

Analyzing The Co-branding Marketing Strategy of UNIQLO

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Abstract. Co-branding is an alliance in which businesses join up with other brand names to form joint brands in order to improve brand image and increase product quality signals. Co-branding is a common marketing strategy. As a long-term market strategy, UNIQLO prioritizes co-branding. The goal of this research is to examine the relationship and influence of co-branding, brand image, and purchase intent. This study analyzed and summarized the relationship between co-branding and brand image, the relationship between co-branding and buy intention, and the relationship between brand image and purchase intention using literary analysis. Using UNIQLO as an example, this study did a SWOT analysis. This study suggested that co-branding influences brand image, which leads to customer purchase intentions, and that diverse brand images influence purchase intentions. Furthermore, UNIQLO's business approach ensures co-branding. The plasticity of UNIQLO apparel creates the groundwork for co-branding and establishes a positive brand image for the brand with comfort and simplicity as the brand concept. At the same time, UNIQLO's actual apparel quality issues and market joint involution have jeopardized the company's co-branding plan. As a result, it is vital to make proper use of the co-branding strategy, connect and build a high-quality brand image, make proper use of brand advantages, prevent risks, and encourage the improvement of consumers' purchase intents.

Keywords: Co-branding; Brand Image; Purchase Intention; UNIQLO; SWOT.

1. Introduction

1.1 Research Background

Since the 1990s, people have progressively come to realize that brand competition is at the heart of corporate marketing. With China's entry into the WTO, Chinese enterprises have entered the world, while many international companies have begun to pour into China. In the increasingly fierce global competition in the 21st Century, Companies must strive to improve the brand, value, and reputation of enterprises and strive for competitive advantages and leading positions with high-quality brands [1].

In fast fashion, UNIQLO has continuously collaborated with solid brands to launch joint collections during its development. For instance, J.W Anderson is the British designer Jonathan Anderson, whose personal label is regarded as one of the most innovative and avant-garde brands in London [2]. UNIQLO and KAWS co-branding trendy clothing released on June 3, 2019, made many young people crazy. In many UNIQLO stores, there are scenes of customers queuing up overnight, running to buy them. It is said that the whole series sold 1 million pieces in 3 seconds, whether online or offline, and the crazy grab video was hotly searched on Weibo and reprinted on various online platforms generating widespread discussion [3]. Scholars paid more attention to UNIQLO's marketing strategy, have studied UNIQLO's market approach in China, and evaluated how UNIQLO operates in the market. There are also many papers on the impact of UNIQLO's co-branding on brand development. Most of the papers on UNIQLO co-branding are research and analysis of UNIQLO's co-branding analysis and research strategies for a specific brand.

1.2 Research Gap

So far, although there are many studies on UNIQLO's marketing strategy and the co-branding strategy of the UNIQLO brand, due to the emergence of the UNIQLO UT series, UNIQLO will develop co-branding as a long-term development strategy. The emergence and development of the UNIQLO UT series have given a new direction and generated new characteristics for the marketing

strategy research of co-branding. Why does the UNIQLO UT series contribute to the positive development of brand image? How does the UNIQLO UT series capture consumers' attention for a long time in the continuous co-branding process? By exploring such issues, the research on marketing strategies in terms of co-branding will be enriched. Also, it can help fill gaps in co-branding research.

1.3 Fill The Gap

This paper first verifies the general conclusions reached by predecessors by using the SWOT method and co-branding theory analysis. The UNIQLO UT is an example to analyze the relationship among co-branding, brand image, and purchase intention.

2. Literature Review

2.1 Definition

Although Co-branding has been studied in academia for more than 20 years, scholars still need to form a unified definition of Co-branding. In previous research, scholars regarded sponsorship promotion and joint marketing as Co-branding. His paper defines Co-branding as: Co-branding is an alliance way that enterprises combine with other brand names to become joint brands to enhance brand image and strengthen product quality signals.

As for the brand image, brand image is integral to brand fairness by transmitting brand value to consumers [4]. In 2001, Kotler identified the image as "the set of beliefs, ideas, and impression that a person holds regarding an object" [4]. Therefore, in terms of branding, it is the mental portrayal of the brand based on the beliefs, ideas, and impressions of individual consumers [4]. Since introducing the construct "brand image", It has been identified in several ways.

2.2 Important Results

Co-branding will affect consumers' purchase intention, and when a product is co-branding, it can effectively improve consumers' purchase intention. Many researchers have confirmed this conclusion. Rafiati et al. discussed the effect of co-branding strategy elements on purchase intention in Indonesia using the co-branding theory and the PLS-SEM research model [5]. It concluded that co-branding products would affect the purchase intentions of cosmetic consumers aged between 19-41 of co-branding products like Dear Me Beauty-Nissin [5]. Boy and Syafrizal got the same conclusion that co-branding strategies had an affirmative and considerable impact on purchase intention [6]. This paper utilized a non-probabilistic sampling technique with a targeted sampling methodology to analyze the influence of the co-branding strategy on the purchase intention of Bhumi Tea [6]. As for the criteria, the criteria applied were consumers who had not consumed Bhumi Tea but had heard about Bhumi Tea in the amount of 200 people by withdrawing using Hair et al. [6]. Furthermore, finally, Hair and others got the results that showed that the co-branding strategy had a positive and significant effect on purchase intention [6]. Murong Miao also concluded that international co-branding would positively affect host country consumers' purchase intention by analyzing the research on co-branding by various previous scholars [7]. Murong Miao refined and extended the current understanding of the effect of co-branding on consumer intention [7].

Co-branding will also affect the brand image, and when a product is co-branding, it can effectually increase the brand image. Many scholars have confirmed this thesis. Pascal et al. studied brand image perceptions in co-branding using the brand concept maps approach. The results revealed that investigating brand image perceptions utilizing brand association networks in co-branding might gain early insights into the potential success of co-branding products [8]. Ching et al. also got a similar conclusion by using information integration theory (IIT) as the basis that the co-branding of the luxury brand will enhance Taiwanese adult consumers' attitudes toward brand image to a certain extent [9]. Moreover, through the co-branding theory, Zhou concluded that cross-border co-branding promoted the shaping of makeup brand image by analyzing the example of the co-branding of a beauty brand [10].

Brand image will influence consumers' purchase intention. When a product creates a positive and vivid brand image, it promotes consumers' purchase intentions. Several scholars have confirmed this conclusion. Zhang and Cheng employed a questionnaire survey to explore the influence of fast fashion brand image on consumers' purchase intention. They concluded that fast fashion brand image significantly impacts consumers' purchase intention, and fast fashion enterprises need to improve the brand image to enhance consumers' brand purchase intention [11]. Wu also formed the same conclusion [12]. Wu explored the influence of the brand image of new e-commerce platforms on consumers' purchase intention [12]. Through literature analysis, construction of research models, and data analysis, relevant conclusions were drawn that the brand identity of new food e-commerce platforms significantly positively affected consumers' purchase intentions [12].

2.3 Summary

Co-branding and brand image are inextricably linked. Through research, it is detected that co-branding and brand image come down in one continuous line. First, to help brand image, improve its popularity and attract consumers, co-branding increases consumers' purchase volume. On the contrary, the vigorous development of co-branding is conducive to driving the sales of existing brands. Since co-branding is a part of the brand, the market recognition of co-branding can be transformed into the market recognition of existing brands, advertising for existing brands in a disguised way. Co-branding's advertising effect in the publicity process can improve both its popularity and the brand awareness of existing brands. Many consumers may need to learn the original brand, but in joint brand promotion, consumers have more understanding of the brand. Therefore, co-branding and brand image has common interests in the development process.

3. Method

3.1 Research Design

This paper employs qualitative analysis to conduct a SWOT analysis for UNIQLO. SWOT analysis, also known as situational analysis, divides an organization's strategic environment into advantageous internal factors, disadvantageous factors, and external pathogenic and threatening factors. Each type of factor was analyzed and listed in a particular order, and each factor was matched and analyzed in two pairs to obtaining a series of corresponding conclusions [13]. This study applies SWOT to gain insights into the marketing strategy of co-branding of UNIQLO. Through SWOT, this paper will analyze the opportunities created by UNIQLO's current FMCG apparel environment and analyze the risks of UNIQLO's inventory in the current market environment. Furthermore, analyze the advantages and disadvantages of UNIQLO for co-branding and brand image.

3.2 UNIQLO

Founded in 1984, UNIQLO is a strong core brand of Fast Retailing in Japan. UNIQLO has grown from a small clothing store selling suits to a clothing brand famous all over the world, and its marketing strategy must have its merits, but there must also be room for improvement [14]. The main feature of fast fashion is "fast, ruthless, accurate", and UNIQLO quickly occupies a place globally with its unique characteristics [14].

UNIQLO's expansion in the Chinese market has continued in the past decade. As of 2020, the number of UNIQLO stores in China increased to 767, while UNIQLO had 764 stores in Japan, and UNIQLO's number of stores in China surpassed UNIQLO's founding country: Japan, for the first time [14]. UNIQLO continues collaborating with solid brands to launch joint collections [2]. A collaboration with street artist Futura, Futura is known as a living legend in the graffiti art world, the godfather of graffiti. There is a ten-year collaboration series of Alexander Wang (Chinese Wang Daren), the youngest Chinese-American designer in New York. The joint collection with Ines de La Fressange contains a unique French atmosphere [2]. The U series is also a series of long-term cooperation because the joint model launched by UNIQLO and designer Christophe Lemaire has

received intense salaries and successful sales, and then launched a new product line UNIQLO U under the leadership of Lemaire. The U series mainly provides basic models, but it is an upgraded version of the basic model using high-quality fabrics, pursuing craftsmanship heights, and searching for new and unique styles. The forerunner of the essential Life Wear in the innovation wardrobe.

3.3 SWOT Analysis

3.3.1 Strength

UNIQLO's business model provides the foundation for brand cooperation and guarantees co-branding [2]. Secondly, UNIQLO's service concept promotes co-branding and enhances its brand image. In addition, UNIQLO can integrate well with other brands. UNIQLO itself is very focused on working with brands and designers. UNIQLO hires talented, high-quality, high-level talent construction. UNIQLO Art Director has a unique artistic vision and artistic insights, and UNIQLO has a strong marketing planning team to provide strategic support for co-branding.

Here are some examples. First, UNIQLO adopts a SPA business model. UNIQLO's low-cost operation compresses the length of the supply chain, reduces the risk of high product inventory, shortens the coordination and response time required to respond to market changes, realizes timely satisfaction of consumer demand, and provides a basis for co-branding [2]. UNIQLO has established a business model that meets the needs of each customer. UNIQLO has a customer insights team, which helps create a fast, responsive business model that facilitates the additional production of popular goods and colors to deliver what customers need [2]. Second, UNIQLO's unified high-quality services and reasonable and reliable prices around the world have established a good brand image in the minds of consumers. UNIQLO is the core brand of Japan's Fast Retailing Group, which ranks at the forefront of the global apparel retail industry, UNIQLO itself is a powerful fast-selling clothing brand. Of course, other brands will be willing to cooperate with UNIQLO to enhance brand exposure. Third, UNIQLO has flexible design patterns. 70% of UNIQLO's products are primary, and whether it is T-shirts, shirts, or sweaters, and are simple and solid color designs, such design styles can be well harmonized with other brands to generate works. In 2006, Sato joined UNIQLO as artistic director, bringing rebirth to UNIQLO and making the T-shirt project more visible, including the "UNIQLO T-shirt Project" [2]. In April 2014, the godfather of trends, NIGO, became creative director. UNIQLO's financial report reflects that in 2014 when the image of the brand joint series was further integrated, UNIQLO's net sales revenue increased by 20.84% year-on-year [2].

From the above examples, it can be discovered that UNIQLO's SPA business model and business model that meets customer needs provide the foundation and guarantee for UNIQLO to conduct co-branding. UNIQLO's high-quality service, reasonable price strategy, unique artistic vision, and artistic insights provide strategic support for co-branding.

3.3.2 Weakness

UNIQLO's products do not meet its brand image and consumers' purchase expectations, which will influence consumers' opinions on the brand image of UNIQLO. On the other hand, UNIQLO is too dependent on the Chinese market. Moreover, especially on Xinjiang-related issues, Japan's Fast Retailing practices lead to boycotts of its products in China, seriously blowing its operations [15]. It caused Chinese consumers to lose their good impression of UNIQLO, affecting UNIQLO's brand image among Chinese consumers. [15].

For example, some consumers have claimed that the actual fabric of some of UNIQLO's clothes is thick and hard and contrary to its advertisement of "simple, comfortable and skin-friendly", which will make UNIQLO lose some fans and damage the brand image. In addition, according to online data, in April 2021, the "Xinjiang cotton incident" broke out, and UNQLO was abandoned by some consumers of nationalist sentiment [16]. In the same month, the sales of UNIQLO on Chinese e-commerce platforms suffered a heavy setback, falling by more than 20% [16]. In previous years, UNIQLO's joint models launched in the summer would be robbed like crazy [16]. However, in 2021, UNIQLO again took a co-branding strategy with KAWS but was "scolded" by Chinese consumers

[16]. Incorrect political decisions will damage the brand image and weaken consumers' purchase intentions.

According to the above examples, UNIQLO does not conform to the brand's concept in some products, which makes consumers dissatisfied and predominantly inhibits the purchase willingness of some consumers. Moreover, the case shows that UNIQLO's political stance and political strategy in China directly affect the purchase intention of Chinese consumers for UNIQLO products.

3.3.3 Opportunity

UNIQLO clothing is characterized by "comfort and simplicity", but compared with other fast-selling clothing brands, UNIQLO's core problem has always been insufficient fashion [17]. Co-branding is necessary to improve the fashion of UNIQLO and enrich the brand image by co-branding with brands with solid fashion. Under the trend of consumption upgrades, UNIQLO has weakened the image of basic models through designer cooperation models and co-branding strategies on lifestyle themes while maintaining a cost-performance advantage.

Taking 2019 as an example, UNIQLO successfully co-branded with Sesame Street, KAWS, Disney, Etc. and was coaxed out as soon as it was launched. As usual comfortable fabrics, unchanged affordability, and incorporating trendy elements that young people are interested in, UNIQLO breaks the stereotype that UNIQLO only has basic models [17]. If UNIQLO can seize this opportunity to open up the consumer market, it can realize more remarkable development [17].

UNIQLO's need to increase fashion is the motivation for co-branding. Through co-branding with other fashionable brands, UNIQLO enriches the diversity of products, meets the different consumption needs of consumers, and improves purchase intention.

3.3.4 Threatens

Under the current situation, the involution of joint names is serious. Because co-branding can implement the so-called low-cost and high-return returns, co-branding accounts for a large proportion of the entire marketing industry, and many brands are stuck in the cutthroat competition of co-branding. Reverse co-branding, co-branding with primary cultural and creative IP, curiosity, and other creative way emerges one after another, leading to a vicious competition of co-branding, which may lead to UNIQLO's co-branding losing competitiveness. The co-branding strategy of local brands in China's domestic market is becoming more frequent and competitive, which is a significant challenge for UNIQLO's co-branding strategy.

UNIQLO is more dependent on the Chinese market, and China-chic co-branding is constantly making efforts, which poses a threat to UNIQLO co-branding. For example, the joint name of Li Ning and Hong Qi, according to the Double 11 sales data released by Li Ning's official Weibo, as of 13:18 on the same day, the sales of online official flagship stores such as T-mall had exceeded 300 million yuan. Many consumers ordered the Li Ning and Hong Qi joint series of clothing through various channels before the sale, and the company's annual revenue increased by 33% year-on-year to 62. \$5.5 billion, net profit surged 196% to 7. \$9.5 billion. The retail turnover accounted for as high as 29%, accounting for the first time [18]. In addition, there are T-shirts by Metersbonwe and Arena Of Valor, cross-dimensional collections by PEACE BIRD and Luo Tianyi, and more. The revival of China-chic and the nationalist feelings of Chinese consumers have prompted Chinese consumers to support China-chic co-branding products, which is a challenge for UNIQLO's co-branding marketing strategy.

In the current environment, UNIQLO is in a situation of co-branding involvement and will face some vicious competition. In the Chinese market, UNIQLO faces competition from co-branding brands from some host brands.

4. Results & Discussion

4.1 Results

According to SWOT analysis, a unique business model, low-cost but high-quality services, superior management, talent training policies of senior leaders, and a unique artistic vision are all factors that enable UNIQLO to convey the concept of "casual and simple" to consumers. Moreover, these strengths promote the enhancement of UNIQLO's brand image. At the same time, the brand concept and image can be "versatile" with other brands and promote co-branding. UNIQLO has improved the fashion of UNIQLO apparel through co-branding and has boosted sales. Finally, UNIQLO's internal advantages and external opportunities have promoted the enhancement of UNIQLO's brand image, and the co-branding series continues to promote consumers' purchase intentions. From the analysis of the weaknesses and threats, UNIQLO has many advantages and opportunities, but there are some hidden dangers. UNIQLO does not conform to the brand's concept in some products, which makes consumers dissatisfied and broadly inhibits the purchase willingness of some consumers. With an exact political stance and decision, UNIQLO can win the trust of some parts of customers. Moreover, standing in a period of co-branding involution, UNIQLO carries immense pressure competing with various co-branding of host brands in China. In conclusion, UNIQLO's internal problems and market risks will affect UNIQLO's brand image and weaken consumers' purchase intentions.

4.2 Discussion

In the analysis based on SWOT, this paper draws the general map about co-branding, brand image, and purchase intention. That is, both co-branding and brand image will affect consumers' purchase intention, and high-quality co-branding will Greatly increase consumers' purchase intentions, expand the consumer group to a certain extent, and stimulate consumers' desire to buy. Furthermore, improving the brand image will also promote consumers' purchase intentions and vice versa.

For UNIQLO, UNIQLO needs to consolidate and optimize its internal advantages, maintain the concept that UNIQLO has always advocated, keep prices close to the people, and maintain high-quality services. Correspondingly, a sound management system and brand influence will greatly promote cooperation with other high-quality brands for joint names. As for the weakness of UNIQLO, UNIQLO should try to solve the problem reasonably. UNIQLO should link the actual quality of the clothes with its promotional ideas, optimize the fabrics of the clothes as much as possible, and meet the needs of consumers. This method will not only improve the brand image of UNIQLO in the minds of consumers but also improve the reputation of UNIQLO in other brands, which will promote the brand image of the brand, promote joint names, and promote consumption. UNIQLO should also expand the market accordingly, relying on something other than the Chinese market. It should improve the global brand image, promote joint names, and promote consumers' purchase intentions. Currently, UNIQLO's largest market is China, so UNIQLO needs to make reasonable use of the advantages provided by the Chinese market. UNIQLO should actively cooperate with brands of Chinese-chic, which have thriving developments in the Chinese market, to drive consumers' purchase intentions. Finally, UNIQLO should also focus on "more than quantity, it is more about quality", responsible for the product to the end [19]. Under joint names, UNIQLO must remember its original intention and compete benignly [19].

After summarizing the literature of previous scholars and using SWOT to analyze the relationship among co-branding, brand image, and purchase intention with UNIQLO as the research object, the conclusions are consistent with the research conclusions of previous scholars, and there are specific innovations. Using actual cases to analyze the relationship among co-branding, brand image, and purchase intention, and give some suggestions for brand reference.

5. Conclusion

At present, there are many marketing models, and various brands apply different marketing models to attract consumers, and co-branding as a marketing model is strongly "making itself out of the fixed circle". As a "co-branding maniac", UNIQLO regards co-branding as a long-term marketing strategy, and its co-branding products have won the support and affirmation of many consumers. This article will explore the relationship between co-branding, brand image, and purchase intention. This paper takes co-branding as the core viewpoint, exploits the method of the literature reading, analyzes and summarizes, and obtains the research conclusions of previous scholars on the relationship among co-branding, brand image, and purchase intention. Taking UNIQLO as an example, this article fills in the research on the impact of co-branding, brand image, and purchase intention in terms of marketing strategies related to co-branding. It provides some suggestions for UNIQLO on brand image and purchase intention in co-branding. Co-branding for other clothing brands has a particular reference significance. This paper does not give analysis and suggestions on how to survive in the era of co-branding involution, which will be the direction of future research.

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