

The Transformation and Innovation of Time-Honored Brands in Modern Society

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Abstract. Time-honored brands in contemporary times are confronted with the contradiction between traditional models and modern markets, mainly manifested in the difficulty of inheriting craftsmanship, insufficient penetration into the young market, and the impact of counterfeit products. In recent years, these brands have responded to market challenges through innovation and transformation with the support of policies and their own independent innovation. This article will analyze the development strategies of domestic time-honored brands in China to explore their core transformation paths and existing problems and propose optimization strategies. The research finds that time-honored brands have achieved brand rejuvenation through "renewing the symbol system and iterating the language system" (such as the trendy packaging of Daoxiangcun and the dissemination of cold knowledge on Douyin by Tongrentang); completed digital transformation by "integrating all channels and applying intelligent technologies"; and promoted product innovation by "innovating traditional techniques and extending into cross-category products". The research further points out that current technologies face issues such as insufficient online marketing and the difficulty and time-consuming nature of transformation, and proposes corresponding optimization suggestions, looking forward to the future development of time-honored brands.

Keywords: Time-honored brands, transformation, innovation.

1. Introduction

today's rapidly changing business environment, traditional Chinese time-honored brands are facing unprecedented transformation pressure. As a representative of the century-old catering industry, Quanjude was once renowned for its high-end roast duck banquets. However, with the intensification of the trend towards younger and digitalized consumer markets, its traditional business model has gradually shown signs of fatigue. The new generation of consumers prefers convenient and personalized dining experiences, and the rise of digital channels has completely changed people's consumption habits. These changes have forced Quanjude to reposition its brand, make appropriate responses to social changes, and transform it to adapt to new consumption trends. The transformation of Quanjude is not only about the survival of a single enterprise but also has a demonstration significance for the upgrading of the traditional catering industry. In recent years, the brand has made multi-dimensional adjustments through product innovation, image reshaping and channel expansion, attempting to break the stereotype that "time-honored brands are conservative" [1]. From launching lightweight Peking duck products to creating a youthful IP image, from laying out online live streaming to developing a series of ready-to-eat meals, Quanjude's practices provide an important reference for how time-honored brands can embrace modern consumer demands while retaining their traditional essence. This study will focus on the specific strategies of Quanjude's brand transformation, with an emphasis on analyzing how product innovation supports the overall transformation goals. By examining key measures such as the reconfiguration of the product matrix and the innovation of the R&D mechanism, it reveals the response logic of traditional catering brands in the face of market changes. The research not only helps to understand the transformation patterns of time-honored enterprises but also provides practical insights for other traditional brands facing similar challenges [2]. Under the dual drivers of consumption upgrade and technological change, the case of Quanjude will demonstrate how tradition and innovation can be organically integrated to ultimately rejuvenate the brand.

2. Case Analysis

2.1. Case One: QuanjudeIn

Under the context of a shrinking high-end consumer market, a solidified brand perception, and the rapid rise of the online consumption market, the brand adopted the following transformation strategies: Firstly, the brand innovated its product strategy. It launched young-oriented products such as duck meat burgers and duck rolls, which not only broke the single product perception of roast duck as a high-end banquet food, but also retained the cultural essence while lowering the price. This also met the curiosity and demand of the younger generation for innovative and novel products, thereby expanding the consumer base. Secondly, it strategically restructured its product matrix. While maintaining the traditional hanging oven roast duck process, it introduced small-packaged, low-priced products, reducing the unit price from 298 yuan to 98 yuan. This lowered the consumption threshold while maintaining a high level of craftsmanship. Market data shows that this product increased the proportion of single-person consumption from 12% to 34%. Quanjude also focused on the construction of its derivative product system. The brand developed the "Imperial Feast Quick Enjoy" series of ready-to-eat products and entered convenience stores like 7-Eleven, making it more convenient and quicker to purchase and consume. The revenue of this series reached 230 million yuan in 2023. On this basis, it launched the "Home Banquet" gift box, which included roast duck, wrappers, and sauces, and delivered it quickly through e-commerce platforms [3]. Moreover, the brand also engaged in collaborative innovation. It collaborated with Yanshui Forest to launch duck oil chili-flavored sparkling water, which became a hit on social media, attracting a large number of discussions from the younger generation, with a social media exposure of 120 million.

Thirdly, Quanjude has innovated in its product development mechanism. The brand established a "Tangyue Youth Laboratory" membership community, where they collected feedback through activities such as new product tasting, and have accumulated 120,000 users. This activity has facilitated the optimization of new products and significantly increased the success rate. During the development process, staff introduced the German Revo scanner to establish a database of duck shapes, using AI-assisted analysis to determine the optimal thickness of duck meat and ensure the actual quality of the products. At the same time, Japanese self-heating technology was applied to develop self-heating duck meal sets, restoring the dining experience and promoting convenient consumption revenue [4]. The brand developed various seasonal limited products for different seasons, such as the "Cherry Blossom Duck Roll" in spring and the "Poria Duck Soup" in winter. These products became popular on social media and stimulated consumption, increasing sales revenue during the off-season and reducing revenue fluctuation by 28%.

In terms of operation, Quanjude also made innovations. The brand established a digital factory in Beijing, improving the cash flow process from breeding to processing, reducing the overall production time from 90 days to 48 days, and improving production efficiency. During the production process, Michelin chefs were introduced as product advisors, and an effective and advanced digital evaluation model was established. A pyramid price system was constructed in the pricing direction, ranging from the top-level high-end product priced at 1,988 yuan to the bottom-level light snacks priced below 30 yuan, covering different customer groups in multiple aspects and ensuring sales volume [5].

2.2. Case Two - Wangfujing

This brand, as a benchmark in China's retail industry, suffered significant setbacks during the rise of e-commerce platforms. It adopted the following transformation strategies. Firstly, the brand restructured the appearance of its stores. It created a distinctive theme street, recreating the scenes of old Beijing alleys, evoking memories of old Beijing, integrating intangible cultural heritage and trendy culture, and creating an innovative street. Data shows that this street has driven surrounding consumption and significantly increased the proportion of young customers. Secondly, it also established a digital platform. The brand developed the Wangfujing Preferred Mini Program,

achieving a closed loop of online promotion, in-store experience, and home-based repeat purchases, increasing the repeat purchase rate. At the same time, it introduced virtual makeup try-on, robots and other cash technology, enhancing the shopping experience. Finally, Wangfujing also carried out industry combination innovation to balance the development of all aspects and promote consumption. It reduced traditional clothing retail business and relatively increased the proportion of entertainment, children's experience, cultural and artistic creation, etc. businesses. The operation model of Wangfujing has also been upgraded. The brand established a buyer system and brand collaboration model, increasing the proportion of its own brand products to 30%, boosting sales; establishing a connection between online and offline member data, launching activities for exchanging consumption points for other rights and services to promote member consumption and increase the number of stable customers; it also implemented the floor partner system, delegating specific affairs to professionals for management, improving work efficiency and ensuring the reasonable operation of the system [6].

3. The Core Path for the Transformation of a Traditional Brand

3.1. Pathway for Reconstructing Brand

Brand Youthfulness Brand rejuvenation is an essential path for established brands to break through development bottlenecks. In the context of the rapid growth of young consumers and the development of e-commerce platforms, traditional brands must systematically create new trendy images to satisfy consumers' interests and increase sales. As the foundational project of brand rejuvenation, the innovative symbol system not only attracts a large amount of traffic through online social media but also injects new vitality into the brand. Taking the Chinese traditional brand Daoshangcun as an example, while upgrading and improving the traditional pastry-making techniques, it also launched a novel visual image. It collaborated with renowned illustrators to create new product packaging and online images, combining traditional festival culture with modern graphic art. The new packaging not only retains the classic logos of Daoshangcun but also uses new illustrations and highly saturated popular colors to attract attention, which conforms to current market trends and popular tendencies. At the same time, it uses environmentally friendly and biodegradable new packaging materials. This transformation has significantly increased the brand's recognition among the younger generation, raised the proportion of young customers, and greatly increased the dissemination volume of the brand products on social media, achieving the expansion of brand influence [3]. During the process of brand rejuvenation, the language system and output methods need to be updated simultaneously. For instance, the Beijing-based brand Tong Ren Tang has carried out a series of bold innovations on social media platforms such as Douyin. In the promotional process, it abandoned the traditional product function explanation videos that had been used for many years and instead focused on creating a series of short videos on cold knowledge of traditional Chinese medicine, integrating traditional Chinese cultural knowledge such as "Ben Cao Gang Mu" into modern promotional videos in an interesting and easy-to-understand way, using humorous explanations and distinctive video styles to highlight memory points and break the serious stereotype of traditional Chinese medicine, thus generating interest among young people. This account became extremely popular on the Douyin platform and attracted a large amount of traffic. It is worth noting that the proportion of the younger generation in the audience is quite high, and the brand achieved cross-border dissemination. The underlying logic of brand rejuvenation lies in the translation of cultural symbols. Old brand names need to recompile their accumulated cultural assets into language that young people can understand and love. This approach not only requires image innovation but also needs to protect and enhance the original core value of the brand, establishing a bridge and resonance between traditional culture and young people. The customer life cycle value of the brand that undergoes brand rejuvenation is much higher than that of untransformed brands [7].

3.2. Digital Transformation of Sales Model

Multifaceted digital innovations are the primary breakthrough point of digital transformation. Taking Guangzhou Jiaoshi as an example, domestic culinary has established an integrated online and offline service system, improving operational and production efficiency. In offline stores, an intelligent ordering system was introduced, which not only supports voice ordering and image recognition and other intelligent interactive technologies, but also can understand customers' taste preferences through their historical orders to adjust the menu priority order, recommend new dishes and preferred flavors to regular customers, and recommend signature dish series and popular products to new customers. Data shows that this system significantly reduces the time spent on ordering, increases the turnover rate, and improves the efficiency of service staff. At the same time, its e-commerce platform launched pre-prepared food products, creating new selling points through offline store promotion and online advertising dissemination. The Inner Lian Sheng leather shoes developed a data management system for research and development, combining online and offline consumption data to construct large-scale customer portraits, and based on these data, developed precise WeChat push advertisements that meet the consumption needs and levels of each customer, improving the conversion rate of advertisements and reducing costs. Further, the system has the function of identifying high-potential customers and triggering discounts, ensuring the repeat purchase rate of VIP customers. Supply chain is an important part of operation. Wufang Jiaozhi upgraded IoT technology and achieved traceability of raw materials. The procurement cycle of raw materials for its products, glutinous rice, was shortened from 15 days to 7 days, improving operational efficiency. By introducing AI algorithms to support sales forecasting and fully implementing it in actual production and sales processes. It increased inventory turnover rate. Digital practice has proved that marketing innovation and digital operation are indispensable in the transformation process of old brands [2].

3.3. Product Innovation and Improvement

With the changes of the times and the improvement of human living standards, the customer group's demand for product quality has increased. A typical case is the well-known brand Dog Ren Baozi, which while retaining the traditional techniques and manual production methods, overcame the restoration technology for frozen noodles, enabling the ready-to-eat products to retain most of the original taste, and combined self-heating packs to quickly restore the taste experience in offline stores. This innovation not only brought the old product into the consumption range of young people, but also entered the overseas market by using long-term preservation technology, with overseas sales far exceeding other brands. In addition, the brand also focuses on extending cross-category products. The collaboration between Sixen and Ruoyao, the flower dew flavor cocktail that became popular on social media, is a typical case of a joint venture. The R & D team conducted hundreds of adjustments and experiments to develop a unique beer with novel flavors, and adopted the classic Sixen green packaging to trigger nostalgic psychology. The rapid sell-out of its online debut showcases the powerful influence of this collaboration. Behind this is the brand's precise understanding and utilization of young people's nostalgia, pursuit of novelty, and social sharing. Some brands have launched scenario-based product development strategies. This move has opened up new markets in multiple aspects. The classic brand Wu Yutai broke away from the traditional usage scenarios of tea and developed various tea-related products, such as tea-flavored ice cream and tea-scented nuts. The extremely high sales volume demonstrates the effectiveness of scenario reengineering, integrating traditional products into a faster-paced modern life [8,9].

4. The Existing Problems of Traditional Brands and Suggestions for Improvement

4.1. Existing Issues

First, there is a lack of digital transformation. At present, the majority of traditional brands have only reached the initial stage of digital transformation. The development of online sales platforms is still far from satisfactory, and the proportion of online sales is much lower than that of offline sales. Moreover, other functions such as big data analysis and digital supply chain are only at the theoretical stage. Digital operations have not yet formed a reasonable system and cannot support the original large volume of customer data. Secondly, brand extension is carried out blindly. Most brands expand their market and increase sales by launching derivative products. However, some derivatives do not fully align with the brand's mission. For example, a traditional Chinese medicine brand launched a cosmetics series, but this product did not make good use of the traditional theory advantages of Chinese medicine, resulting in low market recognition and even negative effects on the brand. Finally, there is a contradiction between traditional craftsmanship and the demand for productivity. Traditional products often follow traditional production methods such as handcrafting and long fermentation times. To achieve scale expansion and productivity improvement, large-scale factory production and the establishment of factories in multiple regions are indispensable steps. Mechanical processing, temperature and humidity control, and raw material quality will significantly affect product quality, and at the same time, they will also lead to the neglect and loss of skills of the older generation of artisans [10].

4.2. Optimization Suggestions

Old brand enterprises can establish a digital development strategy, gradually implement digital management, and apply new system models to practical applications, making good use of the data accumulated by the brand and customers. For example, establish an integrated system platform to achieve data interoperability, conduct simulation and optimization of processes, etc. Make full use of the main concepts of the brand and the advantages of traditional craftsmanship, evaluate the compatibility of new products and the brand, and reasonably select associated brands to develop business. Based on learning the techniques of the older generation, integrate mechanical production, and focus on the “dual-teacher system” of cooperation for research and development by master craftsmen and engineers. Promote traditional technologies through social media publicity, use it as a benchmark for promotion to attract traffic.

5. Conclusion

This study, through case analysis, systematically examined the transformation practices of representative old brand enterprises such as Quanjude and Wangfujing, revealing three core paths: brand rejuvenation through reconfiguration, digital transformation, and product innovation breakthrough. The study found that: Firstly, brand rejuvenation requires a systematic innovation from visual symbols to communication language. The successful implementation of Guoxiang's modern packaging and Tongrentang's dissemination of “cold knowledge about traditional Chinese medicine” has confirmed the importance of cultural translation; Secondly, digital transformation is a systematic project. Guangzhou Jujia's AI ordering system and Linlun's precise marketing indicate that a complete digital ecosystem from channels to supply chains must be constructed; Finally, product innovation should grasp the balance point between tradition and modernity, and Doulin's self-heating buns and Shenshen's cocktail have proved the explosive power of cross-border integration. The study also pointed out three major challenges currently faced: shallow application of digitalization, blind brand extension, and discontinuity in craftsmanship inheritance. To address these issues, this paper proposes systematic solutions such as building a digital middle platform, establishing a brand extension evaluation model, and innovating the “dual-teacher” inheritance mechanism. Future

research suggests focusing on three directions. Firstly, explore the application of artificial intelligence in the protection of traditional intangible cultural heritage skills of old brands, such as building a parameter library through machine learning; Secondly, deepen the research on the modern transformation of traditional cultural IPs, developing a quantifiable cultural value assessment system; Finally, compare the transformation models of different state-owned and privately-owned old brand enterprises to summarize the successful experience of mixed-ownership reform. At the practical level, it is suggested that old brand enterprises establish an “innovation laboratory” mechanism, invest 3%-5% of their revenue each year for forward-looking experiments, and jointly build talent training bases with universities to solve the problem of lack of successors for traditional skills. The transformation and upgrading of old brands are a long-term project that requires adhering to the dialectical unity of “quality core” and “innovation expression”. The analytical framework constructed in this study provides a theoretical reference for the transformation of traditional brands in the digital economy era. Subsequent research will further verify the applicable boundaries and synergy effects of each path through large-sample quantitative analysis. In the context of enhanced cultural confidence, the transformation of old brands not only has commercial value but is also an important practice of creative transformation of excellent traditional Chinese culture and is worthy of continuous attention and research.

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