

The Interaction and Optimization Strategy between Innovation Strategy and Brand Marketing in the Internationalization Process of Family Enterprises

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ABSTRACT

In the internationalization process of family enterprises, the interaction between innovation strategy and brand marketing is the core driving force for their success. This paper analyzes the mechanism of this two-way interaction: innovation strategy significantly improves brand competitiveness and value-added through product, technology and marketing model innovations, and promotes brand marketing; brand marketing guides innovation through positioning, accelerates the transformation of communication results, and provides support for innovation through brand loyalty. The study points out that the interaction is affected by multiple factors such as internal governance, resource endowment and external policies, market competition and so on. Therefore, the thesis proposes optimization strategies from the perspective of internal and external synergy: internally, it is necessary to improve the governance structure, integrate key resources, and cultivate composite talents; externally, it is necessary to strengthen the cooperation between industry, academia, and research, make use of professional service institutions, and actively utilize the policy support. This study aims to provide theoretical guidance and practical reference for family-owned enterprises to realize the positive interaction and synergy between innovation and brand in their internationalization journey.

KEYWORDS

Family business; Internationalization; Innovation strategy; Brand marketing; Interaction mechanism

1. INTRODUCTION

Internationalization of family enterprises is a key path to achieve sustainable development and enhance competitiveness, but in practice, they often face serious challenges due to their unique governance structure, resource constraints and lack of brand influence. Effective innovation strategy and accurate brand marketing are regarded as the core engines for their successful breakthrough, however, there is a lack of research on how these two strategic systems can form a two-way interaction, strengthen each other's internal mechanism, and synergistically optimize their performance during the dynamic process of internationalization of family firms. Therefore, this paper focuses on this specific field, aiming to analyze the dynamic interaction between innovation strategy and brand marketing and their key influencing factors, and then propose systematic optimization strategies, with the hope of providing theoretical references and practical insights for family firms to better integrate innovation and brand resources, and to achieve a virtuous cycle and synergy between the two in the midst of complex international competition.

2. CURRENT STATUS OF INTERNATIONALIZATION OF FAMILY ENTERPRISES

The internationalization of family-owned enterprises has become a key strategy in their quest for sustainable growth and global competition, and the pace is accelerating. Their motives are complex and multifaceted. In addition to exploring new markets and acquiring core resources, they also have deeper considerations such as diversifying risks, enhancing the international reputation of their brands, and passing on the family business.

In the process of internationalization, family-owned companies often bring to bear their unique strengths, such as strategic patience based on long-termism, flexible and efficient decision-making mechanisms in specific situations, strong internal cohesion, and unique family spirit and corporate culture, which help build trust and lasting roots in overseas markets.

However, the road to internationalization is also full of challenges. Family governance may lead to scientific decision-making and power balance problems, which may affect the sustainability of internationalization strategies; relatively narrow financing channels and insufficient reserves of internationalization professionals and global operation experience; brand recognition in overseas markets is usually low, requiring huge resources for construction and promotion; and concerns about the preservation of the family's wealth may sometimes lead to conservatism in risky decision-making.

In terms of internationalization path selection, most family enterprises tend to progress step by step, starting from low-risk modes such as export trade and gradually deepening to overseas investment or mergers and acquisitions. In recent years, digital transformation has provided new impetus for the internationalization of family enterprises, and cross-border e-commerce, digital marketing and other means have significantly lowered the threshold of entry into the market, creating unprecedented opportunities for more family enterprises, especially small and medium-sized ones, to integrate into the global value chain.

Against the backdrop of internationalization challenges and opportunities, innovation strategy and brand marketing have become the core engine for family enterprises to break through resource bottlenecks and enhance global competitiveness. How to shape the differentiated brand value through innovation and feed the innovation direction with brand marketing to form a benign interaction between the two has become a key proposition for family enterprises to realize sustainable development in the complex international environment. The effective operation of this internal synergistic mechanism not only depends on the integration ability of the internal resources of the enterprise, but also subject to the dynamic changes of the external market environment, which needs to be analyzed in depth from the dual dimensions of the logic of the two-way interaction and the influencing factors.

3. ANALYSIS OF THE INTERACTION MECHANISM BETWEEN INNOVATION STRATEGY AND BRAND MARKETING IN THE INTERNATIONALIZATION PROCESS OF FAMILY ENTERPRISES

In the internationalization journey of family enterprises, innovation strategy and brand marketing do not exist in isolation, but are an organic whole that interpenetrates and strengthens each other. An in-depth understanding of the two-way interaction mechanism between the two is crucial to the effective allocation of resources and enhancement of global competitiveness of family enterprises. This interaction is not only reflected in a one-way drive or feedback, but also a dynamic and cumulative spiral process.

3.1. The Driving Role of Innovation Strategy on Brand Marketing

Innovation strategy is the fundamental driving force for family enterprises to shape a unique brand image and build competitive barriers in the international market. Its role in promoting brand marketing is mainly reflected in the following levels:

3.1.1. Product innovation to enhance brand competitiveness

Product is the core carrier of brand value. Through continuous product innovation, such as developing new products that meet the specific needs of the international market, improving existing products to adapt to the preferences of consumers from different cultures, or providing products with unique functions and experiences, family enterprises can significantly enhance the core competitiveness of their brands in the international market. Differentiated, high-quality products make the brand story more persuasive and provide a solid foundation for the uniqueness and attractiveness of the brand's positioning, thus making it easier for brand marketing activities to gain market recognition and consumer favor.

3.1.2. Technological innovation to enhance brand added value

Technological innovation, especially the breakthrough of core technology or patented technology, can inject higher technological content and uniqueness into the products and services of family-owned enterprises, thus greatly enhancing the added value of the brand. In the international market, brands with leading technologies are more likely to be regarded as industry leaders or experts, which not only helps brands establish a high-end, professional image, but also provides strong support for brand premiums. Brand marketing can take this opportunity to publicize the technological advantages, strengthen consumers' perception of the brand's technological leadership, and consolidate the brand value.

3.1.3. Marketing model innovation to expand the brand market

In the context of internationalization, innovation in marketing mode is crucial for brands to reach a wider range of overseas target markets. If family-owned enterprises can innovate their marketing channels, communication methods or customer experience modes (e.g., cross-border e-commerce, content marketing, experiential marketing, etc.) by combining digital technology, social media trends or local market characteristics, they can more effectively deliver their brand messages to potential consumers, break the geographical constraints, and rapidly expand the brand's coverage and influence in the international market, and enhance brand awareness and market share.

3.2. Feedback Effect of Brand Marketing on Innovation Strategy

Strong brand marketing is not only an amplifier of innovation results, but also provides direction guidance and continuous power for the formulation and implementation of innovation strategy, forming a powerful feedback effect.

3.2.1. Brand positioning guides the direction of innovation

Clear international brand positioning provides a clear direction and focus for the innovation strategy of family enterprises. The core values to be conveyed by the brand, the specific needs of the target customer group, and the brand associations expected to be established will guide the enterprise to focus on product R&D, technological upgrading and service innovation. For example, an environmentally sustainable brand will be more inclined to innovate green technologies and environmentally friendly materials. This kind of guiding effect helps enterprises avoid blind innovation, so that innovation resources can more effectively serve the construction and enhancement of brand value.

3.2.2. Brand communication promotes the transformation of innovation achievements

The realization of the value of innovation achievements cannot be separated from effective marketing. Through multi-channel and multi-form brand communication activities (e.g. advertising, public relations activities, digital marketing, etc.), brand marketing can effectively deliver the enterprise's innovative ideas, new product features and technical advantages to the international target market, enhance consumer understanding and recognition, and stimulate the desire to buy, thus accelerating the transformation of innovation achievements into market value. Successful brand communication can also attract potential partners and investors, injecting more external resources for innovation.

3.2.3. Brand loyalty provides support for innovation

After establishing a certain degree of brand loyalty in the international market, the loyal customer base can not only bring stable sales revenue for the enterprise, but also provide a valuable “testing ground” and risk buffer for the enterprise's continuous innovation. Loyal customers are usually more tolerant and expectant of new brand attempts, and are more willing to try new products and provide feedback, which provides an important basis for companies to iteratively optimize their innovations. At the same time, a solid customer base also strengthens a company's confidence in investing in innovation activities and its ability to withstand market uncertainty.

3.3. Influencing factors of interaction

The interactive effect of family firms' innovation strategy and brand marketing is not static, but is complexly influenced by a variety of internal and external factors.

3.3.1. Internal factors of family enterprises

The governance structure of family firms directly affects the decision-making efficiency and strategic consistency of innovation investment and brand building. For example, visionary family leaders and an open governance model may be more encouraging of innovation and brand internationalization investments. Resource endowment, including financial strength, technological accumulation, talent pool (especially the combination of innovation ability and international brand marketing experience), and family social capital, etc., are the basis to support the effective interaction between the two. In addition, the family values and corporate culture's attitude toward risk, the degree of importance attached to innovation and the concept of brand inheritance will also profoundly affect the level of synergy between innovation and brand strategy.

3.3.2. External environmental factors

The policy and regulatory environment of the international market, such as the strength of intellectual property protection, trade policy, industrial support policy, etc., has a direct impact on the innovation activities of family-owned enterprises and brand cross-border operations. The market competition pattern of the target market, including competitors' strategies, market maturity and consumer behavioral characteristics, then determines the differentiation requirements and interaction intensity of family business innovation and brand strategy. At the same time, global technological development trends and the emergence of new business models also provide new opportunities and challenges for the interaction between innovation and brand marketing in family firms.

4. INTERACTIVE OPTIMIZATION STRATEGIES OF FAMILY BUSINESS INNOVATION STRATEGY AND BRAND MARKETING

Based on the previous in-depth analysis of the interaction mechanism between innovation strategy and brand marketing and its influencing factors in the internationalization process of family firms, in order to effectively promote the virtuous circle and synergy between the two, family firms need to systematically construct and implement a series of interaction optimization strategies from the

dimensions of internal governance optimization and external resource synergy, so as to enhance their overall competitiveness in the global market.

4.1. Internal Optimization Strategy

Internal optimization is the cornerstone of enhancing the interactive effectiveness of innovation strategy and brand marketing, and family enterprises should focus on the core aspects of governance structure, resource allocation and talent construction.

4.1.1. Improve the governance structure of family enterprises and promote the synergistic development of innovation and brand.

Family enterprises should be committed to building a modern governance structure that can not only safeguard the long-term interests of the family, but also adapt to the demands of international market competition. This includes: appropriately separating ownership and operation, introducing experienced external directors and professional managers to enhance the professionalism and scientificity of decision-making; establishing a clear long-term incentive mechanism for innovation investment and brand building, encouraging management and core employees to try and be responsible for the results; setting up a cross-departmental innovation and branding strategy synergy committee to ensure the consistency of the two strategies in terms of goal-setting, resource allocation, process management and performance evaluation, and so on. The establishment of a cross-departmental innovation and brand strategy synergy committee ensures that the two strategies are harmonized in terms of goal setting, resource allocation, process management and performance evaluation. In addition, it is necessary to cultivate an open and tolerant family culture that encourages trial and error, provide a relaxed environment for innovation activities and brand internationalization exploration, and reduce the potential constraints of strategic synergy caused by factors within the family.

4.1.2. Strengthen resource integration to support innovation and brand interaction

Effective resource integration is the key to ensure the synergy of innovation and brand marketing. Family enterprises need to break down the barriers between internal departments and realize the sharing and efficient allocation of key resources such as information, technology, talents and finance. Specifically, it should ensure that the innovations of the R&D department can be smoothly transferred to the marketing department and transformed into the core selling points and story materials of the brand; the consumer insights and brand feedback obtained by the marketing department from the international market should also be fed back to the R&D department in a timely manner to serve as an important input for product iteration and technological innovation. In terms of financial resources, continuous and stable financial support should be provided for innovative projects with market potential and forward-looking international brand building activities, so as to avoid short-term financial pressure affecting the long-term strategic layout.

4.1.3. Cultivate Composite Talents for Innovation and Brand Marketing

Talent is the core element driving the interaction between innovation and brand marketing. Family enterprises should attach great importance to the cultivation and introduction of composite talents who know both technological innovation and international brand operation. This can be achieved through a combination of internal cultivation and external recruitment: on the one hand, through the establishment of a rotation system, cross-departmental project cooperation and special training programs to enhance the comprehensive ability of the existing staff to break the monotony of functions; on the other hand, actively bring in high-end talents with international vision and successful experience in innovation management and brand marketing from the outside, and provide them with sufficient authorization and development space. Establishing a mechanism capable of identifying, motivating and retaining such core talents is a human capital guarantee to ensure the effective synergy of innovation and brand strategy.

4.2. External Synergy Strategy

On the basis of internal optimization, actively seeking and making use of external resources and cooperation opportunities can inject new vitality and professional support into the interaction between family business innovation and brand marketing.

4.2.1. Strengthening Industry-University-Research Cooperation to Enhance Innovation Capability

Family enterprises, especially small and medium-sized family enterprises with relatively limited resources, should actively establish close industry-university-research cooperation with universities and research institutions. Through joint research and development projects, the establishment of joint laboratories, technology transfer or licensing, enterprises can obtain cutting-edge technology information, share R & D results, the introduction of high-level scientific research talent at a lower cost, thereby systematically improving their own technological innovation capabilities. This kind of external intellectual support can not only accelerate the upgrading of products and technology, but also inject scientific and technological connotation into the brand, and enhance the brand's technical image and competitiveness in the international market.

4.2.2. Optimize brand marketing with the help of external professional institutions

The professionalism and complexity of international brand marketing is high, and family enterprises can actively make use of the power of external professional organizations to make up for their own shortcomings. For example, they can cooperate with internationally renowned brand consulting companies, market research organizations, advertising creative companies, digital marketing service providers, etc., to obtain accurate international market insights, professional brand strategy planning, high-quality marketing content creation and efficient global communication channels. By “borrowing a ship to go to sea”, family-owned enterprises can more quickly enhance the awareness, reputation and influence of their brands in the target international markets, and ensure that their innovations can be successfully promoted globally through specialized brand marketing means.

4.2.3. Utilizing policy support to promote internationalization

Governments usually introduce a series of supportive policies to encourage enterprise innovation and internationalization. Family enterprises should take the initiative to study and actively apply for relevant policy support, such as additional deduction for R&D expenses, tax incentives for high-tech enterprises, export tax rebates, funds for international market development, and special subsidies for brands going overseas. Making full use of these policy resources can not only directly reduce the financial pressure on innovation investment and international brand promotion, but also obtain government endorsement, enhance the credibility of the enterprise in international cooperation, and create a more favorable external environment for the synergistic implementation of innovation strategy and brand marketing.

5. CONCLUSIONS AND OUTLOOK

This paper systematically studies and reveals the close and two-way interaction between innovation strategy and brand marketing in the internationalization process of family firms. The study shows that innovation strategy provides core competitiveness and value support for brand marketing through the upgrading of products, technologies and marketing models, while brand marketing strongly guides, promotes and supports the implementation and deepening of innovation strategy by virtue of its positioning function, communication effectiveness and user loyalty. This interaction is also significantly affected by multiple factors such as internal governance, resource endowment, external market competition and policy environment of family enterprises. In order to optimize this interaction and achieve synergies, the paper puts forward systematic strategic suggestions from the dimensions of internal governance improvement, resource integration enhancement, complex talent cultivation,

as well as external industry-academia-research cooperation, professional institutions' leverage, and policy support utilization.

Looking ahead, the differentiated characteristics of the interaction mechanism between innovation strategy and brand marketing and its dynamic evolution path for family enterprises in different industries, scales and stages of intergenerational inheritance will be an important direction for further research. Meanwhile, the accelerated digital transformation, the popularization of the concept of sustainable development and other new global trends will reshape this interaction, which will also provide a broad space for future research. For family firms, continuous attention to and dynamic adjustment of the synergy between innovation and branding strategies will be the key to maintaining competitive advantages and achieving longevity in the wave of globalization.

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