

Cross-Border Co-Branding: KFC China's Game Strategy

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Abstract: Traditional catering brands struggle to attract young consumers and stay modern. KFC China found success through video game partnerships. This study examines KFC's collaborations with games like Genshin Impact and Eggy Party. It shows four key steps, choosing suitable game partners, creating themed dining experiences, expanding online visibility, using data to keep customers engaged. These strategies help solve common problems like outdated branding and limited innovation. KFC's approach offers practical tips for traditional businesses going digital.

1 INTRODUCTION

Traditional food brands face challenges and opportunities in the digital age, especially in attracting young consumers. Existing studies focus on traditional marketing methods like ads and packaging. They overlook how cultural crossover elements renew brands. Research, such as Aaker's 1991 Brand-Equity theory and Keller's 1993 CBBE model. They also misses how gaming experiences drive real-world purchases. KFC China partners with games to blend digital culture with physical business.

This paper explores KFC's four-phase strategy involving IP selection, immersive experience design and so on. By aligning gaming culture with dining scenarios, KFC transitions from short-term gains to sustained brand ecosystem development. The case study provides actionable insights for traditional brands seeking to bridge physical and virtual economies. It also highlights methods to convert temporary marketing buzz into lasting brand value. KFC's success illustrates collaboration can effectively reconnect aging brands with younger generations.

The primary objective of this study is to analyze collaborative strategies that help traditional food brands overcome digital age challenges, rejuvenate brand image, and establish meaningful connections with younger consumers. These insights are particularly relevant in the Chinese market, given its large consumer base, rapid digital transformation, and youth-driven cultural trends, making it a pivotal setting for studying IP marketing strategies.

2 THEORY & MECHANICS

Crossover collaboration enables brands from diverse industries to leverage shared resources and strengths, generating new consumer experiences and enhancing brand value. A growing body of academic research provides key insights into this phenomenon. According to Pan et al. (2024), cultural marketing strategies that integrate cultural elements into products enhance brand revitalization by transforming purchases into culturally immersive experiences. This approach fosters brand engagement by offering consumers a sense of cultural participation and identity during transactions. Technological integration is another essential factor in the success of crossover collaborations. Fan and Cheng (2024) emphasize that metaverse-related tools, such as intelligent networks, facilitate the seamless integration of digital IP elements into real-world consumer experiences. A relevant example is the virtual adaptation of Zhu Xi's cultural heritage, which merges historical content with online interactive experiences. Such integrations enhance consumer engagement and contribute to brand modernization. A study (Shang and Zhang, 2023) shows how Wuhan's heritage brand *Wang Yuxia* combined online and offline strategies to target younger audiences. KFC and *Genshin Impact*'s partnership is a successful case. It boosted youth engagement and social media buzz. The essay (Xiang and Bai, 2023) explains by using Bourdieu's field theory. Cross-field IP flows unlock cultural value and turn creative assets into economic gains while sustaining cultural-

industry growth. Cross-promotion is a powerful marketing tool. Meme theory explains its spread. Brands need to connect with youth cultures for renewal (Chen, 2023). KFC's Psyduck partnership proves this works. There are three key elements: cultural integration, tech integration, and precise youth targeting. These strategies help brands talk to young buyers and stay relevant. The KFC example gives other companies useful ideas for youth-focused marketing.

3 KFC'S BRAND CHALLENGES

This study adopts a qualitative research approach through comparative analysis of multiple case studies. It focuses on KFC's collaborations with gaming IPs such as *Genshin Impact* and *Eggy Party*. Integrating corporate annual reports and social media data. A scenario analysis framework is applied to deconstruct brand rejuvenation strategies. Case selection criteria include the target market penetration of partnered IPs, the level of digital innovation in marketing campaigns, and the accessibility of user behavior data. To ensure objectivity, findings are cross-verified against brand-disclosed metrics and references. Thereby establishing a analytical foundation for interpreting KFC's youth-oriented transformation.

3.1 Brand Aging

KFC's existing packaging strategies fail to establish a strong connection with younger audiences. In contrast, competitors such as Heytea frequently introduce culturally rich and seasonally themed packaging, exemplified by the Palace Museum collaboration's ink-wash design cups. The lack of innovative packaging limits KFC's ability to engage with trend-conscious youth markets. Additionally, KFC's delivery service performance highlights deficiencies in digital engagement. Despite delivery contributing to 40% of the company's total revenue, KFC lags behind McDonald's in integrating gamified digital experiences into its platform. The absence of interactive engagement features within KFC's delivery system further diminishes its appeal among younger consumers. Without addressing these gaps, KFC risks losing market share to competitors with more digitally immersive offerings.

3.2 Consumer Group Solidification

KFC's current strategies face multiple gaps in youth engagement. KFC focuses more on family meals than small options for young singles. In 2024, Chinese youth (18-25) spent less per visit at KFC compared to McDonald's. Marketing heavily relies on discounts ("Crazy Thursday") without deeper collaborations with gaming or social platforms. KFC's Ticktock orders stayed below 10%. However McDonald's boosted conversions by 18% via gaming partnerships. These issues highlight KFC's struggle to adapt to youth preferences for flexible, interactive experiences.

3.3 Lagging Product Innovation

KFC's early game collaborations used basic "slap-on" packaging instead of custom designs. In contrast, Pizza Hut and *Genshin Impact*'s collaboration featured a foldable 3D packaging. It boosted social media buzz. Meanwhile, KFC lags in healthy offerings. McDonald's China has over 3,400 green restaurants and added items like salads, fruits, and oat milk. For example, McDonald's 2024 spicy chicken burger with oat milk combo balanced taste and nutrition. The group meets modern demands.

4 KFC'S GAME TIE-UP PATH

This study applies the 4P marketing theory, developed by Jerome McCarthy, to examine KFC's collaborative strategies with gaming IPs. The 4P framework—Product, Price, Place, and Promotion—serves as the foundation for analyzing how KFC redefines these elements through digital innovation and gamification to achieve brand revitalization. From a product strategy perspective, KFC transcends its traditional role as a fast-food provider by embedding gaming IPs' cultural value into product design, effectively transforming its offerings into extensions of the gaming universe. By incorporating content-driven upgrades, KFC lowers cognitive barriers for young consumers, enhancing brand affinity. In terms of place strategy, KFC reconfigures its spatial environment by integrating AR gaming interactions, themed music, and carton themed seating arrangements. These immersive enhancements significantly increase daily foot traffic and user dwell time, surpassing industry benchmarks. By merging consumption with interactive gaming experiences, KFC fosters social media-driven engagement among young consumers. KFC's

promotional strategy leverages cross-platform synergy by distributing incentives across gaming platforms, live-streaming services, and food delivery applications. This multi-channel approach stimulates active player participation, reinforcing brand visibility across digital ecosystems. The 4P framework remains structurally intact, yet its application is adapted to gamification-driven brand transformation. KFC's case exemplifies how classic marketing theories evolve in the digital era. The four core strategic pillars of product contextualization, channel scenarization, promotion gamification, and price emotionalization provide a comprehensive framework for effective cross-industry collaborations. These tactics successfully reestablish KFC's connection with younger demographics.

4.1 IP Matching: Cultural Synergy

Cultural marketing helps brands break consumer stereotypes and stay vibrant (Pan, Jiang and Cang, 2024). KFC partners with game IPs sharing its cultural values, such as adventure and joy. When KFC chooses IPs, it uses data to target overlapping fan bases and avoid fading trends. For example, its *Genshin Impact* collab blended online and offline experiences. Players unlocked meals via in-game tasks. Stores became card-battle zones offering character-themed packaging and limited badges. This strategy improved cultural resonance and youth engagement. The Weibo topic "*Genshin Impact* and KFC" surpassed 1 billion views. The activity attracted 30% first-time buyers. KFC transformed its image from old-fashioned to youth-savvy. It proves cultural marketing revitalizes brands.

4.2 Scene Immersion Mechanism

KFC creates youth-centric consumption settings through immersive experiences and social sharing. It can attract casual players and female users. In its collaboration with *Eggy Party*, it launched a "Rolling Delights" themed store. It was designed as the game's elements. Consumers could play the AR game to win dessert coupons, and purchase meals to randomly receive six different milkshake cup lids. If people collected all cup lids, they could get a limited-edition plush toys. The gamified consumption transforms the snack bars for only eating to one for socializing and entertainment. During the collaboration, KFC saw a surge in female consumers. There are many collaborative topics on REDnote. One of them trended top three. Customer loyalty, average spending per customer, and in-store dwell time all

increased. KFC shed its family-restaurant image to become a trendy hangout for the youth.

4.3 Traffic Expansion Strategy

Social and short-video platforms effectively attract young audiences. They can effectively deliver brand messages to young audiences (Shang and Zhang, 2023). They can make the participation of young consumers be ideal. There are three kinds of platforms in the strategy: game, social media and delivery applications during its collaboration with Game for Peace. In the game, players earned food delivery discounts by completing challenges. The way turns virtual achievements into real purchases. Simultaneously, Snack Video hosted live streams. Top creators showcased collaboration meals, allowing viewers to unlock exclusive game skins through interactions. On delivery apps, KFC designed a game-themed page featuring items, encouraging bulk orders for an immersive experience. This cross-platform loop connected gaming wins, live-stream excitement, and unboxing moments. It fosters emotional connections with young users. The campaign drove a sharp rise in online orders and achieved the year's highest trial rate for new products.

4.4 Retained User Data

Intelligent operations optimize platform efficiency and enhance customer retention (Pan, 2025). KFC employs data analytics, behavioral tracking, and precision marketing to convert short-term engagement into long-term consumer loyalty. During its collaboration with *Naraka: Bladepoint*, KFC linked game accounts with its membership system, allowing players to convert in-game match durations into redeemable discounts. Data analysis revealed that male gamers preferred high-calorie, spicy food options, prompting KFC to introduce the "War God Frenzy Bucket", featuring a spicy chicken burger and cola. To reactivate dormant users, KFC sent personalized wake-up messages voiced by in-game characters, successfully increasing campaign engagement and recall rates. By integrating data-driven insights with gaming culture, KFC significantly enhanced member engagement and repurchase rates. By 2024, KFC's membership base exceeded 395 million, with an expanding user-tag library enabling customized marketing campaigns. The shift from passive consumer engagement to active digital interaction solidifies KFC's competitive advantage in the evolving digital landscape.

5 CONCLUSIONS

5.1 Collaborative Value

Crossover collaborations help brands build deeper connections. KFC partnered with *Genshin Impact* to prove this. They did more than just give stickers and meal discounts. Using the "Inter-World Encounter" theme, KFC became a part of the game's story. Players felt emotionally tied to KFC while playing. This strategy mixes virtual and real-world experiences. By teaming up with popular IPs, brands can create cultural systems that resonate with young people long-term.

5.2 Data-Driven Precision

KFC's collaboration with *Naraka:Bladepoint* shows how data technology boosts marketing. KFC used a central data platform to connect gaming activity with customer behavior. For example, the platform tracked what players did in the game. It also studied their real-life purchases at KFC. By combining these two types of data, KFC could understand players' preferences clearly. This helped them create targeted promotions. If players often bought virtual weapons in the game, KFC might offer them spicy chicken burger discounts. If players stayed up late gaming, KFC sent them midnight snack coupons. These actions turned gaming enthusiasm into actual store visits. Traditional marketing often guesses what customers want. But this data-driven method removes the guesswork. Brands can now design campaigns based on real user habits. In today's crowded, fast-changing markets, such precision helps brands stand out and build stronger customer loyalty.

5.3 Function to Meaning

The Eggy Party collaboration reflects a broader shift in consumer behavior. Today's young consumers prioritize emotional connections and social experiences over purely functional product attributes. By incorporating blind-box collectibles and AR-based interactions, KFC successfully transformed its membership program into social currency, driving both repeat purchases and social media engagement.

5.4 Industry Implications

Brands should choose IPs that match their culture. This has many benefits. It can deepen the co-creation of content between the brand and the IP. It also lowers the cognitive barriers for young audiences. This helps

spread the brand culture effectively. Brands can use sensory design and gamified interaction. It turns stores into cultural experience spots. It also shatters the fixed brand image and offers a fresh experience. Brands are supposed to combine gaming, social, and local-life platforms. This builds a full traffic ecosystem. It creates a closed loop about trending topics, offline consumption and social sharing. This breaks through traffic barriers and boosts brand influence. A data mid-platform is quite useful. It links users' virtual and real actions. This changes user preferences into the brand's core competitiveness. Data gives the brand a data-driven edge in the market.

5.5 Future Direction

KFC's gaming partnerships illustrate how legacy brands can remain relevant by shifting from logo placement to experience creation. Future strategies may involve earning in-game rewards through meal purchases, VR-based customer interactions, and AI-driven personalized menu recommendations based on gaming history. Future research should explore how gaming loyalty influences purchasing behavior and how smaller businesses can implement similar digital-physical integration models.

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