

Research on the Impact of IP Co-Branding on Brand Value: Mechanisms, Paths and Risk Avoidance

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Abstract: In the context of intense market competition and evolving consumer demands, especially with Generation Z as the dominant consumer group, IP co-branding has emerged as an innovative strategy to enhance brand value. This study explores the impact mechanisms, value empowerment paths, and risk avoidance strategies of IP co-branding, aiming to enrich brand theory and provide practical guidance for enterprises. Using literature analysis and multi-disciplinary theories, the research constructs a theoretical model and analyzes classic cases. It reveals that IP co-branding enhances brand value through three key paths: reconstructing cognitive value (e.g., Luckin Coffee's collaboration with The Rose's Story reshaping brand perception), deepening emotional value (e.g., Chow Tai Seng leveraging Jay Chou's IP to foster emotional connections), and transforming economic value (e.g., Starbucks × LINE FRIENDS driving premium sales). These mechanisms impact brand value components such as perceived quality, associations, loyalty, and market share. However, risks like value dilution, unclear authorization, and post-cooperation management deficiencies pose challenges. The study emphasizes establishing a scientific evaluation system (assessing brand-IP compatibility) and a full-process risk control mechanism (legal review, content monitoring, post-cooperation feedback) to mitigate risks. By integrating IP cultural symbolism, emotional resonance, and premium pricing power, brands can achieve differentiated development and sustainable growth. The findings highlight the strategic importance of IP co-branding in creating competitive advantages while underscoring the need for systematic risk management.

1 INTRODUCTION

In today's fiercely competitive market, brand building encounter both challenges and opportunities. Consumption upgrading leads to more diverse and personalized consumer demands. Consumers now seek emotional value, cultural connotations, and unique experiences in addition to basic product functions. Generation Z, growing up in the digital age, is becoming the main consumer group. Their consumption traits, like curiosity for new things and heavy reliance on social media, reshape the market and influence brand strategies.

IP co-branding has emerged as an innovative brand strategy. IP, encompassing trademarks, patents, and copyrights, has cultural and commercial value and a large audience (Zhang, 2023). Co-branding with IP enables brands to cross traditional marketing boundaries. It helps brands reach new consumers, expand market share, and create value-added experiences, enhancing popularity, reputation, and loyalty.

Theoretically, exploring the impact of IP co-branding on brand value enriches brand theory. It offers a new perspective for brand value research, deepening people's understanding of brand value formation. Practically, empirical research on classic cases provides guidance for brand enterprises. It helps them choose partners, formulate strategies, avoid risks, and evaluate co-branding effects, maximizing the potential of IP co-branding.

This paper uses the literature analysis method to summarize relevant research and build a theoretical model. By applying multi-disciplinary theories, it delves into the impact mechanism of IP co-branding on brand value. It also proposes strategies to avoid risks like brand positioning conflicts. The research framework includes expounding the background, building the theory, analyzing the mechanism, verifying with cases, suggesting risk-avoidance strategies, and summarizing the findings with future prospects.

2 THE IMPACT MECHANISM OF IP CO-BRANDING ON BRAND VALUE

2.1 Analysis of the Constituent Elements of Brand Value

Based on Keller's brand equity model, brand value is a multi-dimensional concept, and its core constituent elements include perceived quality, brand associations, brand loyalty and market share. Perceived quality is consumers' subjective perception of the quality of brand products or services. It is not based on the objective quality standards of products but is comprehensively affected by various factors such as consumers' usage experience, brand reputation, and advertising promotion (Santos, Dias & Pereira, 2024). For example, Apple's products have established an extremely high perceived quality image in consumers' minds with their simple and easy-to-use design, stable and smooth system, and high-quality hardware configuration. Even though its products are relatively expensive, consumers still think they are good value for money (Zou, Jiang, Zhang, H. & He, H. 2025).

Brand associations refer to the connections of various things, emotions, images, etc. related to the brand in consumers' memories. These associations can be functional. For example, when it comes to BMW cars, consumers will think of excellent handling performance. They can also be emotional. For example, Coca Cola is often associated with emotions such as happiness and sharing. They can also be symbolic. For example, LV bags represent luxury and status. Rich and positive brand associations can help a brand establish a unique image in consumers' minds and enhance the brand's recognition and attractiveness.

Brand loyalty is reflected in consumers' continuous purchase intention and behavior towards a certain brand, which is an important manifestation of brand value (Yang & Qiao, 2023). Highly loyal consumers will not only repeatedly purchase products or services of the same brand but also actively recommend the brand to others, becoming the brand's word-of-mouth communicators (Nie & Ma, 2025). For example, Starbucks has a large number of loyal customers. They are not only enthusiastic about buying Starbucks coffee but also actively participate in Starbucks' membership activities and show a high degree of acceptance of new products and services launched by Starbucks.

Market share reflects the brand's competitive position and influence in the market and is a direct quantitative indicator of brand value. A higher market share means that the brand has more consumers and a larger sales scale in the market, can obtain more resources and advantages, and further consolidate the brand's market position. Taking the smartphone market as an example, Samsung and Apple, with their strong brand influence and high-quality products, have long occupied a high market share and become the leaders in the industry.

As an emerging brand development strategy, IP co-branding can affect the constituent elements of brand value from multiple dimensions, realizing the empowerment and enhancement of brand value. By cooperating with IPs with high popularity and good reputation, brands can quickly enhance their own brand awareness and reputation by virtue of the image and reputation of IPs, thus strengthening consumers' perceived quality of the brand. IP co-branding can also bring new brand associations to the brand, enrich the brand's connotations and images, and attract more different types of consumers. In terms of brand loyalty, IP co-branding can effectively enhance consumers' sense of identity and belonging to the brand and improve brand loyalty by creating unique consumption experiences and emotional resonances. From the perspective of market share, successful IP co-branding often attracts market attention and consumers' purchase enthusiasm, thus promoting the sales of brand products and expanding the brand's market share.

2.2 The Triple Paths of Value Empowerment

2.2.1 Reconstruction of Cognitive Value

In the highly competitive market today, brands struggle to break free from traditional cognitive limits and develop distinctively. IP co-branding offers a viable solution for reconstructing brand cognitive value. The 2024 co-branding between Luckin Coffee and The Rose's Story serves as a prime example. The Rose's Story, a widely-loved TV series, has a large fan base and high-profile topics. Its themes of romantic love and female growth create a unique cultural symbol. Luckin Coffee capitalized on this by launching coffee products and peripherals tied to the show. During the co-branding, Luckin Coffee employed an emotional marketing approach (Luckin Coffee, 2025). The product packaging integrated classic scenes and character images from the series, sparking emotional resonance among consumers.

Through social media and offline stores, Luckin released promotional content and encouraged fans to share their experiences, strengthening the emotional bond. This collaboration was highly successful. First-week sales surpassed 7.24 million cups, and brand awareness rose by 35%. The IP's cultural symbol status allowed Luckin to reshape consumers' brand perception. Previously, consumers mainly saw Luckin for its coffee functionality. Now, it's associated with romance and emotion, making the brand more appealing. This cognitive value reconstruction not only boosts Luckin's competitiveness but also paves the way for its long-term growth.

2.2.2 Deepening of Emotional Value

In brand building, deepening emotional value is crucial for strengthening the bond with consumers and enhancing loyalty. IP co-branding offers powerful support for this. Take Chow Tai Seng's collaboration with Jay Chou's otaku culture IP, "Mr. Zhou", as an example. Jay Chou, a music icon in China, has a vast fan base. His music is filled with emotional memories for many. The "Mr. Zhou" otaku culture image appeals greatly to young consumers. Chow Tai Seng launched a range of co-branded items like limited-edition couple bead strings and solid-gold record stickers. These products artfully blend Jay Chou's music and otaku culture with jewelry design. The bead strings, inspired by his classic songs, hold the emotions within those tunes. The record-shaped stickers, aside from being collectibles, bring back fans' cherished memories of his music. This design successfully transfers fans' love for Jay Chou to the brand's products. Data shows this co-branding was a success. The repurchase rate among young consumers rose by 28%, showing the products' appeal and consumers' approval. Emotional resonance increased by 41%, indicating a strong emotional connection. Thanks to Jay Chou's IP influence, Chow Tai Seng has forged a closer emotional link with young consumers. This has boosted its popularity and reputation among this group, enhancing market competitiveness and supporting the brand's long-term growth.

2.2.3 Economic Value Transformation

In brand operation, the economic value transformation is a key measure of a brand's success. IP co-branding offers a unique and effective way for brands to achieve this transformation. The partnership between Starbucks and LINE FRIENDS serves as a great example to analyze its logic and impacts. LINE

FRIENDS, a well-known South Korean cultural and creative brand, has globally adored cartoon characters like Brown Bear and Cony. Their cute and fun designs have amassed a large fan base and strong market influence. Starbucks, a world-famous coffee chain, constantly seeks to innovate through brand collaborations. They launched a wide range of limited-edition products, including cups, keychains, and various accessories, all featuring LINE FRIENDS' charming cartoon images. The creative designs made these products highly appealing. Sales data showcases the remarkable success of this co-branding. Limited-edition product sales exceeded expectations by 170%, and the average daily customer unit price in a single store increased by \$45. This indicates that consumers are willing to spend more on co-branded items. The reason is that IP co-branding gives products an IP premium. Consumers are drawn to the cultural and emotional value these products carry. LINE FRIENDS' elements make Starbucks' products more attractive to young consumers, who are eager to pay a premium for these unique items. This directly turns the IP's premium power into product value and market competitiveness, effectively transforming the brand's economic value.

3 THE CORE PATHS OF BRAND VALUE ENHANCEMENT

3.1 Product Design Innovation---- Differentiated Design Strategy

The co-branded models of UNIQLO and Disney are exemplary in product design innovation. UNIQLO, a globally famous fast-fashion brand, is beloved for its simple, comfortable designs and affordability. Disney, a leading global entertainment brand, has iconic IPs like Mickey Mouse and Snow White, with a wide-reaching influence. Their co-branded clothing integrates Disney's classic elements with UNIQLO's style. The designs feature Disney characters' images, colors, and patterns, combined with UNIQLO's trendy tailoring and comfortable fabrics. This creates unique products that stand out in the market. They sold out quickly, driving a 12% revenue increase for UNIQLO that season. Moreover, UNIQLO attracted Disney's fans, expanded its consumer base, and enhanced its popularity among young and family consumers. The co-branding also added new cultural value to UNIQLO, strengthening its position in the

fast-fashion industry (Hasan, Zahid & Qayyum, 2024).

3.2 Integration of Marketing Strategies----Omnichannel Communication Matrix

The co-branding campaign between Nayuki and Cardcaptor Sakura is a prime example of how an omnichannel communication matrix can powerfully drive an IP co-branding marketing strategy. Cardcaptor Sakura, a classic anime IP, holds cherished childhood memories for many and has a large, loyal fan following. Nayuki, a new-age tea brand, aims to attract young consumers through innovation. During this co-branding, Nayuki built a comprehensive omnichannel communication matrix. Online, it used platforms like Weibo, WeChat, and Douyin. Pre-campaign, it released previews and posters, sparking fan interest. During the campaign, live interactions and topic challenges on these platforms, such as the popular Weibo topic #Nayuki x Cardcaptor Sakura Co-branding#, increased fan engagement. The topic's reading volume soared past hundreds of millions. Offline, Nayuki transformed stores into a Cardcaptor Sakura-themed wonderland. The store's decoration, display, and employees' outfits were decked out with anime elements. This provided an immersive experience where consumers could enjoy co-branded drinks and desserts and buy exclusive peripheral products. Nayuki also partnered with cross-border KOLs from food, anime, and fashion sectors. These influencers used their reach to spread the word about the co-branding. Thanks to this matrix, the co-branding event achieved over 1 billion exposures. It shows that an "online-offline-private domain" communication loop can effectively pool resources, boost brand awareness, and foster deep brand-consumer connections in IP co-branding (Xiao, Lee, Lee & Kim, 2025).

3.3 Optimization of Supply Chain Management----Agile Response Mechanism

This section takes the co-branded products of Apple and Beats as an example to illustrate the significance and practical effects of the agile response mechanism in the optimization of supply chain management. Beats is a renowned audio brand with a stylish design and great sound quality, boasting a large user base. Apple, a global tech giant, has strong capabilities in supply chain management and other aspects. During their collaboration on co-branded products, Apple

and Beats established an agile response mechanism for efficient supply chain collaboration. They used big data to forecast product demand, considering market trends, consumer demand changes, and historical sales data. Real-time monitoring of market dynamics and consumer feedback allowed for timely adjustments to production plans and inventory strategies, ensuring supply met demand. In inventory management, they set up an information-sharing platform for real-time data sharing and visual management. By optimizing inventory layout and distribution, they shortened the delivery cycle and increased inventory turnover. Data shows that the inventory turnover of their co-branded products rose by 40% and the out-of-stock rate was kept below 3%. This mechanism reduces inventory costs, improves consumer satisfaction, and enhances brand value. The key is a flexible supply chain that can quickly adapt to market changes, enabling rapid product iteration and delivery to maintain a competitive edge (Wang & Jiang, 2025).

4 RISKS AND CHALLENGES OF IP CO-BRANDING

4.1 Risk of Value Dilution

The risk of value dilution in IP co-branding refers to the potential decline in brand value caused by inappropriate collaborative content or actions. This risk often materializes when there is a mismatch between the brand's image, values, and the IP's characteristics, or when the content of the co-branded products or promotions fails to meet the expectations of consumers and fans. For example, if a brand's tone and the IP's cultural connotations conflict, or if the promotional content contains elements that disrespect the IP or its fan base, it can trigger negative reactions.

The impact of value dilution is significant. It can lead to a decrease in brand favorability and loyalty among consumers. Once a brand's image is damaged due to value dilution, the process of restoring consumer trust is arduous and costly. It may take a long time and substantial resources to repair the brand's reputation, and during this period, the brand may suffer from reduced market share and lower sales.

4.2 Risk of Unclear Authorization

The risk of unclear authorization in IP co-branding pertains to the potential legal and operational issues

stemming from ambiguous or insufficient IP licensing agreements. This risk forms mainly due to a lack of thorough due diligence during the pre-cooperation stage. Brands may fail to meticulously review the IP's authorization status, neglect to clarify details such as the scope of authorization, the duration of the license, and the associated fees, or overlook potential loopholes in the agreement.

The consequences of unclear authorization can be severe. Legal disputes over copyright infringement may arise, which not only incur financial losses for the brand in terms of potential compensation but also severely damage the brand's reputation. Such legal issues can also disrupt the normal operation of co-branded product development and marketing, leading to delays and additional costs. Moreover, it can undermine the brand's credibility among consumers and business partners, affecting future business opportunities.

4.3 Risk of Post-Cooperation Management Deficiency

The risk of post-cooperation management deficiency in IP co-branding is the potential failure to optimize brand strategies and maintain brand value after the collaborative project is completed. This risk occurs when brands lack an effective post-cooperation evaluation and feedback mechanism. Without a scientific system to assess the performance of co-branded products in terms of sales, brand awareness, and customer satisfaction, and without actively seeking consumer feedback, brands are unable to identify the strengths and weaknesses of the co-branding efforts.

The impact of this risk is that brands miss the opportunity to learn from the co-branding experience, resulting in repeated mistakes in future collaborations. Without proper optimization based on post-cooperation analysis, brands may struggle to meet the evolving needs of consumers, leading to a decline in market competitiveness. Over time, this can gradually erode the brand's position in the market and impede its long-term growth and development.

5 CONCLUSIONS

Based on the brand value theory framework, this study deeply analyzes the impact mechanism of IP co-branding on brand value and conducts empirical analysis through multiple classic cases. The research results show that IP co-branding can significantly

enhance brand value through three paths: cognitive reconstruction, emotional deepening, and economic transformation. In terms of cognitive reconstruction, by virtue of the cultural symbol attribute of IP, the brand can break through traditional cognitive boundaries and achieve differentiated development. For example, the co-branding of Luckin and The Rose's Story successfully reconstructed consumers' perception of the brand, enhancing brand awareness and reputation. In terms of emotional deepening, IP co-branding can trigger consumers' emotional resonance, strengthen the connection between the brand and consumers, and improve brand loyalty. Chow Tai Seng's co-branding with Jay Chou's otaku culture IP successfully extended fans' emotions for the idol to the brand products, realizing the transfer and connection of emotions. In terms of economic transformation, IP co-branding endows products with unique IP premium ability, which is directly transformed into product added value and market competitiveness. The co-branding cooperation of Starbucks × LINE FRIENDS, the sales of limited-edition products exceeded expectations, achieving the effective transformation of brand economic value.

However, IP co-branding also has the risk of value dilution. For example, in the co-branding events of MINISO and Chiikawa, as well as Ningji and Detective Conan, due to inappropriate content presentation and disrespect for the IP image, fans have negative emotions towards the brand, reducing brand favorability and loyalty. To effectively avoid these risks, it is crucial to establish a scientific cooperation evaluation system and a whole-process risk control mechanism. In terms of cooperation evaluation, an IP adaptability evaluation model should be constructed from dimensions such as brand tone matching, fan overlap, and cultural connotation fit. The Delphi method is used to aggregate expert wisdom, and consumer research data is introduced for verification to ensure the adaptability of the IP and the brand. In terms of the risk control mechanism, it should cover legal compliance review before cooperation, content review and public opinion monitoring during cooperation, and effect evaluation and consumer feedback closed-loop after cooperation, comprehensively and systematically managing and controlling risks to protect the interests and image of the brand.

Looking ahead, research on IP co-branding will move towards broader horizons under the dual impetus of technological innovation and social transformation. With the maturation of technologies such as the metaverse, AI, and blockchain, new forms of co-branding, including virtual IPs and digital

collectibles, will continue to emerge. This will drive the transformation of consumption scenarios from offline to an integration of online and offline experiences, offering users more innovative and interactive encounters. Meanwhile, in-depth cross-industry and cross-disciplinary collaborations will become the norm, prompting researchers to further explore how to maximize IP value through resource integration and collaborative innovation. In addition, research on IP co-branding will pay more attention to social responsibility and sustainable development, seeking ways to convey positive social values through co-branding and achieve a balance between commercial interests and social benefits. These studies will not only provide theoretical guidance for business practices but also promote the healthy development of the IP co-branding industry, helping it become an important force in promoting cultural dissemination, economic growth, and social progress.

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