

# Critically Exploring the Development of a Conceptual Framework for Building Innovative Brands

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**Abstract:** The success of today's brands increasingly relies on consumer-centred co-innovation. In this context, brands must play a role that is more proactive than their traditional one of serving as a communication tool. Based on an extensive review of the literature, this paper defines the new role of brands as a driving force for innovation and, to illustrate the potential of that new role, proposes a conceptual framework for building innovative brands that comprises the following five dimensions: (1) the command centre—the brand management team; (2) the strategic vision—the context of building innovative brands; (3) the organisational foundation—the organisation's innovation capability; (4) the cross-cultural perspective—driving innovation cross-culturally; and (5) the human-centred innovation approach—*design thinking*. It is hoped that the comprehensive, interdisciplinary, and strategic outcomes will inspire researchers and marketing professionals to apply the findings described here and to conduct further study on this topic.

**Keywords:** branding; innovation; design thinking; strategic management

## Introduction

O'Cass and Viet Ngo (2007) suggested that building successful brands does not always depend on the interpretation of feedback received from current consumers and competitors but rather on an organisation's ability to innovatively develop unique ways of delivering superior value to consumers. This challenge to management science (Ind & Watt, 2006; Payne, Storbacka, Frow, & Knox, 2009) has been echoed for several years by those who hold similar pioneering views. This paper aims to provide a comprehensive, interdisciplinary, and strategic perspective from which to approach this challenge as an opportunity. Initially, it critically reviews the theoretical background and analyses the context of the challenge. It



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then addresses the research question of this paper: how does one build innovative brands systematically? To answer this question, a five-dimensional, conceptual framework for building innovative brands was mapped out based on a broad literature review of branding, innovation, organisation, and design theories. *Design thinking*, a human-centred approach to innovation, was introduced to inspire the framework.

## The New Role of Brands as a Driving Force for Innovation

### 2.1 The Early Era of Brands as a Communication Tool

The term *brand* can be traced back to 1876, when Bass Ale submitted its trademark and became the first officially registered brand in the world (Millman, 2011). During the last three decades, the term has developed and expanded to encompass a disciplinary status known as *branding*. Not confined to consumer goods and services fields, branding has also extended to business-to-business, to regions and countries, and to organisational management domains (Allen, Fournier, & Miller, 2008). A brand is often regarded as a communication tool and a part of the product strategy in brand development (Rooney, 1995). The following are two definitions that provide relatively comprehensive understandings of the term:

- A brand encompasses the benefits offered by a product or service, the consumer experience, and the assets critical to delivering and communicating that experience (Leventhal, 1996).
- A brand is "a multidimensional construction, matching a firm's functional and emotional values with the performance and psychosocial needs of consumers" (De Chernatony & Dall'Olmo Riley, 1998, p. 417).

A debate on the "death of the brand" began in the early 1990s (Leventhal, 1996, p. 17), since the simple world of mass production technology and television advertisement in which branding theory thrived turned into a more complex world. This complexity is reflected in various aspects of marketing, such as knowledgeable consumers, multiple media, proliferating distribution channels, and the rapid development of Internet technology (Allen et al., 2008; Leventhal, 1996). Accordingly, the role of brands as a communication tool ended. This argument can be partly verified by the four eras of branding theory development identified by Merz, He, and Vargo (2009; see Table 1). It is evident that the debate on the "death of the brand" was initiated at the beginning of the relationship-focus brand era; since then, involving multiple stakeholders to co-create brand value has become the central task of brand development.

Table 1 The four brand eras identified by Merz, He, and Vargo (2009).

Brand Era	The Role of Brands
1. Individual Goods-Focus Brand Era (1900s–1930s)	Brands were considered <i>identifiers</i> that constituted a way for customers to identify goods.
2. Value-Focus Brand Era (1930s–1990s)	Brands were regarded as <i>functional images</i> and <i>symbolic images</i> to meet customers' external and internally generated consumption needs, respectively.
3. Relationship-Focus Brand Era (1990s–2000)	Brands were seen as <i>knowledge</i> , which considered brand value to be the collectively perceived value co-created by all consumers. Moreover, they were seen as <i>relationship partners</i> , which highlighted the idea that consumers formed emotional relationships with brands and constantly co-created brand value through these relationships. Furthermore, they played the role of <i>promises</i> , which stressed the notion that employees constituted important brand value co-creators by communicating a certain brand image through their interaction with customers.
4. Stakeholder-Focus Brand Era (2000 and forward)	Brands are identified as <i>dynamic and social processes</i> , which emphasized the concept that brand communities and all stakeholders are active co-creators of brand value.

## 2.2 The New Era of Brands as a Driving Force for Innovation

As discussed in the previous section, the exploration of mutual relationships among stakeholders to co-create brand value has been the dominant direction of branding theory. Some constructive suggestions have been proposed, which can be grouped into the following two approaches to building innovative brands.

*Consumer-centred innovation:* Norton (2005) indicated that some brands provided consumers unprecedented innovative products and services and were thus responsible for the company's market leadership. Further, Ulaga and Chacour (2001) pointed out the importance of knowing what customers need and desire, and then developing and delivering consumer-valued innovations, to the success of today's businesses. These findings led to a newly established logic: consumer-centred innovation is the key to brands' success, a conclusion that has been confirmed by many scholars in the branding field (De Chernatony, McDonald, & Wallace, 2011; Payne et al., 2009; Prahalad & Ramaswamy, 2004; Sheth & Parvatiyar, 1999).

*Cross-boundary collaboration:* De Chernatony (2001) pointed out that brand development is a set of cross-functional activities in the value-adding process. Similarly, Merz et al. (2009) argued that stakeholders co-create brand value continuously, dynamically, socially, and interactively. Correspondingly, the collaboration relationship among stakeholders has

become an ideal opportunity for brands to survive and thrive (Cravens & Piercy, 2008; Hatch & Schultz, 2010). As collaborative partners, stakeholders can contribute in many ways, such as supplying economic resources and political support as well as the specialist knowledge that provides mutual benefits for brand development and innovation (A. Gregory, 2007; Prahalad & Ramaswamy, 2004).

The two approaches are interrelated and therefore can be combined into consumer-centred co-innovation, which implies the new role of brands. In this regard, Abbing (2010) put forward a new concept, *brand-driven innovation*, and the following four-stage approach to achieving it:

1. *Human-centred branding* connects the brand to the people who develop new products and services, as well as to its current and future customers. Organisations can achieve this goal by involving multiple stakeholders throughout their entire brand-building processes.
2. *Building innovative strategy* involves developing an innovation approach that sees the promise of the brand as a springboard. The question to answer is "How can we deploy our capabilities and resources as best we can to develop new products and services that delight our customers in every stage of their relationship with us?"
3. *Building design strategy* comes into play after an organisation has discovered its unique capabilities and gained an understanding of how these can be transformed into value for its customers. A multi-disciplinary strategic design will help to transform the understanding into practice.
4. *Touchpoint orchestration* is the course through which, every time the consumer encounters a brand touchpoint, the organization has an opportunity to strengthen the relationship with that customer.

In this way, Abbing (2010) creatively demonstrated the new role of brands as a driving force for innovation. It can be said that the early era of brands as a communication tool has been replaced by the new era of brands as a driving force for innovation. This classification of the two brand eras offers a new perspective that raises brands to a dominant position in businesses and reveals their potential power in continuously driving consumer-centred co-innovation.

### *2.3 Defining the Research Question*

While the latest studies towards the new brand era are inspiring, they continue to be undeveloped and require improvements. For example, the four-stage approach of brand-driven innovation has several limitations. First, it requires the fundamental knowledge of branding theory as a prerequisite. In addition, the application result highly relies on the organisation's innovation capability. Moreover, it simplifies the process of brand-driven innovation (Abbing, 2010). As a result, organisations can hardly implement it without expertise. Hence, a valuable research approach is one that focuses more on relevant topics, which is what this paper aims to do. In the new brand era, the core responsibility of brands

is driving consumer-centred co-innovation systematically and thus helping organisations to achieve sustainable development. Accordingly, this paper defines a critical research question: how does one build innovative brands systematically? To answer this question, this paper presents a conceptual framework comprising the following five dimensions: (1) the command centre—the brand management team; (2) the strategic vision—the context of building innovative brands; (3) the organisational foundation—the organisation's innovation capability; (4) the cross-cultural perspective—driving innovation cross-culturally; and (5) the human-centred innovation approach—design thinking (see Figure 1). Companies and public sectors are the two primary domains that need to build brands. Due to space limitations, this paper concentrates on companies.



*Figure 1 The five-dimensional, conceptual framework for building innovative brands.*

## **2.4 Inspired by Design Thinking**

The fifth dimension of the framework introduces a mature concept of design theory: design thinking, an idea whose development can be traced back to the 1960s (Simon, 1969). Now, a half-century later, the world has come to a common understanding of design thinking. The following are two clear definitions of the concept:

- Design thinking is a human-centred approach to innovation that integrates the needs of people, the possibilities of technology, and the requirements for business success (Brown, 2015).
- Design thinking is "a human-centred innovation process that emphasizes observation, collaboration, fast learning, visualization of ideas, rapid concept prototyping, and concurrent business analysis, which ultimately influences innovation and business strategy" (Lockwood, 2010, p. xi).

The essence of design thinking can be described as consumer-centred co-innovation, and it is also the core idea of brands as a driving force for innovation. Hence, this paper suggests that design thinking as a mature concept can be applied to inspire brand development.

## **The Conceptual Framework for Building Innovative Brands Systematically**

In Section 2.3, this paper proposed a five-dimensional, conceptual framework for building innovative brands systematically. This section enriches the framework based on a broad literature review and builds a solid foundation for further exploration.

### *3.1 The Command Centre: the Brand Management Team*

Abbing (2010) argued that brand-driven innovation requires releasing the brand from the marketing department into the entire organisation. This argument is valid, because developing and implementing brand strategies within the marketing department is beyond its capacity for in dealing with the complexity of consumer-centred co-innovation. Further, Webster Jr, Malter, and Ganesan (2012) proposed an idea that a small "centre of excellence" can be built to enable collaboration among an array of dispersed marketing elements. Similarly, De Chernatony (2001) encouraged companies to grow and to sustain their brands strategically by building a brand team composed of knowledgeable employees. Consistent with these opinions, this paper presents the view that it is important to establish a brand management team as the command centre of building innovative brands systematically. A competent brand manager should be appointed to administer the brand team (Brexendorf & Daecke, 2012) and to engage multiple stakeholders in developing brands together.

### *3.2 The Strategic Vision: the Context of Building Innovative Brands*

The success of building innovative brands is closely linked to the strategic vision of thinking of all key aspects of brand development as a whole. This paper identifies five key aspects of brand development.

#### Key Aspect 1: Developing Business Strategy

The value of brand strategy and business strategy are equivalent in this new brand era. Urde (1994) confirmed the equivalence by arguing that brands should be used as a starting point in the formulation of business strategies through creating brand orientation. Moreover, empirical evidence indicates that the most brand-oriented companies have almost doubled the profitability of the least brand-oriented companies (Gromark & Melin, 2011). Business strategy comprises three key dimensions: (1) the product-market scope—the heart of business strategy; (2) the value proposition—the prerequisite of new products; and (3) strategic assets (such as research expertise and a well-recognized logo)—the foundation of business strategy (Aaker, 2009). Based on these three dimensions, this paper maintains that the relationship between business strategy and brand strategy in building innovative brands should consider the following:



- The product-market scope: The consumer-centred co-innovation process of building innovative brands can generate meaningful insights to help formulate an appropriate product-market scope.
- The value proposition: A unique brand promise should be constructed to connect the organisation's capabilities and vision to the customer's needs and aspirations, which is a precondition for developing the value propositions of new products.
- The strategic assets: These assets should be legitimately deployed to support the building of innovative brands.

#### Key Aspect 2: Formulating Brand Strategy

The *brand vision* and the *brand promise* construct one set of the most significant concepts in building innovative brands. The brand vision should indicate the long-term intent for a brand and must excite employees and enable them to understand how they can contribute to the brand's success (De Chernatony, 2001). The brand promise is the statement made by a brand to its customers that identifies expectations for all interactions with its people, products, services, and company (Cameron & Wilcox, 2003). The *corporate brand* and the *product brand* construct another set of the most important concepts. From the relationship perspective, the corporate brand is the dominant master brand and drives the product brand(s) (J. R. Gregory, 1997). From an audience perspective, the corporate brand aims to develop a coherent brand promise to all stakeholders, and the product brand(s) focuses on providing and communicating its benefits and value proposition to its consumers (Schultz & De Chernatony, 2002). In practice, some corporations have adopted the *multi-brand strategy*, which establishes a large portfolio of product brands to take advantage of disaggregation (Dawar, 2004), whereas some companies apply the *single-brand strategy*, which uses the corporate brand to communicate important messages on behalf of all its product brands (J. R. Gregory, 1997).

#### Key Aspect 3: Managing New Product Development

Most companies begin with a single product and gradually become multi-product corporations (Rao, Agarwal, & Dahlhoff, 2004). Usually, new product development projects are conducted in three stages: the product strategy and planning stage, the product development organizing stage, and the project management stage (Krishnan & Ulrich, 2001). When new products are planned to be added, the product development manager needs to answer five critical questions: what to launch; where to launch; when to launch; why to launch; and how to launch (Hultink, Griffin, Hart, & Robben, 1997). It is valuable for a corporation to build a product portfolio that includes many product development projects targeting existing and potential markets. The creation of several product platforms is also valuable to enable resource sharing across different projects (Krishnan & Ulrich, 2001).

#### Key Aspect 4: Customizing Brand Experience

Scholars in the branding field hold a common view that a brand is an accumulation of brand experience collectively gleaned from all brand touchpoints (Davis, 2000; Meyer & Schwager,

2007; Rockwell, 2008). Therefore, the ultimate aim of brand management should be to deliver a consistent and distinctive brand experience of the brand promise through every brand touchpoint (Burmann & Zeplin, 2005; Mosley, 2007; Noble, 2006). The touchpoints of a brand may include advertising, packaging, the out-of-box experience, the product or service itself, customer service, and informational channels (Rockwell, 2008). The use of mapping tools can help to improve or create brand experience (Patterson & Marketing, 2009), such as *customer journey*.

#### Key Aspect 5: Engaging Multiple Stakeholders

The stakeholders of brands usually include brand owners, corporate investors, financiers, suppliers, consumers, employees, trade unions, competitors, and authorities (Ditlev-Simonsen & Midttun, 2011; J. R. Gregory, 1997). Among them, consumers are the end-assessors of products and thus should be seen as the core stakeholders (S. Kumar & Blomqvist, 2004; Pike, 2007; Willmott, 2010). Employees are also essential stakeholders: a company needs to understand its employees' values and aspirations to unleash their potential and to align their values with its brand promise (De Chernatony, 2001). Moreover, stakeholders other than consumers and employees are additional value co-creators for brands. Hence, it is necessary to think about how to engage multiple stakeholders in building innovative brands to generate maximum value.

### *3.3 The Organisational Foundation: the Organisation's Innovation Capability*

Companies need to distinguish the key factors of nurturing the organisation's innovation capability, which supports brand development (Koberg, Detienne, & Heppard, 2003). This section describes the following four sets of factors:

#### Key Factor Set 1: Tangible and Intangible Resources

Organisational resources can be categorized as either tangible or intangible. Tangible resources include people, equipment, technologies, and cash. Intangible resources comprise product designs, knowledge, brands, and relationships with suppliers, distributors, and consumers (Christensen & Overdorf, 2000; Prahalad & Krishnan, 2008). Among all of these, knowledge is the key resource in nurturing the organisation's innovation capability (Anand, Gardner, & Morris, 2007; Gold & Arvind Malhotra, 2001). The organisation's innovation capability can be translated into its ability to continuously create, absorb, and integrate knowledge while adapting it to changing market conditions (Verona & Ravasi, 2003). As a prerequisite, however, organisations need to first figure out what type of innovation they want to pursue, since different types of innovation require particular types of knowledge and knowledge management (Koberg et al., 2003; Popadiuk & Choo, 2006). Conceptually, explicit knowledge is firmly related to incremental innovation, while tacit knowledge is closely linked to radical innovation (Popadiuk & Choo, 2006).

#### Key Factor Set 2: Organisational Processes and Structure

Organisational processes constitute the patterns of interaction, coordination, communication, and decision making that people use to transform resources into products



(Christensen & Overdorf, 2000). It is important for companies to pursue and to sustain innovation by formulating organisational processes that encourage it. In this regard, Mumford (2000) recommended the work styles that emphasize curiosity, persistent interest, focused interests, self-discipline, and skills related to the integration of a variety of work activities and interests. Organisational structure can be described as the orchestration of processes (Damanpour & Schneider, 2006; Dhanaraj & Parkhe, 2006). Ramezan (2011) defined it as the power and responsibility structure formed in the managing process, which can find expression in the policymaking structure, the governing structure, the controlling structure, and the information structure. The success of every strategy depends heavily on its alignment with organisational structure (Jabnoun, 2005). There are some general principles of designing organisational structure for fostering long-term innovation capability. For example, organisational structures that are relatively flexible and decentralized but integrated can support sharing, learning, and collaboration across boundaries, both internally and externally (Anand et al., 2007; Chen & Huang, 2007; Gold & Arvind Malhotra, 2001; Koberg et al., 2003; Tsai, 2001). Additionally, organisational-structure design should meet the requirements of reducing uncertainty and of focusing employee efforts on the accomplishment of strategic goals (O'Neill, Beauvais, & Scholl, 2001).

#### Key Factor Set 3: Corporate Values and Culture

*Corporate values* refer to a company's institutional standards of behaviour (Kelly, Kocourek, McGaw, & Samuelson, 2005). They are articulated and embedded in a company's practices for purposes of playing the guiding role in the decision-making process (Brătianu & Bălănescu, 2008). The fostering of an organisation's innovation capability requires corresponding corporate values that set up the standards of innovation practices. *Culture* refers to the values shared by a group of people that tend to persist over time, even when group membership changes (Kotter, 2008). This definition also applies to *corporate culture*. When a business grows larger and more complex, its corporate values become increasingly important and gradually evolve into a corporate culture (Christensen & Overdorf, 2000), which is an important determinant of climate for innovation (Sarros, Cooper, & Santora, 2008). Innovation-supportive cultures can nurture expectations and guidelines for members' experimentation, creativity, and risk-taking (Jassawalla & Sashittal, 2002).

#### Key Factor Set 4: The Development Stage of the Organisation

Companies can be classified into four different categories according to their size: *microenterprise*, *small enterprise*, *medium enterprise*, and *large enterprise* (European Union Commission, 2003). This classification indicates the four development stages of organisations. As Knight and Cavusgil (2004) pointed out, smaller companies are more flexible, less bureaucratic, and enjoy internal conditions that encourage innovativeness, whereas larger corporations usually experience massive bureaucratization, which hinders their innovative activities; this does not mean, however, that small companies are more innovative than large corporations. Christensen and Overdorf (2000) demonstrated that companies commonly experience a migration of capabilities during their growth: they start in resources, in particular human resources, and then shift to processes and values before

finally migrating to culture. Therefore, organisations at different development stages need to nurture their innovation capability with particular focuses and hold a long-term strategic vision.

### *3.4 The Cross-cultural Perspective: Driving Innovation Cross-culturally*

Many proactive research findings have been put forward regarding building innovation brands cross-culturally. On the one hand, some studies have furthered the understanding of cultural similarities and differences in organisational behaviour (Lytle, Brett, Barsness, Tinsley, & Janssens, 1995; Mueller & Thomas, 2001). For example, Shane (1993) demonstrated that high rates of innovation are closely associated with the cultural value of uncertainty acceptance, individualism, and lack of power distance. On the other hand, some studies have shown that there is a global formula for successful innovation (Murovec & Prodan, 2009). For example, Lee, Lee, and Souder (2000) found that top management support, research and development (R&D)-marketing integration, product champion's influences, and project manager's authority, skill, and motivating ability are essential for new product development (NPD) success regardless of the country in which a company operates. These findings are valuable in providing a cross-cultural perspective of building innovative brands. Moreover, driving innovation cross-culturally can be strengthened by engaging relevant stakeholders of different cultures. The involvement can bring in-depth communications and interactions that help to gain cross-cultural knowledge for building innovative brands, which will then be able to connect the organisation's vision and capability to the consumer's needs and aspirations cross-culturally. In this way, cultural similarities and differences become cross-cultural innovation opportunities for brand development.

### *3.5 The Human-centred Innovation Approach: Design Thinking*

This section discusses how design thinking can bring benefits to the whole process of building innovative brands systematically. The discussion follows the sequence of the five-dimensional, conceptual framework.

#### **Dimension 1: The Command Centre—the Brand Management Team**

Because it holds a central position in building innovative brands, the brand management team should take the leadership in applying and disseminating design thinking throughout the entire organisation. The team needs to engage employees from different departments in working together to develop brands by applying design thinking. This method is effective because it has been shown that there is a learning progression during the design thinking process that can transform a novice into an expert design thinker (Goldschmidt & Weil, 1998).

#### **Dimension 2: The Strategic Vision—the Context of Building Innovative Brands**

Applying design thinking can bring strategic value to the systematic building of innovative brands. Overall, design thinking offers companies a shared customer-centric language with which to discuss the opportunities available to them (Design Management Institute, 2015).

Furthermore, design thinking can provide specific value to each aspect of brand development. In developing business strategies, some of design thinking's non-denominational concepts, such as teamwork and visualization, can help companies to create a powerful platform through which to support incremental improvements and to drive innovation. The improvements include reductions in time to market, increased margins, and a better product/market mix. In formulating brand strategies, design thinking can encourage companies to focus on building brand loyalty based on customer-centric empathy and by aligning their internal culture with the external brand offer (Design Management Institute, 2015). While managing new product development, design thinking provides a fundamental process that can guide a company to translate its abstract brand vision, brand promise, and capability to consumer-centred innovations. The process consists of five steps: empathize, define, ideate, prototype, and test (the d.school, 2012). In customizing consumer-valued brand experiences, design thinking is useful, as well. In 2006, for example, IBM started to apply design thinking to improve clients' experience of visiting IBM centres (Clark & Smith, 2008). Finally, design thinking offers an opportunity to open up the roles that multiple stakeholders play in constituting value creation (Kimbell & Street, 2009).

#### Dimension 3: The Organisational Foundation—the Organisation's Innovation Capability

Design thinking can help to nurture the organisation's innovation capability by managing each of its key factors. Design thinking is useful in managing tangible resources to enhance the organisation's innovation capability. For example, its visual artefacts and prototypes can help multidisciplinary teams work together (Kimbell, 2011). Likewise, design thinking can contribute to managing intangible resources. For instance, knowledge and skills are central to the design thinking approach, but they are embedded within an embodied understanding of practice (Adams, Daly, Mann, & Dall'Alba, 2011). Moreover, design thinking is about finding a better balance between exploration and exploitation and between abductive, inductive, and deductive reasoning (Martin, 2009). This characteristic makes it particularly valuable for inspiring the design of organisational processes and structures that balance organisational tensions between divergent intuitive exploration and convergent analytical exploitation (University of St. Gallen, 2011). In addition, the comparatively organic process of design thinking that stresses interdisciplinary collaboration also serves as a good example of developing organisational processes and structures that encourage and enable innovation.

Furthermore, companies can train their employees to be design thinkers with the following characteristics: empathy, integrative thinking, optimism, experimentalism, and collaboration (Brown, 2008). These characteristics will lead to the establishment of corporate values and corporate cultures that motivate consumer-centred co-innovation. As designer thinkers, employees will be able to not only meet the requirements of tasks but also to solve problems innovatively (Rylander, 2009). Additionally, they can be "knowledge brokers" and "glue" in an organisation because of their ability to embrace many types of thought and knowledge and to solve problem holistically (Hargadon & Sutton, 1999; Kimbell, 2011). Encouragingly, design thinking is powerful for companies at different development stages in

practice. Some SMEs (e.g. Challs International and Oxford Biosensors) and some large corporations (e.g. SAP and IBM) have already benefited from the application of design thinking (Clark & Smith, 2008; V. Kumar, Ward, Runcie, & Morris, 2009; SAP, 2015).

#### Dimension 4: The Cross-cultural Perspective—Driving Innovation Cross-culturally

The value of design thinking has been confirmed cross-culturally. For example, Rau (2014) and the d.school (2015) emphasized the value of design thinking in understanding different cultures and, subsequently, their users. In addition, researchers have started to explore the power of understanding design thinking in multicultural workplaces (University of Canberra, 2015). Nevertheless, this paper presents the belief that there is more that design thinking can contribute to cross-cultural studies, especially in building innovative brands cross-culturally. Potential contributions include understanding multiple stakeholders of different cultures, improving cross-cultural collaboration, delivering outstanding products and consumer experience for different cultures, and nurturing an organisation's innovation capability cross-culturally.

#### Dimension 5: The Human-centred Innovation Approach—Design Thinking

A previous portion of this section discusses the idea that the application of design thinking would energize the entire process of building innovative brands. The utilization of design thinking tools and techniques can significantly enhance the applicability of design thinking in this process. First, the tools and techniques can be designed to train new design thinkers from a novice level to that of an expert. For example, non-hierarchical mind-mapping techniques are useful for training novice designers to adopt a design problem-solving framework or processes of expert designers (Kokotovich, 2008). Secondly, generally everyone can easily and quickly grasp these tools and techniques, such as the Empathy Map created by The d. school (2015). Thirdly, these tools and techniques can improve the efficiency and effectiveness of the collaboration among multiple stakeholders. For example, sketches and visualization techniques allow design thinkers to represent problems and solutions and to develop their ideas in conversation (Dorst, 2010). In practice, design thinking tools and techniques, such as the Business Model Canvas, which has gained a high reputation in business management and entrepreneurship areas, have proved valuable in many areas (Osterwalder & Pigneur, 2010).

## **Conclusion**

This review of the development of branding theory clearly reveals that a new brand era has arrived. In this new era, pursuing consumer-centred co-innovation is crucial if brands are to survive and thrive. Hence, instead of their traditional role as a communication tool, today's brands must take a more proactive role. This paper defines the new role as a driving force for innovation and proposes a research question through which to illustrate the new role of brands: how does one build innovative brands systematically? To answer this question, a five-dimensional, conceptual framework was mapped out. According to the framework, companies are first suggested to establish a multifunctional brand management team as the

command centre of building innovative brands. The framework then offers a strategic vision of brand development by explaining its five critical aspects: developing business strategy; formulating brand strategy; managing new product development; customizing brand experience; and engaging multiple stakeholders. Next, it distinguishes four sets of interrelated key factors of an organisation's innovation capability: tangible and intangible resources; organisational processes and structure; corporate values and culture; and the development stage of the organisation. Moreover, it adopts a cross-cultural perspective by engaging relevant stakeholders from different cultures in brand development. Finally, the framework elaborates how design thinking can bring value to the whole process of building innovative brands systematically.

In conclusion, this paper suggests a new direction for further branding theory and, based on that, creates a strategic blueprint for brand development that is comprehensive, interdisciplinary, and strategic, and thus valuable in the real world. Specifically, the paper offers an overall picture of running and sustaining innovative businesses; it encourages companies to break the boundaries of different departments, stakeholders, and cultures; it provides a simple and flexible framework for fast learning, easy application, and further exploration; it implies a time dimension of gradually nurturing organisations and their brands; and it equips organisations with a human-centred innovation approach. This paper contributes towards design discipline by raising design thinking to a critical position in building brands and by broadening an understanding of the value of design thinking in helping companies to achieve their success. Nevertheless, further empirical research is required to enrich and to verify the findings of this paper. The authors' next task is to make a theoretical contribution to theory building and theory testing by conducting a multiple-case study guided by the five-dimensional, conceptual framework. Building innovative brands systematically, a previously unexplored process, will serve as the foundation for the new theory.

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