A Review of Research on Cluster Brand

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Keywords: Industrial Cluster, brand, review

Abstract: Since the birth of industrial cluster, its role in economic development has attracted the attention of academic circles. Under the market competition environment, the cluster brand construction is an important way for industrial cluster to maintain the competitive advantage. This paper sorts out relevant theoretical researches on cluster brand, hoping to be able to provide certain reference on the brand construction of industrial cluster.

1. Introduction

As an important organizational form of industrial development, industrial cluster is the leading force of regional economic development. Brand is the embodiment of the comprehensive competitiveness of enterprises and even the country. Modern international economic competition is not only reflected in products, but also in brand competition. How to enhance the competitiveness of industrial clusters is an urgent problem to be solved in the context of increasing competition. As an important means to enhance the competitiveness of industrial clusters, brand building has received much attention. At present, the academic circles have expressed the overall brand of industrial clusters as "regional brand", "cluster brand", "regional industrial brand" and so on. To express this concept, we will not distinguish the semantic differences between the above concepts, and uniformly adopt "cluster brand". This paper attempts to summarize the origin and connotation of cluster brand research, the formation mechanism of cluster brand, cluster brand effect and cluster brand construction, to deepen the understanding of cluster brand.

2. The Origin and Connotation of Cluster Brand Research

In the 1990s, Porter first put forward the concept of "industrial cluster" and proposed that industrial cluster plays a key role in national competitive advantage. [1] Overseas scholars often use conceptual terms such as "cluster reputation" and "reputation" to describe the overall brand of cluster based on the development of industrial clusters. [2]

The theoretical research on cluster brand in China is rising with the vigorous development of industrial clusters. After the reform and opening, many specialized production areas appeared in Zhejiang, Guangdong, Jiangsu and other places, "Wenzhou shoes", "Jingdezhen ceramics" and other names made scholars begin to pay attention to the impact of regional brand building on industrial clusters. Wang Jici et al. (2001) and Wei Shouhua (2002) first put forward conceptual terms such as "location brand" and "regional brand" in their series of studies on industrial clusters, which opened the prelude of the brand research of industrial clusters. [3-4] The research on the connotation of cluster brand in China mainly includes:

Hong Shengwen (2005) thinks that regional brand is the inevitable product of the development of industrial clusters. Industrial clusters have formed a considerable scale and strong productivity in a certain region, and their industrial products have a higher market share and influence, to form a brand that distinguishes different products among industrial clusters. [5] Li Yonggang (2005) believes that regional industrial brand refers to the market reputation and influence formed by the development of regional characteristic industries. The main body is not a single enterprise but a
specialized enterprise cluster within the region. [6] Zhang Guoting (2008) believes that the cluster brand is a comprehensive manifestation of the collective behavior of enterprises within the cluster, it is the name and symbol of popularity and reputation widely recognized by external purchasers, partners and other relevant parties. [7] Wu Chuangqing (2010) propose that the most appropriate terminology to name the overall brand name should be “regional industrial cluster brand”, and the regional industrial cluster brand is refers to the industry reputation and reputation accumulated by the development of industrial clusters in specific regions, which is a comprehensive reflection of the overall development level of industrial clusters. [8]

Although the conceptual terms used in the domestic theoretical circles on the overall brand of the industry are not the same, but the research results of the above scholars can be obtained: (1) cluster brand and industrial clusters are accompanied by each other. Industrial clusters are the basis for the emergence of cluster brand, cluster brand is the embodiment of the development of industrial cluster; (2) The construction of the cluster brand is the result of the joint efforts of all the entities within the industrial cluster; (3) Cluster brand is the overall popularity and reputation of the industrial cluster.

3. The formation mechanism of cluster brand

Mechanisms refer to the internal working modes of the elements in a certain system structure and the operating rules and principles of the interaction of the elements under certain environmental conditions to realize a certain function. The formation mechanism of cluster brand focuses on the analysis of the logical relationship between the formation and development of cluster brand. The main researches on the formation mechanism of cluster brand in China are as follows:

Yu Weibin (2004) believes the intrinsic mechanism and flexible production mode of similar enterprises' agglomeration, competition, cooperation, learning and innovation created the market, product and channel advantages of industrial clusters and promoted the formation of cluster brand. [9] Yang Jianmei et al. (2005) believe that the formation mechanism of cluster brand has three factors: market share, regional culture and regional marketing. [10] Shao Jianping (2008) expresses the formation mechanism of cluster brand as: regional characteristics → product advantage → market advantage → leading industry or product formation → industrial agglomeration → regional brand formation. [11] Zhu Zhiyu and Zeng Lu (2010) explain the formation mechanism of cluster brand through the diamond model of industrial cluster brand based on the factors influencing the formation of cluster brand and the value sources of general brand. [12] Yang Jiali (2014) believes that the formation of industrial cluster brand is a complex process, and eventually result from an open and consistent communication originating from the extension and connotation of the cluster brand. [13] Xia Tian et al. (2018) took the ecological agriculture cluster as the research object, and constructed a cluster regional brand formation mechanism model composed of cluster regional environment, cluster region innovation and cluster regional culture. [14]

Scholars have analyzed the formation mechanism of cluster brand from different angles. Combining the above research, we can see that the formation of cluster brand is the result of multiple factors: product advantage and market share are material foundations, regional culture and brand connotation are cultural foundations, and the external environment, promote the gradual development of the cluster brand.

4. The cluster brand effect

The purpose of cluster brand construction is to enhance the core competitiveness of industrial clusters and promote regional economic development. Therefore, studying the effectiveness of cluster brand is the premise of building cluster brand. There is a process in China for the perception of the cluster brand effect.

In the early days, scholars fully affirmed the effect of cluster brand and strongly supported the development of cluster branding. Hu Dali et al. (2005) believe that cluster brand has a combination of clustering effect and brand effect. [15] Liang Wenling (2007) believes that cluster brand effects
are embodied in the identification and promotion of cluster brand, positive externalities, brand umbrellas and lasting brand effects. [16] Zhang Guoting (2008) believes that the cluster brand has market promotion, resource attraction, demonstration drive, coverage of SMEs and regional image enhancement effect on the regional economy. [7]

However, some scholars have questioned the positive effects of cluster brand and believe that there are risks in cluster brand construction. Bi Nan et al. (2009) studied the impact of cluster brand on product perceived quality from the perspective of consumers, the results showed that the "China Shoes are Wenzhou" has the worst feelings, which raised questions about the positive effects of cluster brand. [17] Niu Yongge et al. (2011) believed that domestic research neglected the characteristics of cluster brand, cluster brands are divided into special cluster brands and general cluster brands. Using empirical methods and through data analysis, he found that the cluster brands of general industrial clusters have a negative effect on consumers and are not suitable for developing cluster brand; special cluster brands have a positive effect on consumers and are suitable for developing cluster brands. In this way, the promotion of cluster brand construction should distinguish the characteristics of clusters. [18] Li Xiaobo et al. (2014) believe that the public goods attributes of cluster brand will bring certain risks, mainly reflected in the brand coherence, “free rider” behavior, and problems of brand dilution, brand individuality ambiguity and brand infringement. [19]

Some scholars adjusted the experimental perspective and methods to demonstrate the widespread positive effects of the cluster brand. Tangsong (2015) based on the provincial data of China from 1993 to 2013, studied the relationship between cluster brand effect and industrial agglomeration. Empirical analysis showed that cluster brand has a promoting effect on local industrial agglomeration. [20] Song Yonggao et al. (2018), through the combing of the research on the brand effect of the cluster based on the consumer perspective, portraying the brand image of the cluster with the two dimensions forming a four-quadrant cluster brands image construction. He believes that both general and special cluster brands have positive effects. The difference is whether the cluster brand is strong or not. The strong cluster brand has a positive effect across geography, while the positive effect of the weak cluster brand is limited to local areas, through marketing and communication, the weak cluster brand can be transformed into a strong cluster brand. [21] The study provided support for building cluster brand.

To sum up, a correct understanding of the effect of cluster brand is helpful to advocate the construction of cluster brand. It has been nearly 20 years since the concept of cluster brand was put forward. The academia's understanding of cluster brand effect has evolved which reflects dialectical thinking. But in general, cluster brand has a general positive effect, it is necessary to implement cluster brand strategy.

5. The construction of cluster brand

Chinese scholars generally agree that cluster brand have publicity and positive externalities. The construction of cluster brand is conducive to the development of enterprises within the cluster and can promote regional economic improvement. Some scholars gave their views on how to build cluster brands:

Hong Shengwen (2004) propose that the main body of building cluster brand should be determined. The main body of different types of industrial clusters can be government, quasi-government institutions, industry associations, entrepreneurs' alliances and leading enterprises. The construction of cluster brand should highlight the advantages of industrial clusters. [5] Zhao Guanghua (2007) mainly discusses the role of government in the construction of cluster brand, including the formulation of cluster brand development plans, the construction of cluster innovation networks and the optimization of cluster development environment. [22] Li Xiaocui et al. (2008) propose that the construction of China's industrial cluster brand can be carried out from the aspects of cluster brand positioning, marketing, innovation and protection. [23] Wang Hongcai (2011) believes that China's industrial cluster brand development strategy must grasp the market demand
from four aspects of brand positioning, implementation, maintenance and innovation, establish an image, and innovate the development model to establish a competitive advantage. [24] Based on Davidson's "Iceberg Theory" and analyzed the internal and external factors of building industrial cluster brand, Yang Jiali (2014) points out that the construction of industrial cluster brand needs the joint efforts of the related enterprises, as well as the support of the external government, the propaganda power of the media and the guidance of industry associations and enterprise alliances. [13] Xie Xiangquan (2015) propose that the brand of agricultural product industry cluster could be built around five aspects: rebuilding the market ecology in the region, strengthening standardized quality management, promoting scale by relying on the core enterprises, synchronizing the publication of information online and offline, emphasizing the implantation of cultural elements and enhancing recognition. [25] Li Guihua et al. (2018), from the perspective of brand authenticity, propose that industrial clusters should give cluster brand authenticity by strengthening the cluster culture, institutional norms and communication methods. [26]

In summary, the discussion on cluster brand building mainly focuses on: (1) The main body of construction: According to different types of industrial clusters, governments, industry associations, enterprises, etc. will be the leading force in the construction of cluster brand; (2) Construction strategy: Mainly from the positioning, marketing, protection, innovation and other aspects of the cluster brand; (3) Construction environment: cluster brand building is the result of multiple factors, requiring a good external environment.

6. Summary

It can be concluded from the above research that Chinese scholars have achieved many results in the connotation, formation mechanism, effect, and construction of the cluster brand. In addition to the above concentrated research areas, the cluster brand ecosystem, the evaluation system, the internal governance of the cluster brand, and the game theory of cluster brand risk are also the focus of the study. As the scale and number of China's industrial clusters continue to develop, the importance of cluster brand will become more prominent. The research on cluster brand is related to whether industrial clusters can continue to maintain their advantages.

References


