

# Internal Risk Management Analysis of Brand Construction of Time-honored Enterprises

-- Take the Time-Honored T Traditional Chinese Medicine Enterprise as An Example

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**Abstract:** At present, China's socialist market economy development is more mature, with the international market is more deep, as a domestic time-honored enterprises in the fierce market competition need to further consolidate and improve their own brand construction, pay attention to brand management, effectively identify and prevent and control the risks in enterprise brand construction. This paper takes the time-honored T traditional Chinese medicine enterprise as an example to analyze how to effectively manage the internal risks in the process of enterprise brand building.

**Keywords:** Brand building, Risk management, Traditional Chinese medicine enterprise.

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## 1. Brand Image Building Risk

The risk of brand image remodeling mainly includes enterprise representative image risk, advertising language publicity and design risk, brand logo unified and standard design risk, and product appearance design risk.

First, the enterprise representative image risk. Representatives of the enterprise actively participate in social contributions, pass on positive social energy, and bring positive benefits to the whole social market. It will make consumers, suppliers and even counterparties in the whole market have a positive favorable impression on the enterprise, and further extend this goodwill sentiment to the brand image of the enterprise. Therefore, if the representatives of the enterprise have negative behaviors such as illegal and tax evasion, it will directly or indirectly reduce the quality of the relationship between the market counterparties and the enterprise brand. According to Beijing normal university Chinese entrepreneur crime prevention research center issued the entrepreneur criminal risk analysis report statistics, in 2012-20187628 cases, in these many cases because enterprises on behalf of the individual some negative behavior and make personal reputation of corporate brand legal risk event is countless. Thus it can be seen that the corporate representative image is closely related to the construction of the enterprise brand image. Therefore, as a pharmaceutical enterprise, the brand entrepreneurs of T TCM enterprises should strictly regulate themselves, always adhere to the concept of people-oriented, and take the initiative to assume their own responsibilities as brand managers, so as to improve the goodwill of consumers to themselves and the brand.

Second, the brand advertising language propaganda design risks. The publicity design of brand advertising language should be based on the scope of relevant laws and regulations, and reasonably and effectively express the internal personality concept of the brand, so as to achieve the purpose of attracting customers and consumers. If the propaganda design of the advertising slogan is too flashy or flashy, too much attention to attracting attention, and ignores the system and standardization of laws and regulations, the relevant departments are easy to judge it as the commercial reputation of the industry competitors and the violation of the

advertising law. Therefore, in the design of T traditional Chinese medicine enterprises in brand advertising slogans, style and image, and publicize their unique brand personality to the majority of consumers, but also strictly abide by the laws and regulations to maintain the authenticity of the brand.

Third, the brand image is unified and standard design risk. T business model of traditional Chinese medicine enterprise is given priority to with chain store operation, the design of various distributors and distributors, if the lack of unified standard brand image design, can cause the enterprise brand image management chaos, influence consumer understanding of the brand and receive, leading to "fake" and consumer complaints. Therefore, T TCM enterprises should carry out unified planning and design in the unified and standard design of their brand image to avoid such misunderstanding among consumers, which will have a bad impact on the brand.

Fourth, the product appearance design risk. Product appearance packaging design is one of the key links of enterprise brand construction. Different product appearance design conveys different effects of products, which is also one of the different characteristics between products and products. The risk of product appearance design is mainly reflected in the risk of infringement. The mistake in the appearance and packaging design may confuse the product packaging design of the enterprise with other products or other products of the enterprise, infringe the relevant copyright and exclusive rights of others, thus misleading consumers and affecting the order of the consumer market. In addition, the product appearance packaging design "copycat" phenomenon also often occurs. Therefore, T TCM enterprises should be more unique in the packaging design of their own products and are not conducive to the other party's imitation. For the new packaging, T TCM enterprises should apply for patent protection as soon as possible.

## 2. Brand Communication Risk

In the whole process of brand building, brand communication has built a bridge of interconnection, interaction and communication between enterprise brand and consumers, which is the most important link in brand building. At the same time, the brand communication connects the

enterprise and the consumer; therefore, the risks of brand communication are two sides.

First, product pricing risk. Scientific and reasonable product pricing can not only avoid the loss of potential consumers, but also avoid a series of legal disputes such as abuse of dominant market position and malicious monopoly. Therefore, the price setting of the products of T TCM enterprise brands should echo the market price, consider the tolerance range of consumers themselves, do a good job of public opinion survey on the price, constantly improve the price mechanism of the brand itself, and flexibly respond to the impact of any price change.

Second, the risk of advertising language. According to the new law in 2018, "most" and "time-honored brands" are not reflected in enterprise marketing advertisements, which is precisely contradictory to the historical background and traditional characteristics of T TCM business owners. Therefore, T TCM enterprises should avoid this to avoid touching the boundaries stipulated by the law and thus being subjected to administrative punishment.

Third, marketing channel risk. In the current Internet era, e-commerce economy develops rapidly, the brand building of time-honored enterprises is not limited to offline outlets, and online flagship stores grow like bamboo shoots after rain; the marketing method has also changed from the traditional way to network precision marketing. In the process of network precision marketing, the big data background collects user information, and depicts the consumer image according to users' consumption habits. Enterprises will accurately place relevant product advertisements according to consumer consumption behavior, which will improve the brand promotion effect more scientifically and effectively. However, this marketing method is easy to infringe on user information and personal privacy, and it is easy to produce the problem of consumer privacy leakage. T Traditional Chinese medicine enterprises, as honest management enterprises, should protect customer privacy.

### 3. Brand Extension Risk

Brand extension is based on the more mature, perfect, win consumer reputation, under a competitive product brand, the development of new sub-brands, or mining new product lines, as well as with other reputation, more famous brands to develop new products. But it is undeniable that if the brand extension operation is not perfect, it will also have an adverse impact on the development of the enterprise.

First, product quality risk. The promotion of new brand products extends the production line and changes the standard of production management accordingly; therefore, the lack of control of inferior products into the market. Therefore, T TCM enterprises should strictly control the quality of products and extend the production standards of products.

Second, the contract agreement risk. The process of brand building and its extension requires the cooperation between enterprises, but if there is a lack of comprehensive risk assessment of the cooperation agreement and the cooperation partners, it is very likely to lead to the outbreak of brand crisis. Therefore, T TCM enterprises should be vigilant, carefully and carefully evaluate and consider the contracts with their partners, and protect their own brands.

Third, the risk of consumer loss. If, in the process of brand extension construction, strategic mistakes and improper measures lead to the failure to reach consumers' expected consumer psychology, it will indirectly or directly cause consumer complaints. Therefore, T traditional Chinese medicine enterprises need to do full market research before brand extension, and try to ensure that the extended products can meet the needs of consumers and meet consumers' psychological expectations, so as to play a good effect of brand extension.

Fourth, the risk of brand reputation joint name. On the one hand, if T TCM enterprises conduct business cooperation with other external enterprises, if the other partner has defects in its own operation, its brand reputation will be damaged, which will also lead to the damage of the free brand image of T TCM enterprises. On the other hand, the damage to the business image of T TCM enterprises as the parent brand will also affect the profitability of the sub-brand market. Therefore, T traditional Chinese medicine enterprises should find good brand partners to avoid the problem of brand reputation of extended products.

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