etc. As such, the economic and environmental

aspects concerned in the 2 main types of manufacturing companies converge, but with different emphases and pace.

Visual Identities

As elucidated previously on the Visual Brand Language (VBL), the 2 main types of manufacturing also carry their own styles of VBL. In the design point of view, the VBL provides concrete identities to sustain the brands in all of the manufacturing units. At the same time, customers also could differentiate the different products through the VBL. In OBM and OSM companies, resources are allocated in the development of VBL and hence it is more formalised and systematic. Whereas in OSN SEs, there are variations in the quality and formality. The SO...SOAP has been helped by an advertising company in the creation of VBL, and the owners of the KaCaMa Lab and HK Honey are product and interior designers themselves, (but not graphics designers). In the visions of these companies, they all carry the intention of projecting a consistent image of whatever kinds, which represent their products. The VBL helps to sustain them in the mind of stakeholders including their brands, products, which reflect the vision and image of the companies.

7.2.2 Sustainable Factors of ME and SE in Brand Strategies.

In the research, brand equity of MEs and SEs are quite different. It is believe by MEs that the brand value, favourability and loyalty is earned by the product quality, and product quality is ensured by standards and equipment. Whereas in SE cases, there is not much query about product quality because the producers are users at the same time, or the customers could know the producers quite well like a friend or being in a family. A trust system is also developed in most cases. The system of certification, a Q-mark is only for people who do not trust each other! Table 7.1 Interprets the important success factors discovered in the cases study.

Sustainable Factors of SEs in Brand Strategies	Sustainable Factors of MEs in Brand Strategies
Small, but flexible in solving problems and survive difficult situations.	Big, have access to plan and develop big ideas.
Strong brand stories. Mass media take initiative to report them in-depth.	Afford to pay mass media to report their brand stories
The social visions are charismatic in attracting stakeholders to join them.	Social cares in advertising are added to promote brand image.
Stakeholders are invited as producers in the production process. More internalised experience, and hence commitment.	Stakeholders are invited to become valued customers with privileges in the VIP club for example.
Local production for local	Cheaper labours in remote

consumption. People know them well. Energy saved in transportation of people, materials and products. Affection is developed also.	places. (actually, it is not good in the sense of resources)
Artisans, Artists, Photographers, Designers are invited or attracted to join their visionary projects. Instant and frequent contact with stakeholders by Facebook	Designers and advertising agents are employed. (but just in a relation of boss and employees) Promotion supported by great budget.
Famous business partners want to share the established social and environmental image in order to augment their CSR. E.g. Hotel restaurants, high-class department stores	MEs have established business partners. E.g. Partnered Brands and Acquired Brands.
NGOs and education bodies are connected closely like families. Education is less formal but more effective, which favours emotional and values sharing through experience.	--
Overseas exposure and connection is a global sharing of cultural and environmental issues, unlike going to trade fairs for selling products in MEs. Exhibitions and reports are like travelling and cultural sharing – more appealing and touching to engage readers and co-workers.	MEs could afford to travel overseas time and again to engage foreign partners in trade fair and market research.
Quality of Visual Brand Language (VBL) varies in SEs, but is compensated by words of mouth of products.	Visual Brand Language (VBL) is strong in MEs generally, which provide standards and guidelines for quality production and consistency.

Table 7.2 Sustainable Factors of SEs and MEs in Brand Strategies.

7.2.3 Sustainable factors of SE and ME in Visual System - The Visual Brand Languages (VBLs) Compared

Success Factors of VBL of MEs in Brand Strategies	Success Factors of VBL of SEs in Brand Strategies
Consistent standards ensure consistent quality and values	Develop trust together when working with the producer
Customers usually do not see the CEOs or designers, so VBL could provide assurance to them	Could see the founders or designers, so VBL is less important in provide assurance of quality
VBL is emphasised on products	The emphasis on persons complements the lack of standards in VBL
Explicit and quantifiable parameters for long-term references	Partially explicit parameters for references. The quality varies among SEs.
VBL for production, a clear purpose	VBL for emotion, clear to stakeholders' feeling
VBL could help differentiate products within the same companies	The product range is always not so wide in SEs. VBL is not very systemically defined.

Table 7.3 Sustainable Factors of SEs and MEs in VBL of Brand Strategies.

8. Conclusions

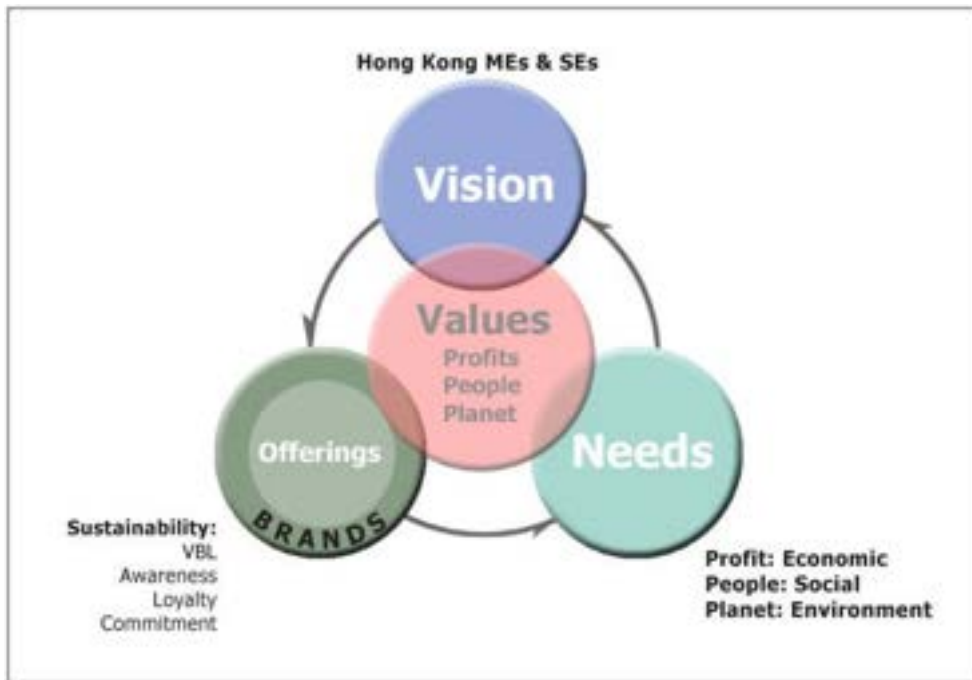


Figure 8.1 Brand Sustainability in relation to HK MEs and SEs

8.1 Brand Sustainability in relation to HK MEs and SEs

Figure 8.1 summarises the relationship of Brand Sustainability and Hong Kong MEs and SEs. The visions of MEs and SEs actually drive the business direction and produce different kinds of offerings such as commodities, products, experiences etc. The offerings are wrapped up by brands, which appear to users in different forms, colours and above all an emotional impact to the users. When a brand sustains, it will help the offerings to sustain and hence the MEs and SEs. When the brands are accepted by users, the needs of them are satisfied, which include consumer products, luxury goods, social services and environmental friendly

products. There are 3 dimensions of needs that sustain the brands and offerings: Economic, social and environmental needs. In fact they are the fundamental demands that affect the setting of company visions of the MEs and SEs. Branding in the market is operated under a value system. As it is illustrated in Figure 8.1, the centre part represents the values that embed the MEs and SEs visions, the offerings and brands, as well as the need.

Values affect the needs and hence demands of users. In case of SEs, they are so called the Social Needs. Brands play a sustainable role in raising the awareness of users by appealing to them by visuals, forms, taste, aroma, tactile feeling of washing hands etc. By engaging them with experience of joining workshops, community activities, and even actual participation in production, the loyalty and commitment to the brands are noticeably increased. With this association, further relationship and actions are made possible in a sustainable manner. In case of MEs, the values of offerings are usually the functions and aesthetics of the products, which are toys, watches, mobile phones or power tools in the case studies of this research. The brands sustain through the quality and reliability of the products. However, as the product cycle is changing fast, consumers cannot remember all the details and characteristics of the products, so the brands help to provide a simple and easier way for the memory of the products' quality and image. Nowadays, the HK MEs also noticed the environmental issue, demands from

customers as well as the requirements by international standards on green issues, so they also invest in the development of such dimension, and sustain the business through branding with the idea of Corporate Social Responsibility. Such kind of norms and requirements also give rise to the emergence of HK SEs nowadays, leading to the co-existence of SEs and MEs in the market.

At the same time, the needs of customers are also based on their own values in mind. There are 3 aspects of values: People, planet and profit or price, which are parallel to the social, environmental and economic aspects. When they buy the products from HK MEs and SEs, they will have their expectation before buying, experience of use after purchasing, and future projection of the offerings represented by the associated brands. In such consideration, the MEs and SEs in Hong Kong take into account of them, and polish their brands so as to print a love mark in the brain of their customers.

The HK SEs also go a step further to expand the circle of engaging the stakeholders in a wider perspective, which invite artisans, artists, educators, the disabled and even the users themselves as co-producers. As such, they are part of the brands and this is a deeper kind of relationship among the SEs and users, and it can sustain the business as well as social visions.

As a whole, it is a mutual relationship among brands, offerings, values, company visions and needs of users. However, values, visions of companies and needs of users are not tangible, and the products cycles are changing fast. Hence, the brands sustainability helps retaining a relatively stable and consistent image, reflection in mind and experience of the users. Lastly, the VBL systems in this thesis conclude visual references for future study of the brand system in visual format, which is especially relevant for designers as most of the references in the field are in the 2-dimensional and marketing dimensions. The VBLs studied in this thesis not only identify the cues and trends of products, but also analyse the original creative process and how they are executed as 3-dimensional products apart from 2-dimensional graphics. It plays a concrete and vital role in brand sustainability because it provides consistent and professional guidelines for the creation and execution process.

8.2 Evaluation, Contributions and Implications for Design Practice

The conventional modes of MEs and SEs are compared and contrasted, which show the patterns and theories applicable to the present world of manufacturing industries. With the common points and differences, we may also predict the future trend and adaptation of the conventional modes of

manufacturing business in ME as well as the success factors inherited from them to the emerging mode of social innovation in SE execution.

The new definition of branding is a holistic fold – to balance the needs of people in a society, the profits of enterprises and the planet as ONE (Heidegger 1927). The emphasis of the brand equity is hence on the engagement of all stakeholders true-heartedly and frequently. The cases of SEs in this research reveal that the engagement is ubiquitous in Hong Kong.

The contributions of this thesis are to provide a comparison of the conventional modes of production and the arising mode of business social enterprise in the area of brand sustainability in Hong Kong. This direction is more humanistic covering also the social and environmental dimensions. Together with the Visual Brand Language (VBL) systems, this thesis concludes a visual reference for future study of the brand system in visual format, which is specially relevant for designers as most of the references in the field are in the texts format.

Visual Brand Language (VBL) From implicit knowledge to explicit knowledge, it takes time and other specification tools to construct the Visual Brand Language (VBL) such as the existing fonts system, colour code systems, texture code system, vocabularies and associations in emotional feeling etc. The VBL examples in this thesis give overall brand images

with details, provide specifications for engineers and designer teams in the pre-production, production and post-production and sales activities. They form the integral parts, which articulate the products to the brand equity with consistent and long-term impact to stakeholders. On top of the marketing strategies, VBL is the concrete element for sustaining brands by exploring the tacit knowledge and values in the mind of CEOs, designers and engineers. This is especially useful for the manufacturing industries in developing sustainable brands.

Apart from 2-and-3-dimensional standards, *sound, aroma, recycled, up-cycled, and natural materials* are also found very common in the area of OSN mode of business, which also enriched the VBL in a sustainable sense. (p125-128, 140-141 of this thesis)

8.3 Limitation

The Grounded Theory used in this research by its nature does not provide generalisation of the research topic. Different from quantitative method, which is used to prove or disprove hypotheses, the qualitative method used in this research studies the brand sustainability in relation to different modes of businesses in Hong Kong, the designs and creative strategies including Visual Brand Language (VBL). This opens up new

findings and theories through comparison and contrast of the commonalities and differences of the cases.

The study has been conducted in the Hong Kong context, and the sample numbers of companies are relatively small, although to achieve sufficient variations, I have investigated 7 different companies. These companies include Original Equipment Manufacturing (OEM), Original Design Manufacturing (ODM), Original Brand Manufacturing OBM (OBM), to Original Strategy Management (OSM), and in the co-existence of the latest mode of business – Original Social Needs (OSN), which encompass the modes of businesses from very small and individual businesses in social enterprises, to conventional mode of OEM, ODM, OBM and very large mode of OSM businesses. The analysis of the investigation could be enriched if more companies could be examined, though relatively smaller number of cases is acceptable in the Grounded Theory method.

Another limitation is there is not much reference on Visual Brand Language in the existing body of literature. Few of them could be found in online information. It is because the idea of connecting visual identity, especially 3-dimensional elements, with brand is still relatively new, and it was treated as 2-dimensional corporate identity in the past and the design of 3-dimensional forms is treated as individual tactics and implicit characters of design and designers. Though this gives rise to the unique value of study of this kind, it also adds to the difficulty of comparison and contrast

of literature knowledge, but this opens up the room for this research.

Besides, OSN is still new in the Hong Kong society, so there is also not abundant literature reference in the study area. Therefore, time is needed for the development of social enterprises to a more mature stage, and there should be more references, including this thesis, for future research.

This study examines the experiences and practices of design managers and the owners of the companies. The study of their insights helps to form a framework that reflects the realistic practice after comparison and organisation. Although they know very well the brand strategies and design related systems, the frontline designers or other stakeholders are not formally interviewed in a large scale. If time is allowed, their experiences may also be added to the body of knowledge to represent a study from different angles in the future.

The study is among the first to align OEM, ODM, OBM, OSM and especially OSN together in relation to brand sustainability in terms of design and creative strategies with reference to visual brand system. Throughout the research I have had a deep appreciation of the use of VBLs, which provide systematic, explicit and yet artistic ways for designers and other stakeholders to create, recognise and use the designs in a sustainable and repeatable manner. Together with different design and creative strategies, it provides sustainable development of product designs,

which could be applicable to different modes of businesses related to design. Furthermore, I would like to express that this study is just a start to provide ways to understand how brand sustainability and design are related to different social, economic and environment needs nowadays in the spectrum of businesses related to designs in Hong Kong. With this start point, the development and co-existence of different modes of the businesses could continually be explored and sustained through branding in the future.

This thesis also analysed the sustainable factors in the Hong Kong design and manufacturing areas in the past decade, which co-exist in form of different layers instead of a linear or circular pattern (Professor John Heskett, 2002). That is throughout time in history, we could see and extract the useful elements in the standpoints and perspectives of today, and integrate them by seeing them in layers and mingle them according to the needs, resources and situations of the age. Above all, lively solutions and new alternatives could be proposed and perpetuated by using present resources and concrete visual elements of design in augmenting the design offerings through branding in a broad sense – from promoting to engage people to buy more, to advocating by non-profit making organisations to pledge people to buy less or consume with less adverse effect, and to making a balance of consumption of resources and making money at present in a resilient manner, both for users and producers as well as the world as a whole.

Since all the activities related to design, and branding are ever changing and morphing into different practices, therefore even until the end of this thesis, the analysis will not tell the 'final' mode of performance or a full stop for the topic.

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