The Study of the Impact of the Crossover Co-branding Marketing Strategy in Luxury Firms

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***Abstract*—Nowadays, an increasing number of luxury firms take crossover co-branding marketing strategies to improve their influence and hence boost sales. This business model has gained significant attention in recent years, and this paper aims to synthesize the existing research and present my contributions. The research goal for this paper is to delve into the literature on luxury cross-border co-branding, focusing on understanding its impact on merchants, customers, and the economy. Through the analysis, this paper hopes to contribute new insights to the existing research on luxury cross-border co-branding. Specifically, the essay explores how this business model affects merchants' brand image, customer satisfaction, and the overall economy. It is found that the approach primarily has positive effects that enable luxury firms to expand market share, acquire new customers, improve brand awareness, enhance brand competitiveness, gain higher sensitivity to change, improve productivity, and achieve channel multiplication. For consumers, the policy mainly targets satisfying consumer needs on curiosity, freshness, and unique social identity. For the whole economy, it aims to increase national demand, encourage more job opportunities, promote the flow of resources, and the development of international trade. With the findings, the study contributes to the crossover co-branding marketing method by extending its comprehensive effect and some practical suggestions for prospects.**

***Keywords*—luxury brand, marketing strategy, cross-border marketing, co-branding marketing**

I. INTRODUCTION

In recent years, cross-border co-branding marketing strategy has become one of the most crucial marketing methods for luxury companies to increase popularity. Cross-border marketing is a marketing approach that combines brands from different industries based on the same or similar consumer points and combines them in the form of co-branding with their respective representative products. Over the last two years, international luxury companies have engaged in increasingly intriguing cross-border co-branding flexibly and creatively. On brand sides, brands from more categories are involved, constantly expanding their horizons, and collaborating with items ranging from sports and outdoor activities to digital virtual, and contemporary art. On the consumer side, these cooperation effects are noticeable and instill the desire for brands among more young generations. For instance, FENDI recently collaborated with HEYTEA to offer a variety of co-branded items such as milky tea, coasters, purses, and medals, which drew a lot of attention. It sparked some discussion, the topic has been read 45.9 million times.

This sort of cross-border collaboration challenges conventional concepts and introduces a fresh marketing approach. Both luxury firms and cooperative companies may benefit from the technique, which may help them enhance their competitiveness, grow their market share, and boost their revenue. Since global aggregate demand is currently at a relatively low level compared to previous years after COVID-19, this type of marketing campaign may encourage consumer spending and aid in recovering the economy from the recession. However, research on corporative marketing of luxury firms is limited, and the strategy may be developed further. What is more, as luxury items frequently represent a trend, it is questionable whether the strategy will continue to evolve and be effective in the future. Therefore, it is necessary to study why luxury firms took a corporative marketing strategy in recent years and its prospects.

According to the above information, this paper tends to illustrate how the luxury crossover co-branding strategy operates by referring to the basic concepts and luxury brand; marketing strategy-crossover co-branding marketing strategy, luxury advertisement, and hunger marketing strategy; consumer psychology-conspicuous consumption, herd consumption, and price effect. Then outline how the strategy influenced luxury firms, consumers, and the whole economy in the short and long term, and debate if the strategy can promote economic growth in a low-desire age. What is more, some characteristic cases including their strengths, weaknesses, opportunities, and threats will be examined in detail.

Cross-border marketing has become a marketing method used by many luxury brands. This dissertation enriches the theoretical research on crossover co-branding of luxury firms in basic concepts, marketing strategies, and consumer psychology, and has important theoretical significance. On a practical level, this essay provides developed suggestions and is worth reference in other firms.

This paper will be divided into three parts. This dissertation begins by reviewing the previous study done by other learners, it then discusses the developing opinions about mine, subsequently, this paper will conclude the research aim and results about crossover co-branding marketing policy.

II. RELATED RESEARCH OVERVIEW

This section covers four parts in terms of some basic concepts about brand and luxury brands, the introduction and analysis of crossover co-branding strategy, the luxury marketing approach, and some consumer psychology caused by the policy.

A. Brand

1) The definition and role of brand

Brand means a type of product manufactured by a particular company under a particular name, brand is associated with a collection of images and ideas, often

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symbolized by a name, slogan, logo, and design scheme (Kladou *et al.*, 2017). Nowadays, the brand has become increasingly important as a factor that consumers consider, and more and more firms are dedicated to building brand image.

The role of a brand can be considered as a bridge to build a bond between consumers and brands or other consumers in the virtual brand community. A more precise concept is called Consumer Brand Engagement (CBE), which focuses on consumer's investment in their brand interactions. CBE aims to promote the rise in brand loyalty by creating a strong acceptance of the brand identity in consumers' minds (Kaur, Paruthi *et al.*, 2020). What is more, brand is an essential factor that affects purchasing behavior, and consumers take it into account by considering the brand's awareness, and uniqueness before making a decision, regardless of the nature of products. A successful establishment of the brand image is more likely to improve the possibility of a consumer buying (Shabbir & Khan, 2017).

The creation of a brand contributes to the development of crossover co-branding collaboration strategies to promote brand loyalty and purchase intent by establishing a strong brand image and encouraging customer identification with the brand through cooperative marketing, collaborative promotion, and joint advertising.

2) The classification of brand

a) Corporate Brands: Balmer (2017) pointed out that corporate brands are representatives of a company's entire reputation and identity. They have a significant role in how consumers view and engage with brands. Intangible assets such as brand names, symbols, and brand awareness are examples of corporate brands that contribute to brand value, competitive advantage, positive organizational-customers-stakeholder relationships, trust, and future profit.

b) Personal Brands: Harrison (2022) showed that personal brands refer to a person's external appearance and internal spirit to convey feelings that can match customers' objectives with their purchasing behavior, and alter their choices and actions to affect their consumption cognition. An efficient way to distinguish one's extraordinary value is to establish a strong personal brand.

c) Product Brands: Product branding is the creation of a distinctive identity for a product to differentiate it from rivals. This may accomplished by using several factors such as the name, material, visual design, colors, packing, and so on. Product brand helps to create loyal customers as it develops a unique personality.

B. Luxury Brand

1) The definition of a luxury brand

A luxury brand can be defined as a branded product that contains certain characteristics, such as high quality, rarity, premium pricing, and a high level of aesthetic. Luxury brands are frequently distinguished by their associations with prestige, exclusivity, and superior craftsmanship, which enhances consumers' perceptions and desirability (Ko, Costello & Taylor, 2019).

Luxury items serve a variety of functions, including satisfying social demands, improving personal image, increasing self-confidence, and improving quality of life. They are frequently viewed as social status symbols, allowing consumers to acquire recognition and respect in social contexts. These goods have been meticulously designed to deliver a superior experience and satisfaction, showcasing the company's commitment to high-quality products and services.

2) Characteristics of luxury brand

a) Uniqueness: The need for uniqueness among consumers influences their decisions because luxury goods are exclusive, special, distinctive, and offered at a premium range. The unique luxury products symbolize a consumer's personality, beliefs, attitudes, interests, and lifestyles in social interactions by displaying brand markings (Kauppinen, Björk, Lönnström & Jauffret, 2018).

b) Quality: Luxury goods are distinguished by their outstanding quality and precise details which are linked to their authenticity and give consumers a satisfactory experience (Wirtz, Holmqvist & Fritze, 2020).

c) Exclusivity: Luxury firms frequently provide their customers with personalized services such as limited edition products, and invitation-only events so that consumers feel appreciated as the result of the exclusive products.

3) The development of luxury brands

Gutsatz and Heine (2018) stated that when there is a shift in consumer taste from seeking prestige to pursuing self-identity and personal improvement, new strategies and business models are required as a result of the difficulties and changes that luxury brands are experiencing in the global market. Trends in the luxury industries include the professionalization of luxury, the emergence of luxury conglomerates, the expansion of manufacturing facilities across the globe, and the distribution of goods into new markets. The luxury industry has been significantly impacted by the development of new technologies, including digitization, social media, e-commerce, and high-tech materials. Luxury companies are experiencing more competition as they enter the omni-channel market.

The evolution of luxury products has been marked by ongoing change and adaptability. Luxury brands must constantly update their strategies and business models to react to market changes as consumer demands change and technology advances. To preserve their competitiveness and appeal, premium businesses must constantly investigate new market opportunities and consumer expectations. To suit consumer expectations and preserve their leading position, luxury businesses must maintain an attitude of continual innovation and advancement throughout this process.

C. Crossover Co-branding Marketing Strategy

1) Crossover marketing strategy

Ji and Shen (2013) demonstrated that crossover marketing refers to the collaboration between two or more brands from disparate industries to come together to create a new brand or product, to provide customers with new products and consumption experiences. To detect new marketing possibilities, crossover marketing focuses on the customer's potential requirements and breaking through current consumer communities, which develops powerful brand connections. A Crossover strategy enables the business to expand its brand market and reduce business risk by sharing consumer groups and achieving greater benefits (Xiao, 2021).

Cross-border marketing is an innovative and progressive strategy that gives customers with new consumption experiences. This method not only meets latent client demands but also penetrates established consumer groups and establishes strong brand ties.

2) *Co-branding marketing strategy*

a) The introduction of co-branding marketing strategy: Jia and Ran (2021) pointed out that co-branding is a marketing strategy in which two or more companies join together to develop a joint product or service. It enables brands to benefit from the capabilities of each other, increase their consumer base, and improve their brand reputation, which involves linking brands together to accomplish objectives they couldn't do apart.

b) The types of co-branding strategies: In physical co-branding, one brand is used as an ingredient or component of the host brand, and in symbolic co-branding, which joint is used to create image transfer.

In addition, co-branding may be divided into horizontal co-branding (companies at the same level of the value chain) and vertical co-branding (companies at different levels of the value chain). Co-branding agreements may also be simple (with two brands) or numerous (involving three or more brands), and they can be exclusive or non-exclusive depending on the degree of control and collaboration (Chinambaretto & Gurau, 2017).

c) The influence of adopting a co-branding strategy: Co-branding techniques help businesses enhance competitiveness by leveraging the strengths of brands, expanding the market share, and improving consumer image and loyalty. Moreover, adding value to both companies may improve their brand equity and brand reputation by creating a brand identity that people will remember in the long run (Zuhdi & Apriyani, 2020).

In a word, Co-branding is an effective technique that can help businesses boost their competitiveness, market share, consumer loyalty, and brand reputation. Co-branding techniques can be adjusted to a company's individual needs, increasing its flexibility and efficacy. However, executing a co-branding approach necessitates careful assessment and management of risks, such as control and collaboration challenges in collaboration, as well as unfavorable brand impact.

3) *Crossover co-branding marketing strategy*

Rao and Wang (2023) certified that crossover co-branding is a marketing approach that involves combining brands from different industries through co-branding, based on similar or shared consumer needs. It aims to provide consumers with a unique and distinct brand experience. The DFA (Differentiation-Freshness-Approbation) model is frequently used to analyze cross-border co-branding strategies. The model emphasizes the significance of differentiation, freshness, and consumer identification with the co-branded product. Differentiation helps a brand stand out and maintain its originality, whilst freshness instills a new notion in the minds of customers, brand loyalty and impact are increased as a result. Cross-border co-branding not only draws consumer attention and enhances brand culture, but it also enables resource integration and mutual benefit between businesses.

Cross-border cooperation between brands can enhance brand marketing, culture, image, and market weight, improving customer awareness and loyalty. Collaborations between brands, intellectual properties, and celebrities result in innovation, issue communication, and brand building. However, there are hazards, not all collaborations are successful, so brands should perform in-depth studies of customer groups' lifestyles, and aesthetic preferences, and wait for audience attitude to prevent problems (Xu, 2020).

D. Luxury Marketing

1) *Luxury marketing method*

Atwal & Williams (2017) stated that luxury marketing concentrates on providing clients with unique and distinct brand experiences, ensuring a pleasurable journey. It involves controlling all aspects of the marketing campaign, designing, administering, and monitoring the overall customer experience, and recognizing the value of sales and service. Luxury brands must be distinct and distinguish themselves from the competition by focusing on factors besides rarity. The perceptions of luxury among consumers are being evaluated to better target certain niches. The functional, symbolic, and experiential benefits of luxury brands are investigated, particularly an emphasis on the interaction between utilitarian and hedonic factors. Overall, luxury marketing tactics seek to create a good and exclusive brand experience that differentiates from rivals and responds to premium consumers' specific views and preferences.

The primary purpose of a luxury marketing strategy is to provide a premium and distinct brand experience that distinguishes the company from competitors while also responding to the distinctive perspectives and preferences of high-end consumers. To meet consumers' comprehensive demands and expectations, luxury firms must focus not only on the product itself but also on the overall marketing campaign and consumer experience.

2) *Hunger marketing*

Hunger marketing is a marketing tactic that instills a sense of urgency and scarcity in consumers, encouraging them to make immediate purchases. It is widely utilized in live commerce to encourage impulse purchases by offering time-limited promotions and discounts. Consumers are encouraged to buy in hunger marketing by the fear of losing out on a limited-time product or a unique deal. External aspects such as qualities, internet feedback, service quality, and promotion incentive information are used in this approach. What is more, consumers communicate with each other in real-time, increasing the perceived worth and strength of the product (Zhang & Wang, 2022).

Liu (2022) put forward that luxury firms apply hunger marketing by limiting the availability of their products, creating long waiting lists, and using limited editions or collaborations to create a sense of exclusivity, which generates anticipation and demand among consumers. Hunger marketing assists luxury brands in maintaining their noble and scare image while also enhancing the value-added characteristics of their products. It plays an important role in the psychology of non-conformity in customers. This method boosts brand awareness and increases demand. The excessive expansion or diversity, on the other hand, may make the brand less attractive to core consumers.

When performed appropriately, hunger marketing methods can help improve brand recognition and demand. It draws on human psychology principles, particularly those relating to scarcity and the fear of missed opportunities. This is an effective marketing tactic, but if employed excessively or incorrectly, it can cause consumer frustration or loss of confidence. When employing this method, brands must be cautious and constantly mindful of their customers.

3) *Social media marketing*

Social media marketing refers to the use of social media platforms for promoting products and services, engaging with customers, and building brand awareness (Arrigo, 2018). Companies may utilize social media marketing to get access to a large user base and user-generated content on platforms such as networking sites, microblogs, and content communities. It provides various advantages, including the development of joint goods and the implementation of successful marketing tactics for brand management. Luxury brands can enhance customer relationships through social media activities, which generate interactions and improve value, relationship, and brand equity. Brand equity may be increased through engaging with brand champions and responding to important influencers. Brand equity investment enhances consumers' responses, resulting in greater brand preference, willingness to pay, and loyalty. So luxury firms should invest extensively in entertainment and personalization since it improves client connections. Companies may use social media to not only approach their consumers directly, but also to acquire useful insights, feedback, and data to guide marketing choices and enhance their products or services.

Social media marketing is an important component of modern marketing strategies because it allows luxury brands to interact directly with consumers, provide brand information, establish brand image, and understand consumer wants. It also assists luxury brands in developing stronger bonds with their target audiences, increasing brand awareness and engagement, and providing vital data about consumer behavior and preferences, allowing them to make more informed marketing decisions.

E. *Consumer Psychology*

1) *Conspicuous consumption*

Bronner and Hoog (2018) illustrated that conspicuous consumption is the pursuit of social prestige and wealth projection on society, often driven by the desire for social status. It involves the display of something symbolic that is immaterial, such as one' s personality or self-image. This phenomenon is influenced by the 19th-century emergence of the business class in the United States, where displaying luxury products in social activities became a way to demonstrate social prominence. There are two forms of conspicuous consumption, one is the bandwagon effect, which involves using brands to obtain membership and acceptance in prestigious social groups, and the other one is the snob effect, which involves rejecting goods and brands used by less prestigious consumers. Nowadays, young adults are increasingly influenced by prestigious brands. Young people might use conspicuous purchasing to seek social reputation and power. The desire to be accepted by prestigious groups, as well as the transfer of status via the selection of luxury products, impact the trend of conspicuous consumerism among young people. Turning to the other side of conspicuous consumption, it can lead to financial stress, debt, social inequality, and the formation of a class-based society. It fosters the notion that one's value is decided by material belongings, resulting in dissatisfaction. It also causes environmental problems and fosters a materialistic attitude that prioritizes external appearance over internal growth.

Conspicuous consumption is a multifaceted social phenomenon with both positive and negative implications. Individually, people should consume rationally, based on their economic capacities and requirements, and avoid excessive pursuit of material goods and social position. Governments and social groups should also strengthen consumer behavior advice and education, encourage sustainable and rational consumption, and limit the harmful impact of conspicuous consumerism on society.

2) *Herd consumption*

Herd consumption behavior refers to the collective consumption of certain products or brands by a group of consumers (Kang *et al.*, 2020). It is characterized by a tendency to imitate the choices and actions of others in the group rather than making independent decisions. Herd consumption is motivated by a "Fear of Missing Out" (FOMO). Consumers who have a high level of fear of missing out are more likely to have a high level of brand involvement, which leads to their collective purchase of particular premium goods. Nonetheless, herd consumption is a phenomenon in which individuals are forced to conform to a group's norms, leading to excessive spending and financial strain. This can result in a lack of individuality and persona preferences, and lead to a sense of uniformity and social pressure, with people feeling forced to engage in the group's behavior even if they do not genuinely require the product. Consumers who depend on group opinions rather than their ideas can also contribute to the spread of disinformation and erroneous perceptions about specific products.

Consumers should analyze their individual requirements and financial capacities more logically during the purchasing decision-making process to avoid being overly influenced by group consumption behavior. At the same time, people should pay attention to their personalities and preferences rather than simply following the group's views. Governments and social groups should also improve consumer behavior advice and education, promote sustainable and rational consumption, and lessen the harmful impact of group consumption on society.

3) *Irrational consumption*

Irrational consumption refers to phenomena where consumers make choices that are not based on logical reasoning or through understanding the circumstances influencing their decisions. It is impacted by a variety of factors that can have a significant effect on choice and consumption, many of which are unrelated to the issue or the products they need. Decision fatigue or time constraints can also influence consumer decision-making and lead to illogical decisions (Cummings *et al.*, 2015). Luxury goods are not a basic necessity in people's lives, but many consumers are eager to purchase luxury goods and luxury brand co-branded products, which may increase the expense of everyday living.

III. Synthesis and Implication

Luxury brands' usage of cross-border co-branding marketing methods will have a variety of effects. This essay will conduct an in-depth analysis of the benefits from firms, consumers, and the market economy and demonstrate it based on the relevant case. At the same time, this study considers the potential negative effects of cross-border co-branding policy, thus suggestions and solutions are offered.

A. For Luxury Firms

1) Market expansion and new customer acquisition

Luxury goods are primarily intended for high-profile consumers, while other products are more focused on the wants of the general public. Luxury products and other cross-border brand cooperation may aid businesses in achieving marketing segmentation and target markets by separating distinct consumer groups. By launching a co-branded product, luxury brands and collaborative brands may attract each other's customers. The connection between luxury goods and crossover goods might encourage people to become future luxury goods clients. Customers may gain access to premium brands and develop an interest in their products and brand values through co-branded selling. As a result, cross-border goods can serve as an entrance point for luxury companies to attract more prospective customers, and open up new markets, this also provides an opportunity for firms to improve their market share and revenues.

2) Improve brand awareness

Luxury items' connections to other brands have an impact on how consumers view those brands, which is closely associated with brand image and perception. Luxury goods are typically seen as premium and distinctive products, known for high quality, high class, and extraordinary experiences, while co-brands such as some catering brands and fast-moving consumer goods typically pay more attention to cost performance and the practical, which can break the traditional image of the luxury brand. This may help luxury brands become more well-known and establish a more common touch image to attract more consumers.

Luxury brands may be able to expand their market awareness and gain good prestige by collaborating with other well-known companies and utilizing their following and solid reputation. This makes customers more receptive to premium brands, which raises their propensity to buy and enhances brand loyalty. Partnering with a famous and respected brand in a foreign market may help a luxury brand swiftly expand its popularity worldwide, particularly when it wishes to enter the local market. Through linked sales, luxury brands can take advantage of the market influence of co-branded brands, boost brands reputation and social recognition, spread their brand value and unique characteristics to a larger audience of consumers, offer customers distinctive products and services, and thereby gain an advantage in the market competition.

3) Enhance brand competitiveness

The intersection between luxury and other products may foster brand collaboration and innovation. Cooperation between two companies in various industries may result in win-win outcomes that not only enhance the brand's impact and market share but also provide consumers with additional options and diverse products. At the same time, linked sales may encourage brand innovation, product differentiation, and competitive advantages by using each other's strengths and resources. The advantages of these two unconnected brands are merged, and they also benefit from one another. If some luxury companies are in conventional sectors, for example, they can discover brands with a strong sense of technology for cross-border co-branding. Some brands have a long history and are beginning to age, brands that young people appreciate can be found to solve that dilemma. It can make the most use of both parties' brand resources. Cross-border co-branding is an efficient marketing strategy for luxury brands that want to innovate and develop. A successful cross-border co-branding can bring many potential consumers, providing more possibilities for the brand to increase its popularity and influence, thus improving the brand's competitiveness (Zhou, 2023).

On the other hand, the price competition strategy has become one of the most developed strategies for improving competitiveness. Luxury firms and partner brands may be able to reorganize their product catalogs and marketing plans. For instance, a luxury brand might collaborate with an FMCG company, to release more cheap versions of its product line to draw in more people. This can also lead to price war and competition for market share. When the two are connected, customers might demand more reasonably priced luxury goods, which might encourage luxury brands to lower their prices to meet the needs of more consumers.

4) Channel multiplication

Crossover co-branding approach may alter the market's distribution channels. Luxury goods are typically sold through channels like specialized shops and department stores, while cooperative brands are typically offered through channels like mass retail and e-commerce. Luxury goods companies can build up a new sales channel and new business line offline when the two are connected to better reach target customers and offer a better purchasing experience.

5) More sensitive to the changes in the market

Through cross-analysis of market data, the partnership between luxury firms and other firms can offer more detailed market dynamics and trend projections. Companies can better understand consumer requirements and market trends through data gathering, enabling them to make decisions that are more appropriate for the market.

6) Improve productivity

Supply chains and production efficiency may be impacted by cross-border connections. Luxury goods frequently use exacting manufacturing procedures and premium raw materials, whereas other brands may place a greater emphasis on mass production and quick delivery. To fulfill the production and distribution needs of various products, the supply chain must be modified and optimized as necessary.

Companies that produce luxury items can also take advantage of this chance to increase production efficiency and integrate it into the production process.

7) The negative effect on luxury firms

First, luxury goods companies need to negotiate and coordinate with partners during the design and production process, which may affect the consistency and image of their brands. Additionally, luxury goods companies might need to sacrifice some of themselves to share brand value with partners. Second, collaboration with non-luxury brands may detract from the value of the brand and lead customers to believe that it is no longer distinctive. Besides, cross-border co-branding may dilute the core values and uniqueness of the brand to a certain extent. When a brand joins forces with other brands in pursuit of short-term gains, it may result in the loss of the brand's original uniqueness and value. As a result, businesses that sell luxury goods risk losing some of their most devoted clients who believe the brand has lost its uniqueness and worth. In addition, if the cooperation is not effective or quality problems occur, it will directly affect the brand's reputation and sales. This can lead to reduced product quality, loss of consumer confidence in the brand, and ultimately lower sales. Last but not least, if it is congested or unorganized, it may wear out customers and harm the future growth of the luxury brand.

B. For Consumers

1) Satisfy customers' curiosity

Cross-border co-branding combines two or more brands from different fields to create new products or services. This novel combination can satisfy consumers' desire for the unfamiliar and novel. For example, co-branded cooperation between clothing brands and food brands can launch limited edition cross-border clothing or food, allowing consumers to experience the different styles and tastes brought by different brands during the purchase process, thereby driving a desire to buy.

2) Pursue freshness

Cross-border co-branding can bring freshness and excitement to consumers because it breaks the traditional brand image. This type of inventive product and service can attract consumers who seek personalization and provide them with a personal experience. Co-branded collaborations between luxury clothing firms and artists, for example, can introduce limited edition cross-border clothes or accessories, allowing consumers to feel the varied styles and tastes presented by different brands during the purchase process, resulting in a desire to buy.

3) Social identity

Cross-border co-branding has the potential to become a social topic among customers. Customers who buy co-branded items or services may feel pleased and satisfied because they admire a particular brand or character. For instance, a co-branded collaboration between movie IP and clothing brands can utilize the movie's appeal and fan base to persuade movie fans to buy co-branded apparel, gaining a sense of belonging and identification. Furthermore, purchasing co-branded products might help consumers obtain social recognition and esteem. Consumers may share their buying experience and wearing effect on social media after acquiring a limited edition co-branded garment or item, getting praise and recognition from other consumers.

In general, cross-border co-branding may provide customers with a new shopping experience by allowing them to feel the distinct charm of the two brands as well as the surprise brought about by the collaboration. This favorable psychological experience can assist customers in better recognizing, understanding and eventually becoming committed supporters of the brand.

4) Negative effects for consumers

Cross-border co-branding often produces limited-edition products or services, which may encourage certain consumers to overpay in pursuit of these limited editions, raising purchase pressure. In addition, because cross-border co-branded items are frequently more expensive, this may keep some buyers from purchasing the products.

Furthermore, it may confuse customers' perceptions of the brand image, particularly if the brand is distant from its positioning or there are too many co-brandings in a short period. If this continues, consumers may get confused about the company's genuine image, and their loyalty to the brand will inevitably decline.

C. For the Market Economy

1) Increase national demand and national spending

Cross-border cooperation effectively increases national demand and national expenditure in a variety of ways. First, cross-border co-branded cooperation can create new products and services. This type of collaboration frequently results in innovation by integrating elements from two or more separate sectors to produce distinctive and eye-catching goods or services. This kind of innovation frequently stimulates consumers' curiosity, raises their desire and spending power, and ultimately boosts the demand for goods and services across the nation. Secondly, cross-border co-branding cooperation can increase national spending by increasing brand awareness. When two or more well-known brands join forces, their fame and attention reinforce each other. This type of collaboration can promote the brand's popularity and exposure, raise consumer knowledge of products and services, and so increase the number of potential customers. Furthermore, cross-border collaboration can aid in the development of the supply chain. Throughout the collaboration process, different companies or brands must work together to organize resources, promoting the coordinated development of the supply chain. This type of development can improve the national economy's efficiency, lower manufacturing costs, and increase national consumer demand and expenditure.

2) Flow of resources

Cross-border collaboration can increase resource sharing and exchanges among various industries and fields. When two or more firms or brands collaborate, they share their resources, knowledge, and experience to create new products or services. This kind of communication and sharing can increase the efficiency of resource utilization and increase the value of resources, as well as promote mutual understanding and collaboration among various industries and fields. Moreover, cross-border collaboration can encourage resource innovation. During the cooperation process, different companies or brands will bring different resources and ideas, which can develop new value and use value through integration and innovation. This type of innovation can leverage innovative ways of exploiting resources to grow new markets and business prospects, ultimately increasing national economic development.

3) Increase job opportunities

Cross-border co-branding can increase work prospects for design and marketing professionals while also promoting the growth of innovative and creative businesses, which typically require a significant number of people to assist. New business prospects and jobs can be created through collaboration in several professions and industries. When two or more brands work together to create a new product or service, they often recruit expert designers, marketing, and technical staff to work on the project. At the same time, multiple companies or brands must collaborate and coordinate resources during the cooperation process. More talent is required to support supply chain management and logistics. This collaboration model has the potential to increase job opportunities and boost the development of associated industries.

4) Promote the development of international trade

Cross-border joint branding can also help to grow international trade. When two or more brands from different nations work together to develop a new product or service, the brands usually import and export raw materials, components, and finished goods. This type of collaboration has the potential to improve the scale and volume of international trade while also promoting global economic development. Cross-border collaboration can help to increase the international movement of resources. When two or more organizations or brands from various countries and regions join forces, the movement of skills, capital, technology, and so on is facilitated. This flow can foster exchanges and collaboration across different countries and regions, as well as the optimal allocation of global resources and national economic development.

5) Negative effects on the market economy

a) Wastage of resources

Companies that engage in cross-border co-branding typically have to spend a lot of money on product development, manufacturing, advertising, and promotion. These resources may not yield the anticipated returns if the market does not react as planned, which would be a waste of business resources.

b) Unbalanced industry development

Cross-border co-branding can allow companies that already have a dominant position to gain more advantages, such as having more funds, resources, and technology. Small and medium enterprises, on the other hand, might be under more stress since they might not have the resources to engage in cross-border co-branding or they might not be competitive enough to secure a favorable position there. Due to the potential for increased competition within the industry, small and medium-sized businesses may even be pushed to the edges or eliminated.

c) Challenges to macro-control

Crossover co-branding may make the macro-control more difficult to apply since it might bring companies from various businesses, making it more difficult for the government to understand the situation and adopt corresponding policies.

D. Case Analysis

First of all, Luckin Coffee is committed to offering its clients high-quality, high-performance, and conveniently located goods and services. To win over customers' trust and satisfy their specific consumption needs, Luckin Coffee has started to actively seek comprehensive partnerships with reputable suppliers and vendors in other sectors of the economy to provide more reliable and superior goods and services (Wei, 2021). In addition, Moutai, one of the top three wines in China, is a traditional specialty wine with an extensive cultural past and a long history. To draw in more youthful customers, Moutai has recently made an effort to refresh its product line. Given this, Luckin Coffee and Moutai decided to work together to develop a new product: coffee with a Moutai flavor (Chen, 2022).

1) Strengths

a) Brand advantages

Moutai is a well-known liquor brand in China, which has a history of 800 years. The price of Moutai is premium, it is an undoubtful luxury of wine. As a high-profile liquor brand, its brand influence and product value are deeply ingrained in the hearts of the people. Luckin Coffee, and rapidly developing coffee chain brand in China, has a significant presence in the coffee industry and a profound accumulation. Both brands enjoy widespread market recognition and extremely high popularity and reputation. Co-branded goods can benefit from the status of these two brands to draw in more customers. Through their collaboration, the two directly target luxurious consumer groups, further unlocking the market's potential.

b) Product highlights

Luckin Coffee and Moutai jointly introduced an innovative good-sauce-flavored coffee. While retaining Luckin Coffee's consistent high-quality coffee, it also incorporates the distinct flavor of Moutai. Its novel flavor would surely entice more customers who are dissatisfied with the taste of ordinary coffee or who have a predilection for the combination of alcohol and coffee. Also satisfies consumers' need to sample different cuisines and seek out unique experiences.

c) Complement each other's advantages

Moutai's major customer group as a ritzy brand is primarily middle-aged people, but Luckin's main consumer group as a coffee chain brand is primarily young people. Moutai requires Luckin's youthful consumer group and large user base to develop its brand influence among young people, while Luckin can attract more high-consumption customers through cooperative collaboration with Moutai. Luckin has significant online communication capabilities as an Internet coffee brand. Moutai may benefit from Luckin's young consumer groups by collaborating to increase brand exposure, develop brand influence, and extend its consumer groups. Luckin Coffee has grown rapidly although its brand image remains relatively low in the perceptions of some consumers. Luckin may exploit Moutai's extravagant image and brand value to boost its brand level and increase consumers' trust and favorability of the brand through their collaboration.

2) Weakness

a) Limited target market

The sauce latte may not suit everyone's taste, so its target market is relatively limited. To expand the market, marketing techniques must effectively pinpoint target consumers and identify consumer groups who appreciate this distinct taste.

b) Costs and dangers of production

Sauce latte coffee involves two processes: wine brewing and coffee preparation, which might raise production costs and hazards. The production process can be adjusted and production efficiency enhanced to decrease costs and risks while focusing on product quality and food safety.

3) Opportunities

a) Coffee culture development

The expansion of global coffee culture opens up greater market potential for sauce latte coffee. Consumers' coffee preferences are getting more diverse, and they have higher expectations for the flavor and experience of coffee. Maotai latte coffee can be used as an innovative coffee product to match the tastes and experiences of consumers.

b) Demand the new market space

Sauce latte coffee has the potential to create a new market sector and demand. We can attract people who enjoy both alcohol and coffee by combining the two, so creating a new consumer group. Simultaneously, the two brands' impact, Moutai and Luckin, can be used to encourage cross-selling in the two marketplaces.

c) Advertising, publicity, and marketing

The two brands Moutai and Luckin's popularity and influence can be leveraged for advertising, publicity, and marketing. Product exposure and market share can be increased by promoting the product via various marketing channels such as social media, TV advertising, web marketing, and so on.

4) Threats

a) Competitor imitation

If a competitor launches a similar product, it may threaten the market position of the soy sauce latte. To combat rival imitation, it is vital to preserve product uniqueness and competitive advantages, such as by consistently enhancing product formulae and flavor, or inventing new co-branded items to keep a leading position.

b) Uncertain consumer acceptance

Consumer acceptance of alcoholic coffee is uncertain, and market hazards may exist. When releasing new products, proper market research and consumer research are required to understand the needs and preferences of target consumers to ensure market acceptability of the product.

In general, Moutai and Luckin's cross-border co-branding is a win-win strategy. Cooperation has resulted in not only resource complementarity and market win-win, but also increased market impact. The market has also appreciated the novelty of Maotai-flavored coffee, which has improved the brand image of both sides. At the same time, this type of collaboration gives fresh ideas and references for future cross-border cooperation between diverse sectors.

E. Suggestions

1) Expand the co-branded series

By combining the strengths of the two brands, Moutai and Luckin, which may create a series of co-branded products. For instance, experimenting with different wine flavors paired with different types of coffee to create a diverse product line to fulfill the diverse needs of consumers.

2) Cross-border cooperative promotion

By collaborating with companies from various industries, that may increase the popularity and influence of your products. Cooperate with fields such as fashion, art, or technology, for example, and mix co-branded items with the brand attributes of the partner to increase topicality and attention.

3) Focus on sustainable development

Highlight the environmental protection and social responsibility of co-branded products, as well as the sustainability and social responsibility of products in promotion. For example, promote the use of ecologically friendly packaging, support local community programs, and so on, to attract more consumers concerned with environmental protection and social responsibility.

4) Improve digital marketing

Utilize new digital tools to improve contact and communication with customers. For example, product information and manufacturing processes can be released via social media platforms to help consumers understand the products more intuitively; they can also conduct live sales or collaborate with Internet celebrities, opinion leaders, and others to promote products and use their influence to expand product coverage.

5) Carry out experiential activities

By creating experiential activities or pop-up stores, you may provide consumers with a more direct experience with your items. For example, in significant commercial areas or at large-scale events, an experience area can be built up where customers can taste the sauce latte and discuss their opinions. This has the potential to improve the product's reputation and recognition.

However, co-branding has costs, including the high cost of marketing and brand department workers. Brand crossover is one of several marketing strategies, and good products are the foundation of brand development. Only through boosting product quality and hardness will companies be able to survive market pressure.

IV. Conclusion

The present study was designed to determine the effect the enterprise, consumers, and the whole economy after adopting a crossover co-branding strategy. The investigation of multiple cross-border co-branding cases and further analysis of the cooperation of Moutai and Luckin coffee has shown that crossover co-branding marketing approaches help luxury firms develop in the long run by establishing a more common touch image towards most consumers and acquiring potential consumers through corporate with brands from other industries, the joint limited edition is more likely to whet consumers' appetites for purchase. This study has also found that generally cross-border co-branding policy can stratify consumers' needs for distinctiveness and that may boost economic development in a way by encouraging consumption and providing job opportunities. The empirical findings in this study provide a new understanding of how this co-branding technique benefits the firms and provide some suggestions that the firms can take into consideration including choosing an appropriate partner who can maximize their superiority and doing a full market survey to find out the taste in separate consumer groups.

All in all, for luxury firms, crossover co-branding is one of the marketing methods, the prominent aim is to provide premium goods and put more effort into designing the products. Moreover, the expenditure of firms is costly and entails labor, production, and opportunity costs, so firms should take time to deliberate. For consumers, although co-branding goods can satisfy social show-off and curiousness needs, to set up the green consumption idea, adhering to the principle of moderate consumption, and keeping the rational consumption is the basic consumption tent. For the whole economy, a crossover co-branding policy may boost economy growth, but the meaningless fashions may cause a greater waste of social resources. The key strength of this present study was the analysis of the comprehensive discussion of crossover co-branding strategy, since an increasing number of firms took this marketing approach but not all of them applied it successfully, this paper offers some insights into future expectations of this policy.

Conflict of Interest

The author declares no conflict of interest.

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