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The Implementation and Issues of Branding Co-Branding Marketing Strategies

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Abstract. This article focuses on brand co-marketing, a mainstream market strategy, systematically organizing its core concepts, theoretical foundations, and common forms. Brand co-marketing refers to the activity where independent brands from different fields collaborate closely to launch new products or services in order to expand the user base and enhance value. Its effectiveness is supported by major theories, including symbolic interactionism, synergy theory, which form typical ways such as cross-industry resource complementarity, deep exploration of cultural IP, and penetration into user circles. The study finds that current brand co-marketing practices face issues such as poor brand synergy, delayed market response, and incorrect user targeting. To address these problems, this article suggests reinforcing brand synergy from the perspectives of preliminary research on values and resource matching, establishing cooperation mechanisms in the mid-term, and unifying communication approaches in the later stages, while also emphasizing regular market research to optimize strategies, providing theoretical references and practical guidance for companies to enhance the effectiveness of co-marketing.

Keywords: Co-Branding, Cultural IP, Joint Cooperation Mechanisms

1. Introduction

With the intensification of market competition and the diversification of consumer demands, co-branding marketing has extended from the early fast-moving consumer goods and fashion sectors to technology, cultural tourism, and other industries, becoming an important means for companies to expand their user base and enhance brand value. However, in practice, most co-branding cases do not achieve their expected results either due to conflicts in brand values leading to consumer backlash, product homogenization causing consumer fatigue, or misalignment of user positioning resulting in a cold market.

The complexity and high risks of brand co-marketing highlight the necessity for systematic research on its internal logic, existing problems, and optimization paths. From a theoretical perspective, existing studies often focus on single case analyses and lack a systematic overview of the causes of problems and their solutions; from a practical perspective, businesses urgently need actionable frameworks to mitigate risks. Based on this, this article first defines the concept and theoretical basis of brand co-marketing, analyzes its common forms and implementation paths, then delves into the core issues in strategy implementation, and ultimately proposes targeted optimization

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suggestions, aiming to provide theoretical support and practical guidance for companies to enhance the effectiveness of co-marketing.

2. The theoretical foundation of brand co-marketing

2.1. The concept of brand co-branding marketing

With the intensifying market competition, product marketing should not only meet consumers' basic needs but also consider their psychological and spiritual desires [1]. Brand co-branding marketing mainly refers to the collaboration between two independent brands from different fields to launch new products or services, aiming to expand their consumer groups. Its core characteristics lie in synergy and value addition—unlike traditional sponsorship or endorsement, co-branding marketing requires both parties to be deeply involved in the entire process from product design to implementation, achieving an effect of “1 + 1 > 2” through the overlap of brand symbols and the intersection of user segments.

From a practical perspective, the boundaries of brand co-branding marketing are not fixed but continuously expanding. Early co-branding marketing activities were mostly concentrated in the fast-moving consumer goods and fashion sectors, and today they have extended to various fields like technology, dining, and cultural tourism.

2.2. Theoretical basis of brand co-branding marketing

The effectiveness of brand collaboration marketing relies on mature theoretical support. Currently, academia mainly explains its intrinsic logic from four types of theories:

2.2.1. Symbolic interactionism

Symbolic interactionism, also known as symbolic interaction theory, refers to the process of interaction and mutual influence between people through symbolic signs and meanings. Symbolic interactionism posits that a brand essentially serves as a symbolic system that carries consumers' emotions and perceptions, while the core of brand collaboration lies in the interaction and reconstruction of symbols. Each brand possesses unique symbolic assets. For example, LV's Monogram pattern represents luxury craftsmanship, and Supreme's red logo represents street fashion culture. When these two companies collaborate, consumers will merge the meanings of both symbols, creating a new perception of high-end fashion. The reason why the 2022 collaboration collection between LV and Supreme caused a rush to buy is precisely because this symbolic interaction meets consumers' identity recognition needs for niche high-end fashion.

2.2.2. The synergy theory

The Synergy Theory suggests that companies can achieve an overall value that exceeds the sum of their parts through resource integration. This theory is a core basis for brand collaboration partner selection and resource allocation. Cross-industry co-branding marketing is founded on its own brand and even surpasses its own brand, creating a win-win situation in collaboration with other brands [2]. The synergistic effects of brand co-branding mainly manifest in three aspects: first, resource complementarity, such as the cooperation between Huawei and Leica, where Huawei provides terminal channels and user bases, while Leica offers professional optical technology, jointly enhancing the competitiveness of mobile photography functions; second, cost-sharing, where co-

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branding parties share product research and development and marketing expenses, reducing the investment risks for a single brand; third, risk diversification, as cross-industry co-branding helps brands mitigate the impact of fluctuations in a single market, such as the collaboration between electric vehicle brands and outdoor equipment brands, which can leverage the stability of the outdoor sector to hedge against cyclical risks in the automotive market.

2.2.3. Consumer identity theory

The consumer identity theory suggests that consumers express their self-identity by choosing brands that align with their values. Once brand collaborations are launched, they trigger sustained attention from loyal customers towards the collaboration, and the carefully planned collaborative product series will receive focused attention, thereby increasing the awareness of the brand's regular products [3]. Brand collaborations can integrate different brand values to cover a broader recognition group. For example, the collaboration between the Palace Museum's cultural products and Huaxizi combines the Palace Museum's traditional cultural identity with Huaxizi's Eastern aesthetic identity, attracting both middle-aged users who care about cultural heritage and young consumers pursuing national-style aesthetics, achieving a dual penetration of the user groups.

2.2.4. Perceived value theory

Perceived value theory suggests that consumer purchasing decisions depend on their assessment of the perceived benefits and perceived costs of a product. By deeply understanding and cleverly leveraging the human trait of a love for sharing, companies and brands can effectively shape their products or ideas, thereby achieving the strategic goal of word-of-mouth marketing [4]. Brand collaborations can enhance consumer perceived value in three ways: first, functional value, as seen with the collaboration between Dyson and Supreme to create a hairdryer that combines Dyson's core drying technology with trendy design, fulfilling practical needs while also enhancing the user experience; second, emotional value, such as the blind boxes from the collaboration between Disney and Pop Mart, which leverage Disney IP's childhood memories to enhance emotional resonance among consumers; third, social value, where scarce or limited collaboration products can become unique status symbols for consumers in social settings, increasing their sense of social identity.

2.3. Common forms of brand co-branding marketing

The effective and efficient matching between alliance partners is a prerequisite for all alliances [5]. With the enrichment of market practices, brand co-marketing has formed a diversified classification system, which can be divided into the following three categories based on cooperation value dimensions.

2.3.1. Cross-industry resource complementary co-branding

The core of such co-branded collaborations is to break industry boundaries and achieve resource synergy, often occurring between industries with significant differences in technology, channels, and user demographics. Through the collaboration, brands can challenge existing perceptions, and both parties can attract new target customers, increase product sales, and accelerate their market penetration. The key to this type of collaboration lies in the compatibility of resources, meaning it is essential to ensure that the core resources of both parties can complement each other rather than simply overlap.

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2.3.2. Cultural IP value excavation co-branding

Such collaborations focus on cultural IP as the core vehicle, achieving the integration of brand and culture through in-depth exploration of the connotations of the IP. This also allows customers who love the corresponding IP to find their unique sense of self and gain a sense of identity. Such collaborations are commonly seen between cultural institutions, film and animation, and commercial brands. For example, the short-sleeved T-shirt launched by Uniqlo in collaboration with American graffiti artist KAWS fully taps into the young consumer group, enhancing both Uniqlo's brand image and KAWS's brand recognition while expanding the market [6].

2.3.3. User segment precision penetration co-branding

This type of collaboration focuses on user demographics, achieving precise reach to specific user groups by partnering with representative brands or KOLs within those demographics. It is commonly seen in vertical fields, such as the collaboration between the EDG esports club and the Nongfu Spring, which launched a limited edition mineral water featuring the EDG logo and was distributed at esports competitions to precisely reach EDG's fan base. The core of this type of collaboration is to deeply understand the behavioral habits and value preferences of the target demographic to avoid promotional missteps and conflicts.

3. Analysis of the problems in the implementation of brand co-branding marketing strategy

Although brand co-marketing has become a mainstream strategy, there are still many issues in market practice that lead to some co-branding cases not achieving the expected results. This section analyzes common problems and their causes from three dimensions: brand synergy, market response, and user positioning.

Brand collaboration is the core of co-branding marketing, but currently, some enterprises face the issue of imbalanced collaboration, which mainly manifests in the following three aspects:

3.1. Brand value conflict

Brand values are the foundation of consumer recognition. If there is a conflict between the values of both parties, it can easily lead to consumer resentment. If the selection of a collaboration partner is not considered carefully, it may significantly diminish the effectiveness of the brand collaboration, or even backfire, negatively affecting the partners involved in the collaboration. Therefore, when choosing a collaboration partner, it is necessary to follow certain standards [7].

3.1.1. Imbalance in resource investment

Co-branded marketing requires both parties to invest equal promotional and technical resources. If one party invests too much while the other invests insufficiently, it can lead to a diminished effect of the communication. Every brand has its own unique culture, values, and market positioning, and this is especially evident in co-branding collaborations across industries or cultures. If the brands are unable to effectively coordinate these differences during the collaboration, it may lead to consumer confusion and misunderstanding about the brands [8].

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3.1.2. Inconsistent communication approach

Co-branded marketing requires both parties to unify their communication approach. If the focus of the promotion is different, it can easily lead to confusion among users' perceptions. Different focal points in communication can also cause consumers to be puzzled, failing to understand the product's features, resulting in a shallow first impression of the co-branding that affects subsequent sales. The root cause of inconsistent communication lies in the lack of joint communication: both parties have not developed a unified communication plan, leading to diverging promotional content.

3.2. Market competition and changes in consumer preferences

Consumers have transformed from mere audiences and customers in the era of mass media to important participants and contributors in brand-building processes in the era of social media. Social media empowers consumers with more rights to speak and participate [9]. Currently, the co-branding marketing market is characterized by severe homogeneity and rapidly changing consumer preferences. If companies cannot respond promptly, they may fall into a passive position. For instance, if a company does not quickly capture changes in consumer favorites, co-branded products will naturally be neglected and cannot establish a foothold in the market.

3.2.1. Serious homogenization of co-branded products

With the widespread adoption of co-branding marketing, most companies follow trends and choose popular IPs, leading to highly similar product designs and functions, resulting in consumer aesthetic fatigue. While this kind of branding may gain momentum in the short term, it is difficult to sustain in the long run [10]. If initial research is insufficient, then there will be a large number of competing co-branded products in the market. In the competition with similar products and co-branded IPs, their unique characteristics are erased, making it hard to catch consumers' attention. The root cause of homogenization is the lack of deep insights into the needs of target users by companies, which merely engage in co-branding by copying successful cases without forming differentiated advantages, making them indistinguishable from others.

3.2.2. Consumer preference response lag

With the popularity of co-branding marketing activities, consumer preferences are shifting from symbolic consumption to value consumption. If companies continue to rely on mere labeling for co-branding, they risk being eliminated from the market. Some companies blindly pursue trends by launching co-branded products, disconnecting from consumers' needs for uniqueness and comfort of use. The root cause of the lag in consumer preference response lies in timely market research—companies only conduct research in the early stages of co-branding and fail to establish a regular market monitoring mechanism, making it impossible to capture changes in preferences promptly.

3.3. Incorrect target audience positioning

User positioning is a prerequisite for co-branding marketing. If the positioning is off, it can easily lead to product sales falling short of expectations or the loss of existing users. A company's positioning of its users not only impacts the design and promotional focus of the product in the early stages but also affects the sales in the later stages. Incorrect positioning of the consumer group can also lead to considerable potential losses.

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3.3.1. Narrow positioning: ignoring potential users

Some companies only focus on the existing users of both parties, ignoring the potential user groups, which limits the market size. The distribution of potential users is often an easily overlooked issue; one of the important purposes of business collaboration is to attract new consumer groups. If this aspect is ignored, the final customer base obtained will inevitably be incomplete, which will lead to indirect economic losses. The main reason for narrow positioning is an incomplete user profile — companies only analyze the characteristics of existing users without identifying potential users through data mining.

3.3.2. Ambiguous positioning: unclear users targeting

Some companies pursue coverage of all users in co-branding, resulting in vague positioning that cannot impress specific groups. Especially with today's consumers' ever-changing values, if a particular group's pain points are inadvertently touched upon, not only will product sales be uncertain, but there will also be considerable effort needed to manage public opinion.

3.3.3. Positioning conflict: harming the interests of existing users

Some companies, in order to expand their new user base, neglect the needs of existing users, leading to their loss. This is undoubtedly sacrificing the fundamentals for the sake of trivial matters; existing customers are the foundation of a business. Ignoring or even harming existing users is like drinking poison to quench thirst, attempting to trade the known for the unknown.

The reason for the positioning conflict lies in the insufficient balance of user needs. The company has not found a balance point between expanding new users and maintaining existing users, excessively leaning towards the demands of new users while ignoring the requests of existing users.

4. Optimization suggestions for brand co-marketing strategies

In response to the above issues, this section presents practical optimization suggestions focused on two core dimensions: strengthening brand collaboration and emphasizing market research, to help companies enhance the effectiveness of co-marketing.

4.1. Strengthen brand synergy

Brand synergy is the foundation of co-branding marketing, which needs to start from three aspects: preliminary research, mechanism building, and unified communication, to achieve full-process synergy.

4.1.1. Initial stage: deepening research on brand values and resource alignment

In the partner selection phase, it is necessary to increase the weighting of research on the alignment of values and resource matching. By using a brand value scale, we can quantitatively assess the consistency of both parties' values. At the same time, we will analyze the partner's past social responsibility cases to ensure that there are no conflicts in values, thereby reducing product controversy. Additionally, a resource matching matrix would be constructed to assess the complementarity of resources from multiple dimensions, including technology, channels, users, and funding.

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4.1.2. On-going stage: establishing a joint collaboration mechanism

After the launch of cooperation, a special task force should be established to create a normalized collaborative mechanism. Firstly, the organizational structure should be clear, with the task force composed of key personnel from both sides involved in the activities, defining respective responsibilities and drafting a collaborative work manual to standardize workflows. Secondly, risk management should be jointly controlled, which specifically involves developing a joint crisis public relations plan and establishing a public opinion monitoring mechanism to track user feedback in real-time and mitigate the escalation of negative feedback.

4.1.3. Later stage: unify the communication tone and content

During the promotion phase, it's essential to develop a joint communication plan, finalize the core communication theme, and ensure consistency in the communication tone; disseminate information across multiple platforms to reach the vast majority of potential target consumers and existing customer groups, or integrate the communication channels of both parties to achieve a complementary effect.

4.2. Focus on market research

Market research is a crucial step before the sale of any product, as it relates to the promotional characteristics of the final product. Excellent market research often allows one to gain insights ahead of the competition, making the product stand out.

4.2.1. Conduct market customer and competitive product research

Before formulating the co-branding strategy, it is necessary to conduct multidimensional research to clarify market demand and differentiation direction. For example, consumer preference research should use a combination of "qualitative and quantitative" methods, where qualitative research explores users' expectations for the functionality, design, and pricing of co-branded products; quantitative research verifies the scale of demand. Alternatively, research can be conducted based on co-branding with competitive products: analyze recent co-branding cases, summarize their advantages and shortcomings, and look for differentiation opportunities.

4.2.2. Conduct customer feedback research

During the co-branded product development process, feedback can be collected through user testing by selecting seed users from the target audience to try out the product and gather their opinions on functionality, design, and experience. For example, when Xiaomi collaborated with Mideer to develop a camping set, they invited 100 camping enthusiasts to try it out and, based on the feedback, improved the smart camping light's battery life from 8 hours to 12 hours and optimized the tent's ventilation design, enhancing product satisfaction. Alternatively, feedback on product price, packaging, and delivery can be collected through pre-sale platforms to adjust strategies promptly.

4.2.3. Conduct co-branding effect evaluation and user retention research

After the co-branding marketing campaign ends, data can be used to evaluate the effectiveness and formulate user retention strategies, such as assessing effectiveness from multiple dimensions,

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including sales metrics, brand metrics, and user metrics. For new users who purchased co-branded products, conduct a retention intention survey to understand their reasons and barriers for continuing to purchase brand products, and formulate retention strategies.

5. Conclusion

Brand co-marketing is an important strategy for companies to break through growth bottlenecks and achieve value co-creation. This article systematically sorts out the concept implications, theoretical basis, and common forms of brand co-marketing based on classic frameworks such as symbolic interaction theory and synergy theory. It deeply analyzes core issues such as brand synergy imbalance, lagging market responses, and user positioning deviations that are commonly found in the current market. Finally, it offers optimization suggestions from two dimensions: strengthening brand synergy mechanisms and improving full-cycle market research. The research finds that successful brand co-marketing must meet three core conditions: first, deep alignment of values and resources, which is a prerequisite to avoid synergy conflicts. This requires companies to not only focus on superficial brand awareness during the partner selection stage but also to ensure consistency in deeper dimensions, such as strategic objectives and social responsibilities, through quantitative assessments. Second, the product logic of value co-creation, where co-branded products need to go beyond label-style design and achieve differentiated value through functional integration, emotional satisfaction, and scenario adaptability. Third, a dynamic responsive market mechanism, where, in light of consumer preferences shifting from symbolic consumption to value consumption, companies need to establish a normalized research system to capture market changes in real-time, avoiding the pitfalls of homogenized competition and user positioning deviations. From practical insights, the future development of brand co-marketing will present three major trends: first, the deepening of cross-industry collaboration, evolving from inter-industry to ecological collaboration; second, user participation, enhancing the sense of user involvement throughout the co-branding process through methods like pre-sale research and joint design, thereby increasing product acceptance and brand loyalty; third, controllable risk management, integrating brand collaboration risks into full-cycle management through mechanisms such as joint special task forces and crisis public relations plans. Overall, the core value of brand co-marketing lies in breaking through barriers through synergy and establishing a foundation through value. Only by transforming short-term traffic thinking into long-term value thinking can co-marketing truly become a booster for brand asset appreciation, rather than just a fleeting marketing gimmick.

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