

Marketing Analysis of Sports Brands' Co-Branding Products-Taking Li Ning as an Example

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Abstract. This research investigates the potential for co-branding products in sports brands. Nowadays, co-branding has become one of the most significant strategies for sports brands to remain competitive and gain more market share. In order to compete with numerous brands, innovation and specialization tend to be practical ways to differentiate from other products, thus attracting more customers. By understanding how the brand utilizes co-branded products to enhance brand value and increase brand awareness, the study focuses on how co-branding becomes the most leading edge among sports brands and how well it works to create valuable advantages, especially for Li Ning. Based on the case analysis of Li Ning brand, this paper summarizes that Li Ning and Dunhuang Museum jointly created a distinctive joint series, which greatly improved the sales of related products. At the same time, the co-branding of brands needs to pay attention to the frequency and innovation of activities to avoid bringing aesthetic fatigue to consumers and causing resentment.

1 Introduction

Co-branding is being increasingly utilized in sports brands with the introduction of a new product or service with the combination of two cooperating brands [1]. Since it has started to become one of the most powerful strategies for brands to tell consumers that the differentiated products are of high quality and trustworthiness, prior research has mentioned that co-branded products can significantly vary consumers' attitudes of those products and brands-how well the co-branding activities are associated with people's perceived value [2-4]. The main objective for numerous publications focused on how co-branded brands can convince customers to purchase more, specifically, those products tend to be much more valuable with two combined characteristics among the two different brands than products with only one signal [5].

With this strategy, firms that achieve co-branding successfully not only offer customers innovative products that benefit from partnerships of brands but also enhance their brand recognition while doubling its advertising budget [1]. Moreover, some scholars demonstrate their opinions on the level of partners in whether it's worth for a brand to collaborate with [6]. The co-branded brands should have compatible values and missions appeal to similar fans, targeted segmentation be willing to share the benefits gained from co-branded products

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and the contents posted on social media include a mutual theme or a highly publicized article. However, assuming the implement of co-branding is executed effectively and strategically, brands can still improve the extent of exposure and gain higher brand value [1,2].

With the combination of two brands' own advantages and the increasing popularity of co-branding, sports brands' co-branding activities are gradually emerging. Nike and Apple, for instance, have started to be in a partnership since 2006, one launched in the technology and sports industry triggered an innovative trend and a rush of buying [7]. This progress not only enhanced the visibility of both brands but also created numerous economic benefits and a loyal customer base who trust their brands for their high quality [1,8]. As a result, this phenomenon shows that sports brand co-branding has a unique market potential among the industries.

Understanding how effective co-branding products in sports brands is the analysis may expatiate the importance of sports brand co-branding from the perspective of brand, consumer and market [9]. For brands, co-branding can be the means to enhance brand image, increase brand exposure, competitiveness, and rapidly expand their market share; For consumers, co-branded products provide a rich consumption experience and personalized choices while integrating the characteristics of multiple brands. For the market, the co-branding activities of sports brands have stimulated the innovation vitality of the industry, prompting other brands to continue to launch novel products and marketing strategies, and promote the development of the entire sporting goods market [4].

In order to investigate deeply in the effectiveness of co-brand marketing and how the activities can influence customers' purchasing intention with improved satisfaction, affect brands' social images, lead the trend among the whole industry, and so on, this study examines the marketing analysis of the marketing of co-branding sports brands' products [8]. To be more specific, the paper discusses the trend from the aspects of market dynamics and customer demand changes. As consumers' pursuit of fashion and culture continues to increase, sports brands are no longer limited to co-branding with brands in the same industry, but actively cooperating with brands in fashion, entertainment and other fields. This cross-domain co-branding trend not only injects new design inspiration and cultural associations into sports products but also broadens the market audience of sports brands and attracts more attention from non-traditional sports consumers, thus meeting their needs for diversified and personalized products.

Based on the trend and importance of sports brand co-branding, the necessity and significance of this research are expounded. This research aims to offer an in-depth analysis of sports brands' success factors and challenges, through the marketing analysis of sports brand co-branded products, to provide reference for sports brands to develop more effective co-branded marketing strategies. The paper begins by offering a particular example of a sports brand's co-branding strategy---Li Ning. Since there's the case that it partnered with Dunhuang Museum, this study further follows by evaluations, including advantages and limitations, recommendations, and future expectations of this type of marketing in sports brand, especially for Li Ning.

2 Case analysis

2.1 Background information

As a local sports brand in China, Li Ning has actively transformed into a "national tide" brand in recent years, trying to enhance its brand value by integrating with traditional Chinese cultural elements. However, the biggest challenge for this transformation process facing Li Ning is how to avoid the national tide elements with only some simple cultural symbols to

attract consumers. In order to truly upgrade the brand image within cultural aspects Li Ning needs to find a way to reflect the depth of traditional culture and combine it with modern fashion. Dunhuang Museum, as an important representative of Chinese traditional culture of trading forefront along the ancient Silk Road and a hub for cultural interchange and integration has rich cultural resources and historical deposits, which is highly consistent with Li Ning's national tide positioning [10]. Therefore, Li Ning chose to co-brand with Dunhuang Museum, aiming to enhance the cultural connotation and market competitiveness of the brand through in-depth cultural cooperation and passion of art with strengthened consumer commitment [11].

Based on the fusion and redesign of Dunhuang's cultural elements and the story of the Silk Road, a series of products on the theme of the culture of "Dunhuang" was built through co-branded cooperation with Li Ning.

"Dunhuang · TUO" series CF (COUNTERFLOW BY LI-NING) is launched in the form of retrospective series. At this time, Li Ning and Dunhuang Museum used the Silk Road as an inspiration, the scenery and images along the way and allusion tended to draw on Li Ning's shoes. In fact, "Upstream · Tracing to the source" is its theme, "Tracing" series advocates the spirit of upstream, meaning the process of tracing Chinese traditional culture, recalling the history, and breaking through the self. The core concept of the "tracing to the source" is to hope that the young generation can stop living in that high-speed life, look back to the past, and trace the true voice and ideas of the heart. Dunhuang · TUO series is also divided into "Hexi four counties" landscape line and "Feng Lang Ju Xu" battlefield line. The two lines are inspired by "landform" and "Journey" respectively, which showcased different geographic features and exotic customs along the Silk Road.

2.2 Marketing strategies

The co-branding marketing strategy of Li Ning and Dunhuang Museum mainly focuses on "culture" and "fashion" [11]. First, in 2020, Li Ning held a grand fashion show in the Dunhuang desert, showing a series of products associated with Buddhist frescoes in the Mogao Caves, and the Gobi Desert's earthy tone, with athleisure elements. The show was great fun: models at that time opened the show riding on the backs of camels; at the party time, the brand set up a local market offering regional dishes, lit a campfire, and presented dance and music performances for the guests [12]. That show not only attracted lots of media and potential consumers' attention, but also further expanded its influence through the CCTV live broadcast. The combination of Dunhuang's desert background and traditional cultural elements creates a unique visual impact that successfully transmits the brand's cultural narrative to consumers [13].

In addition, Li Ning further promotes co-branded products through cooperation with head anchors and central anchors. The head anchor is responsible for interpreting the deep connotation of Dunhuang culture and helping consumers understand the cultural value of products; The central anchor guides consumers on how to integrate co-branded products into their daily lives through wearing and matching demonstrations. This hierarchical marketing strategy not only enhances the cultural height of the brand but also enhances the practicability of the product [12].

Furthermore, Li Ning launched the topic of "Dunhuang Culture" on social media, encouraging users to share their understanding of Dunhuang culture and match with Li Ning's co-branded products. With the approach of UGC (User Generated Content), Li Ning has successfully taken the brand's interaction with consumers to a new level.

2.3 Market feedback

Li Ning's co-branded collection with Dunhuang Museum has achieved remarkable success in the sports market. According to Li Ning's 2020 financial report data, the sales of the co-branded series increased by 34.2% year-on-year, especially among young consumers, and the sales growth was more obvious [13]. In addition, Li Ning's brand awareness increased significantly after the joint campaign, and the amount of discussion and brand exposure on social media also increased significantly. The success of this series not only improves the effectiveness of the co-branding strategy but also provides valuable experience for Li Ning's future brand's upgrading.

The collaboration with Dunhuang series leads everyone to retrace the Silk Road and taste the historical features of the Silk Road while purchasing the products injected with several Dunhuang traditional cultural elements. It also allows customers to experience the spectacular charm of Dunhuang culture while buying daily products in Li Ning.

3 Co-branded products marketing

Through the exploration of the co-branding between Dunhuang Museum and Li Ning, it can be evaluated by advantageous ways. To start with, co-branded products usually carry a higher premium. Li Ning's co-branding cooperation with Dunhuang Museum successfully positioned the product as a high-end fashion item by incorporating traditional cultural elements. Consumers are willing to pay higher prices for these culturally loaded products, thus enhancing Li Ning's overall brand premium ability. According to market research data, the average price of co-branded series is 20%-30% higher than that of ordinary products, but it attracts more high-end consumers because of its unique design and cultural value with no influence on sales volume.

Next, co-branded products attract new targeted consumer groups that are difficult for traditional sports brands to reach at. Li Ning's joint series with Dunhuang Museum successfully attracted a large amount of national style lovers and young consumers like Generation Z. These consumers usually have a high sense of commitment and identity with traditional culture but also pursue personalized fashion designs. Through the cooperation with Dunhuang Museum, Li Ning not only expanded its consumer base, but also successfully transformed its brand image from a traditional sports brand to a comprehensive brand with both cultural connotation and fashion sense. For instance, the online fan base micro-blog launched a musical relay interaction with # Silk Road Flowers · Everything can sound # with its interesting interactive form, quickly spread widely among young people. It caused a warm response from users of various platforms which quickly fermented, thus greatly improving the influence of communication.

Co-branding can also significantly help brands reinforce their cultural narratives. Through cooperation with Dunhuang Museum, Li Ning successfully integrated traditional Chinese cultural elements into product design, not only enhancing the cultural value of the product, but also the cultural identity of the brand. This cultural narrative is reflected in product design and further strengthened through marketing activities and social media communication, so that consumers can feel the cultural concept conveyed by the brand while buying the product [11].

4 Co-branded products marketing

Although co-branded products have a higher premium ability, brands still need to consider consumer acceptance with brand positioning when dealing with pricing. High prices may cause some consumers to be discouraged with lower purchasing power and willingness,

especially in the case of downward economic pressure. Therefore, Li Ning should pay more attention to the balance between price and value in the future pricing of co-branded products to ensure that the products can not only reflect their cultural value but also be accepted by most consumers.

While working with big IP can bring short-term market tide, brands should often avoid blindly pursuing big IP. For example, although the joint series of Anta and Marvel initially achieved a good market response, due to the high frequency of joint names, consumers gradually produced aesthetic fatigue. In the future co-branding strategy, Li Ning should pay more attention to the cultural fit of partners, rather than simply pursuing the popularity of IP.

What's more, the high frequency of co-branded activities may lead to a decrease in the freshness of consumers. For example, Vans frequently co-branded with other brands, while increasing brand exposure in the short term, but in the long term, consumers' interest in innovative co-branded products gradually waned. Li Ning should control the frequency of co-branding activities to ensure that each co-branding can bring new surprises and experiences to consumers.

Besides, the decoration style of offline stores should echo the cultural connotation of co-branded products. Li Ning can enhance consumers' immersive experience by incorporating Dunhuang cultural elements, such as murals and sculptures, into its stores. This decoration style can not only enhance the cultural atmosphere of the brand, but also further strengthen consumers' cultural identity of the brand.

5 Co-branded products marketing

Through the analysis of the case of Li Ning and Dunhuang Museum using co-branding strategy, this study discusses the marketing strategy and market effects of sports brand co-branded products. The study found that co-branded products can effectively enhance the brand's premium ability, attract new consumer groups, and strengthen the brand's cultural narrative. Through cooperation with Dunhuang Museum, Li Ning successfully integrated traditional cultural elements into its product design, which not only enhanced the brand's market competitiveness and image but also enhanced consumers' cultural identity.

Despite the remarkable success of co-branded products in the market, brands still need to pay attention to the accuracy of market positioning in future co-branding strategies. For example, Li Ning and Red Flag Automobile joint series, although the initial caused wide attention, because the product practicality was questioned, the market response was not ideal. Therefore, in future co-branding activities, brands should pay more attention to the fit between product design and consumer demand to avoid affecting brand image due to market positioning deviation.

The market positioning deviation of co-branded products is a further explored problem that needs to be vigilant. When launching a co-branded product, the brand should fully consider the actual needs of consumers to ensure that the product not only has cultural value but also can meet the daily use needs of consumers. In addition, brands should also control the frequency of co-branding activities to avoid the loss of freshness of consumers due to excessive co-branding.

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