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Analysis of Brand Co-Branding Marketing Strategy

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Abstract:

This essay provides a comprehensive literature review on brand co-branding, aiming to summarise and analyse the impact of co-branding on the brands themselves and on consumers' purchasing tendencies. In recent years, product co-branding between enterprises has become an important marketing tool, and its impact has been widely reflected in the social, economic, and marketing sectors. This review encompasses a number of key aspects in the field of consumer psychology and marketing, such as refined population profiling and emotional marketing strategies. First, this essay reviews the historical development of brand co-branding and analyses the successful case of brand co-branding between Ruixing Coffee and Guizhou Maotai. At the same time, this essay also highlights that the back of co-branding is to analyse consumers' purchase motivation. Secondly, the essay analyses the challenges faced by the brand co-branding model through the co-branding cases of Light and Night Love and Holliday, and Ruixing Coffee and Black Myth: Wukong, which include product innovation and consumer fatigue with 'co-branding'. Finally, the paper examines the success factors of the co-branding approach, including the quality of the co-branded product, the price of the co-branded product, the inventory of the co-branded product, and the planning of the co-branding. The paper concludes that co-branding will continue to play an important role in marketing.

Keywords: Brand co-branding; marketing; consumer groups.

1. Introduction

The saturation of the market as well as its continuous segmentation has made it more fragmented, and brand cross-border co-branding will serve as one of the key modes of existence in the future [1]. This study looks at the marketing approach of co-branding between brands to jointly launch products. The phenomenon of co-branding between brands has become a hot topic of concern for all sectors of society. Co-branding has become the mainstream of brand marketing, covering a wide range of areas such as

food, gaming, luxury goods, animation, etc. [2]. Brand co-branding as an emerging marketing tool is crucial for companies that need to change their image as well as attract more consumers. This study is of great interest to corporate marketing departments as it will analyse how brand co-branding attracts consumers.

This study uses the literature analysis method to find and read relevant information as well as case literature. The advantage of this method is that it can well analyse the previous cases of brand co-branding and find out the success factors and shortcomings of the previous cases, which can be used as a reference for the marketing department of the enterprise. The ultimate goal of this study is to analyse the most overlooked factors of brand co-branding marketing strategies. In order to achieve this goal, this study analyses two Chinese brand co-branding cases: 'Ruixing Coffee' co-branded with 'Guizhou Maotai' and 'Holliday' co-branded with 'Light and Night Love'. This study also analyses the marketing strategy of the Chinese coffee brand Ruixing Coffee, using the case study of Ruixing Coffee's co-branding with Black Myth: Wukong in 2024 to study how Ruixing Coffee relies on topicality to achieve brand co-branding success.

The core logic of brand co-branding is to go beyond the value of the product itself to create consumer hots pots, attracting web flows to stimulate consumers' purchasing behaviour for the brand's goods. According to Yu Jing, in the era of data information technology, as well as the influence of consumer factors and communication technology, successful brand co-branding can often make a brand stand out in similar tracks, and at the same time, novel co-branded products can also cater to the consumer psychology of young people in terms of freshness, curiosity, fashion, etc., so as to give the brand a higher degree of conversation [3]. Yao Jia also pointed out that: with the development of mass communication, the company began to abandon the traditional marketing model into the transition stage, brand marketing channels from paper media, television media, etc. to mobile media and smart media [4]. Han Ying, on the other hand, believes that the exposure, awareness and audience acceptance of brand content become the core elements that marketing communication activities need to always revolve around. Some scholars have also found through data surveys that the joint matching of brand co-branding plays a positive and facilitating role in consumers' purchase intention [5].

2. Literature Review

2.1 Research Status

The marketing method of brand co-branding started late in China, but has become an important means of marketing in recent years. Yao Jia is one of the early scholars to study brand co-branding in China, and her research found that after various co-branding attempts in the early days, brands are happy to repeat co-branding, indicating that co-branding is very important to brand marketing, and some brands have taken a series of co-branding as a norm, and the regular release of co-branding has already become a regular way of marketing. Scholars such as Di Jiahui and Cui Jiayue further analyse the feasibility of co-branding in practice using the '4I' theory, and more and more brands are adopting co-branding strategies based on the 4I theory in order to realise the enhancement of brand value and the good spread of brand reputation. This is a better marketing strategy in many industries and fields [6].

2.2 Case Studies

With the change of national consumption habits, people are not only highly concerned about tea culture, but also gradually interested in coffee consumption. Nowadays, coffee and tea have become equal substitutes, and the coffee industry is developing and upgrading rapidly. The rapid development of the internet industry has allowed many local coffee brands to leverage the co-branding and powerful publicity effects of the internet to achieve great success. 2023 saw the co-branding of local Chinese coffee brand Ruixing and Guizhou Maotai, which was an instant hit. Ruixing Coffee was the first domestic coffee chain brand in China to break the 10,000 shop count. In addition, as of 2024, Ruixing Coffee's second-quarter earnings report showed total revenue of $855 million [7]. Whether in terms of shop size or market share, Ruixing Coffee is one of the few giants in the domestic coffee retail market. Guizhou Maotai, one of China's most famous liquor, occupies a special position in the market, mainly for high-end consumers, often appearing as a high-grade gift in various business and social arenas. Wang Mingxin pointed out that whether it is frequent coupons, or multiple cross-border joint branding, Ruixing coffee has never been able to tear down the label of 'low price, low-income consumer groups'. Among other things, the quality of the product is not high, customer loyalty is not high, and low price promotions are too frequent, leading to the emergence of high costs. To solve these problems, the most crucial thing is quality [8]. Bundling coffee with Guizhou Moutai not only raises the 'value' of Ruixing Coffee, but also helps Moutai to enter the young people's field of vision, which can be regarded as a win-win situation. Zuo Hongliang pointed out that people's behaviour is caused by the need to purchase behaviour is no exception. A person at any time have many needs have physical and psychological

[9]. Co-branded merchandise captures the curiosity of the consumer. Coffee and wine are two very different drinks, one makes you sober while the other makes you sluggish. And Ruixing combines the two cleverly, with the alcohol content of only 0.5% Maotai Coffee having the mellow aroma of coffee and adding a hint of wine flavour. Such goods are more appealing to consumers, and consumers will pay for their curiosity.

3. Analysis of the Challenges of the Co-Branding Approach

3.1 Lack of Topicality in Co-branded Content - Examining the Marketing Strategy of Ruixing Coffee

3.1.1 Topicality

People tend to pay more attention to news that's exciting and timely, and the timeliness of co-branding between brands can stimulate people to consume between them. For example, this article mentions the co-branding between Ruixing Coffee and Guizhou Moutai, the advertising campaign says: "Middle-aged people's first sip of Ruixing is Moutai-flavoured. This slogan directly hits the middle-aged consumer group and brings Ruixing to the attention of middle-aged people. At the same time, soft advertisements about "marrying into a rich family" appeared on social media, which created a lot of buzz for the co-branding campaign. Nowadays, some brands' co-branding lacks topicality and fails to attract consumers' attention. For example, the co-branding of the Chinese beauty brand 'jillleen' and the cartoon IP 'Piggy Man'. Jillleen itself does not have a large market share in the competitive market, and Piggy Man's target audience is mostly children who are not interested in beauty products. This prevented the two brands from deriving much benefit from their co-branding.

3.1.2 Ruixing coffee marketing strategy

Ruixing Coffee's success cannot be separated from the brand's well-crafted image and timeliness. Ruixing Coffee has co-branded with many brands and IPs, such as Cat and Mouse, the Korean cartoon IP - loopy, Guizhou Maotai and Black Myth: Wukong. Black Myth: Wukong is a single-player action role-playing game set in 2024 with a Journey to the West theme, which was developed by Hangzhou Youke Interactive Technology Co. Ltd. in China. On its launch day, 20 August 2024, Black Mythos: Wukong sold a total of 4.5 million copies, with a revenue of over 1.5 billion RMB [10]. Ruixing Coffee took advantage of the publicity surrounding Black Myth: Wukong. As the game itself has the appeal of traditional Chinese culture, and the place where the game is modelled has also received general attention from gamers, the heat of discussion on the Internet increased dramatically before and after the game's release. Ruixing Coffee took advantage of the widespread attention of Black Myth: Wukong to expand the brand's audience circle, and designed many game-related peripheral gifts that were sold to consumers in the form of packs. Deeply integrating gaming culture and modern consumer trends, Ruixing Coffee launched "Teng Yun Americano" coffee, which comes with limited peripheral mugs and bags, as well as a 3D poster, making it highly collectible for gamers. Through multiple communications in offline stores and online social media, the co-branding has attracted consumers to purchase the coffee and achieved wide coverage and continuous mutual benefits between the brands, successfully creating a marketing breakout IP [11]. For Ruixing, co-branding with Black Mythos: Wukong is not only a co-branded marketing campaign, but also a low-cost, high-return way to capitalise on buzz. By partnering with one of the hottest single-player games on the Internet today, Rexchip has been able to quickly gain exposure, generate buzz and gain access to a new group of consumers. Ruixing Coffee is leveraging the massive traffic of 'Black Mythos: Wukong' to increase its brand awareness and market share.

3.2 Co-Branding Services Should Focus on Consumer Groups

Yu Junsheng and Zhang Shaohua pointed out that enterprises should provide consumers with emotional experiences and emotional value, and enterprises should internally explore the emotional attributes of their own brands [12]. Recently, a cross-border co-branding between Light and Night Love, a Chinese B-girl game aimed at women, and domestic pastry brand Holliday has sparked a fan frenzy. 'B-girl game' is "otomegame", the word "B-girl" comes from the Japanese language, refers to unmarried young girls, in this stage of the girls have a desire for love. The word 'otome' comes from the Japanese language and refers to unmarried young girls. This desire for romance has led to the formation of 'otome culture,' which is specifically geared towards a female audience and focuses on romance and interaction in games [13]. 'Holliday is China's leading bakery chain brand and has developed into a benchmark in China's bakery industry since its establishment in 1992. The brand is renowned for providing high-quality bakery products in a wide range of categories, including birthday cakes, breads and biscuits. With nearly 1,000 directly-managed chain shops across China, covering more than 70 large and medium-sized

cities, Holliday has huge daily sales, especially on traditional festivals such as mooncakes and rice dumplings, with annual sales of more than RMB 2 billion [14]. The centrepiece of this crossover co-branding is undoubtedly the limited themed cake created by Holliday for the main character of 'Love in the Light and the Night', and the limited half-ripened cheese. Holliday also launched matching peripherals based on the characters, including badges, standees, hand banners, greeting cards and a full set of customised packaging. In the pre-publicity, Holliday used Chinese social media Weibo and Xiaohongshu to warm up the campaign. Before the campaign began, the Weibo topic 'Holliday & Light and Night Love' reached 8,410,000 readers, and 25,851,000 readers on Xiaohongshu. The most successful aspect of this joint venture is the service provided by Holliday shops to consumers. Holliday has set up 9 'Light and Night Love Customised Stores' and 353 theme shops throughout China. The decoration, lighting, music and even the service of the staff in Holliday's event theme shops all closely correspond to the theme of the game, incorporating elements of the game. Holliday trained shop clerks so that even grassroots clerks mastered the basic information of the protagonists in the game, and cooperated with customers' interactive punch cards to provide customers with an immersive experience. Goodwill also launched a home delivery service, where the delivery person would address the consumer as the name of the player in the game for the delivery service. The most neglected aspect of brand co-branding is often the service. Companies should pay attention to staff training to avoid staff unfamiliarity with the co-branding business.

4. Discussion

4.1 How to Improve the Quality of Joint Names

In this era of co-branding marketing strategies, brands must realise that successful co-branding strategies can expand their user base, expand their brand influence and increase their brand value. However, not all co-branding is successful. Failed co-branding can have a negative impact on the brand, or it can have a negative impact on the brand [15]. If a company wants to use co-branding for profit, it must be clear what kind of co-branding is hated by consumers. Consumers have negative feelings about co-branding because of four things: the quality of the product itself, the co-branding programme, the inventory, and the price.

4.1.1 Co-branded products and planning

XiaoningLiu suggests that product quality and consumer demand influence each other [16]. A companion phenomenon to the normalization of brand co-branding is consumer burnout of intensive and routine co-branding, and improving product quality is the path to resolving this sentiment. In the case of food industry co-branding, bad taste and roughness are fatal flaws, but there are cases where consumers pay for peripheral freebies. But the end result is to corrupt the goodwill and reputation of both brands. Planning for co-branding is very important. Planning is not only strategy and planning, but also a deep insight and careful layout of the future co-branding period [17]. Co-branding planning helps companies turn abstract goals into concrete action guidelines, providing clear directions for co-branded product design and promotion and services during the co-branding period. For brands, the drying up of creative inspiration for co-branding cannot be successful because consumers will eventually return to rationality. Reasonable planning of co-branded products allows brands to more accurately identify the needs of current consumers as well as current trendy and popular IPs, and to maximise the use of brand resources. For example, the co-branding of Makuhari Mesa with the Japanese animated film 'chikawa' in 2024 can be said to have stood on the cusp of public opinion. Successful co-branding planning can dramatically improve the efficiency of both brands, reduce unnecessary waste of resources, and also allow brands to foresee potential co-branding problems and risks, and formulate countermeasures in advance to ensure the smooth progress of the project.

4.1.2 Inventory and pricing of co-branded products

Because a co-branding collaboration does not last long, it often results in co-branded products being out of stock to meet consumer demand. Lack of stock can also lead to a premium price for the product, attracting third parties to sell the product for profit, which can exacerbate consumer dissatisfaction. If the co-branded product fails to achieve the desired response, the direct result is negative branding and product inventory [18]. However, this problem seems to be insurmountable; companies cannot invest a lot of money to produce co-branded products because both brands have their own main line of products. However, this paper argues that brands can sell co-branded products by opening the reservation channel in advance and producing products by referring to the number of reservations, so as to achieve a limited, unlimited and pre-sale form. For example, the domestic game 'love and deep space' and 'Rosen convenience store' co-branding, all co-branded products are pre-sale, online shopping platform on the shelf for 15 days, the factory in accordance with the number of orders to produce products. Some brand co-branding there is an obvious 'cut leek' be-

haviour, which will directly damage the brand's consumer goodwill. Specific behaviours include using co-branding to increase product prices, using co-branding to deal with inventory, and using co-branding peripherals for 'hunger marketing'.

5. Conclusion

By analysing the cases of co-branding between Ruixing Coffee and Guizhou Maotai, Light and Night Love and Goodwill, and Ruixing Coffee and Black Myth: Wukong, this study concludes that the main issues to overcome in brand co-branding are topicality and retail services. With consumers' growing demand for personalisation and emotion, brand co-branding is a bridge between consumers and brands. Topicality is essential for the success of brand co-marketing. In a completely competitive market, many similar products need to rely on 'topicality' to stand out. Brands need to understand the psychological needs of their target consumers and create more appealing co-branded products through sophisticated demographic analyses and emotional marketing strategies. Creativity and storytelling are essential factors in this process, while the interactivity and spreading power of social media platforms is an important way to expand influence. Co-branded brands should fully explore the strengths of each other's brands, and through product innovation and topic dissemination, achieve the influence effect of one plus one is greater than two. Enterprises need to join hands with the right brands, base on the needs of user groups, focus on user experience, and improve brand loyalty. This study further concludes that the success of brand co-branding is based on the product itself, the price of the product, the inventory of the product, and the strategy of co-branding. In the new consumer era, consumers will also pay more attention to the values and lifestyles behind the products, brands need to understand the current consumer trends, and find complementary brand co-branding, and jointly build a new marketing scenario, this paper provides a lot of valuable references to the future direction of the brand co-branding marketing strategy, which mainly influences the focus of the co-branding programme of the enterprise, the future research should focus more on the co-branded products and the co-branding method. Future research should focus more on the innovative direction of co-branding products and co-branding methods.

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