

# From Brand Identity to Brand Loyalty -- Illustrated by the case of Bandai

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## ABSTRACT

With the development of society, people's material standard of living is improving continually. In this case, compared with the necessities of life, more and more people have started pursuing some mental issue. When this trend comes to the product market, it is embodied in that customers put more focus on the cultural value. As we can see in today's market, some brands delve the cultural value, which has a positive effect on building brand identity and cultivating brand loyalty. So, how do brands build the brand identity and cultivate brand loyalty by using different marketing strategies? The paper starts with the analysis of the paper about brand identity and brand loyalty. It takes Bandai to analyze its marketing logic, including IP marketing, sentimental marketing, creative marketing, and multi-vision limited marketing. At the same time, these marketing strategies are logical. When a brand has achieved good public praise, applying sentimental marketing is an appropriate choice. After accumulating a certain degree of brand identity, Bandai can choose the opposite way to open the market by creative strategies to catch people's eyes except for fans of IPs. Utilizing co-brand strategies to mix markets, which can enlarge and raise the market of toys. This paper provides a reference for developing other brands through the analysis and research of these brands.

**Keywords:** Brand Identity, Brand Culture, Brand Loyalty, Marketing Management

## 1. INTRODUCTION

In recent years, the standard of living of people worldwide has improved because of the development of the economy. At the same time, the mental stress of people, which is caused by heavy work, also haven increased generally. In that case, as a hierarchical theory of needs says, people become more likely to satisfy their emotional needs, such as cognitive needs, esthetic needs, and self-actualization needs. Therefore, many brands in the product market are trying to apply a strategy focused on customers' emotional needs.[1] In addition, some of these brands specialize in products to meet the spiritual needs of people[2]. Suppose brand identity can shape by the good equality and affordable price of products. In that case, brand loyalty probably leads by the brand, which can always fit exactly with the customer's wishes. There is a Japanese toy brand called Bandai, which grows from a not renowned shop to the second biggest toy company in the world. The key to the success of Bandai is using a variety of marketing methods to

satisfy customers' emotional needs and build brand loyalty for itself.

Although there are many research reports, study Bandai how to succeed, and most of these reports focus on the culture of Bandai, there is a lack of research the brand loyalty. It is easy to find that there are various toy companies that the customers can choose from. Also, most of these products are exquisite and cost-effective, but Bandai still has the most turnover in the world. Bandai is the first choice to the customers because the customers have brand loyalty to the Brand. So Bandai, how to build brand loyalty? In the early years, Bandai was the pioneer to co-operate with other comics and did many kinds of products. Also, they would like to do some questionnaires to the customer and manufactured the models and toys which were the customers' needs. It means that it is the first time the customer can own their design products and put them to the market for sale. These measures build the bridge between the customer and Bandai, so if people want to buy some model, they

will prefer Bandai. However, other brands did not take into account these measures. Although the products have fewer painting problems or have good shape, people prefer to buy a toy in Bandai. Compared with other toy companies, Bandai would like to produce all the comics' models. Other companies only manufacture the popular characters models, so Bandai gives a chance to fulfill the customer wish, collecting a series of comic models.

The results show that Bandai first push-off people's favourite IPS characters products and propagate on various platforms to find potential customers. Then use the high-cost performance of models to Stimulate consumer consumption. Also, Bandai uses their advantage, which is co-operating with different IPs over a long period, continue to launch the relevant roles to make these consumers become the fixed customers of Bandai. Moreover, Bandai also improves their technology and finds some popular IPs to work together. It can form a profit cycle. When Bandai gained a certain popularity and customer volume, they did some innovative actions, like cross-border cooperation, did some movable models and Ichiban KUJI. They also put these activities into various offline stores and department stores to find more potential customers. Through the analysis and research of these brands, this article provides some references and suggestions for the development of other toy brands

## **2. BRAND CULTURE AND CONTENTS OF BANDAI**

As the second strongest toy enterprise globally, Bandai has a long history dating back to the 1950s. Nevertheless, Bandai is still a successful company nowadays because of applying different marketing strategies like being skilled in using IPs, being full of creative ideas, etc.

### ***2.1. The affection marketing to gain fixed target***

In the 1970s, Bandai acquired the commercialization rights of Toei's hit film and produced a model truck at the same time. The model is the truck that was driven by the leading actor of the hit film *Truck Bastard*. To Bandai's surprise, the products sold very well. In this case, Bandai firstly starts being aware of the benefits of producing the peripherals of film and television works to win the market.

After that, with the appearance of some world-famous IP like Ultraman, Bandai grasped at opportunities and produced many peripheral models, and achieved success. A similar story also happened when GUNDAM became popular, and robot models here refer to robots often depicted at a size between 15 and 20 meters in height. So scales of 1:100 and 1:144 are common for these subjects. From there, the era of

IP-attached products has officially started. The IP-attached strategy means to mix the scale model with the peripherals of film and television works. To strengthen the strategy, Bandai even acquired SUNRISE, the company which produced the animation of GUNDAM in 1994. The acquisition can firm the ability of Bandai to provide the products from popular animation.

Bandai attracts a specific group of target customers by using the IP strategy, the fans of the popular IP. These target customers have a specialty which leads to the fact that they have a high customer engagement.[3] For example, teenagers and adults from these customers, like watching animation or films at home, rather than take part in some kind of outdoor activities, so model assembling or collecting toys are some of the indoor activities which fit them well. On the other hand, there also are children in the target customers. Children like to watch cartoons, and they probably ask their parents to buy the peripheral toys of cartoons. Above are the two cases about the specialty of the target customers. By affection marketing, Bandai has built a brand culture that it is possible to make a virtual reality.[4]

### ***2.2. Creative products to a bigger market***

Creative products refer to novelty tiny things. The kinds of products often tend to be small in size, and people can put them on their palms for playing and observing.

During the long history of the development of a variety of products made by Bandai, the first creative product may be a gadget called Cat Nyambo. Nyambo is an emulation toy paw of the cat.

Gashapon must be mentioned because it is an important carrier for Bandai's creative products. Gashapon are small toys packaged in capsules, and these capsules are set in a machine. Customers usually insert a fixed number of coins to get a random capsule. The interesting point is that gashapon capsules can be set everywhere, such as the convenience store, the subway station, the street corner, and so on. Another interesting point is that gashapon always shows up in a set, which means it can easily inspire the desire of customers to collect a set, but due to the randomness, this action may not be a smooth process.

Creative products can bring success to Bandai because this part of the products will attract the target customers except the one from the IP strategy. For example, these customers often go out shopping or hang out with friends. They have more chances to touch the Gashapon machine and try on it for curiosity and the low price. By these tiny things, Bandai shows its creativity.

### **2.3. New technology to stimulate market**

According to the two main strategies above, Bandai has already accumulated capital and has turned the capital to high and new technology for the model kits. The first and second major technological breakthroughs were the glue-free tenon positioning technique and polychromatic forming technique in 1982 and 1983. Also, in 1983 Bandai firstly used the electroplating technique on toys to give the plastic models a metallic sheen. The advanced technology in recent years is the more elaborate polychromatic forming technique applied on the Figure-rise LABO series for the plastic model, which can reappear the color of the character's skin. polychromatic injection molding products refer to two or more colors of materials or different materials through one or more than one flow channel injection molding plastic products. Multicolor injection molding products are made of plastic materials of different colors through injection molding. Each material is not allowed to penetrate each other in the molding process and must be strictly separated. Although the technique itself is not advanced, elaborateness is reflected in that Bandai uses extremely precise mould to control the thickness and transparency of the plastic. When the parts are assembled, the blush of cheeks, the shadow of the abdomen, and the blood color of legs can be reproduced.

In such an era of diversified entertainment, toy companies are easily facing a problem that customers may think playing toys or making models are not interesting enough comparing with some virtual hobbies like playing mobile games. However, suppose the brand can hold advanced technique which can constantly attract customers or make customers look forward the endless possibilities on the plastic model. In that case, it can maintain a leading position in the toy industry. Bandai has shown its technological superiority by creating some high-tech models, difficult parts for others to catch up.

## **3. HOW DOES THE BRAND CULTURE OF BANDAI RISE TO BRAND LOYALTY?**

Why are there so many people's first choice of model company is Bandai, and these people become Bandai, regular clients after shopping? The reason why is after learning about Bandai's culture, people show great interest in it. So, What are Bandai's special marketing methods and how to do it, as shown below.

### **3.1. Using IP marketing**

This is no doubt that using IP marketing is the foundation for the development of Bandai. In the early years, Bandai was the pioneer of co-operating with other comic IPs and launched the products of animation characters like badges, scale models, pendants, etc. Bandai found this market gap and the earned benefits of

producing the peripherals of film and television to win the market. From then on, Bandai is devoted to co-operate with famous IPs like One piece, Dragon balls, look for other new IPs, and also Bandai has become these IPs' first cooperation object. Using IP marketing, it can save lots of money on publicity, and these IPs also have loyalty users, it means that Bandai does not need to find the target customers, all of obsessed with IPs people are potential customer, they are willing to buy the peripherals of film and television works. Bandai will choose to form long-term cooperation with some well-known animation IPs, such as Dragon Ball, Gandan, and work together to design and create the product. More than this, Bandai is working together with comic IPs and looking for co-operating other fields like the movie, articles for daily use, and so on.

### **3.2. Hunger marketing**

Along with the increasing popularity of Bandai, Bandai is not only satisfied with using IP marketing. They find a new way to earn more money, which is using hunger marketing. Bandai launches some good design models news and limits the number of sales and limit quantity per person. People need to buy these products at specific times. Therefore, the customer has to watch out Bandai for the latest news when will be on sale and snap up these models. Normally, Bandai will not price its products so high that customers will lose interest and go to other toy companies to buy similar products. In addition, when Bandai sells these products, they will first collect a part of the deposit. Then the customer pays the final payment when it officially sells them so that it can guarantee the sales volume and popularity of products to a great extent. This measure can let people pay attention to Bandai and promote people's desire to consume because most of these limited goods are worthy of collecting and appreciating space[5]. People have to admit this measure are effective, a large number of people scramble for these products, a part of people even ask their friends to help them buy these.

### **3.3. Diversified publicity**

Bandai's way of publicity is different from other toy companies. Bandai has a few offline stores. Instead, they would like to sell products on the official website and offer goods to operators at a low price. Then the operators will sell these goods in their retail establishments. Therefore, Bandai does not pay too much fee on shop rent and labour cost. After the customer buys something they want on the official website, they only need to wait a few days to receive it, reducing a lot of time. Also, Bandai usually exhibits the latest products or technology in a different place so that people can see the latest products and have a chance to get in touch with the new technology. To attract more

people to visit their exhibition, they also allow the customer to buy some limited-quantity products only to buy in the exhibition. The exhibition is an exhibition platform for enterprise products and image and an important channel to establish and strengthen brand and product brand. Holding product exhibitions, relevant performances, and competitions during the exhibition can well expand the exhibition function of the exhibition and make the audience have a deep impression on the products. Not only that, but Bandai will also build some items with a ratio of 1:1 in some places. For example, in Shanghai, China, it recently built a 1:1 Gundam, which invisibly publicizes Wandai's capital and corporate culture.

### **3.4. Developing new activities**

Bandai applies himself to develop new activities. For example, in recent years, Bandai launches a new activity called Ichiben KUJI. Bandai put this activity on online and solid stores like a convenience store. People have a chance to use a certain amount of money to get one of the awards, including towels, file folders, cups, and models. These models are well design and have collection value. After starting this activity, it attracts a large number of people to take part in because this activity takes advantage of gambling psychology. Nobody can know which one they can get it. So the prize people may get is not what they want or have. They will continue to participate in the lottery until they draw what they want. So far, this activity is not only held in Japan but also hold in different countries now.

## **4. HOW DO CONSUMERS DEVELOP BRAND LOYALTY?**

### **4.1. Highlight brand differentiation**

A high-quality product cannot permanently benefit the brand because a certain product will always be obsolete by the time. If a brand wants to create a brand identity and brand loyalty constantly, it must have continuously new products which are different from other brands[6]. For that reason, the brand should develop marketing and update design endlessly to provide consumers with personalized and differentiated products. For example, Bandai's models have two critical characteristics, affordable price and low difficulty in assembling. The two features help Bandai stand out from the other brands because the trend is that snackable entertainment has become mainstream. People are not willing to spend a high price and long time sitting in front of a desk for making complex models. In a word, a brand must stay special to constantly stimulate the demands of consumers, and constant demands will turn to brand loyalty.

### **4.2. Strive to maintain the relationship with customers**

The formation of brand loyalty is a continuous and slow process[7]. When customers buy products for the first time, they usually do not have a good understanding of the related information, and there will be certain perceived risks in the process of shopping. Brand loyalty can be reflected in the second buying experience. If customers get a satisfying shopping experience, they may buy one more time or many more times. Otherwise, they probably put the brand on the blacklist. For that reason, relationships with customers become significantly important. There are many common ways to take care of the relationship between brand and customers, such as providing sample products for collect experience impression, carrying out member system, providing some certain way for customers giving critical suggestions, etc. The impression of products can help the brand to improve quality and no shortcuts to correct[8]. A membership system can help customers have a sense of belonging and improve the shopping experience. At the same time, the brand can afford customers with little gifts to stimulate purchasing. By utilizing information technology, brands nowadays can have plenty of channels to gather information, including criticism, suggestion affection, etc. Brand loyalty will emerge if customers can feel the brand truly knows their feelings and take action to change for the better.

### **4.3. Respect customers and follow the trend of the market**

Brand loyalty will maintain only when a brand can analyze the trend of the market accurately. Bandai can seize the precise demands of customers. They even invite some customers to design the product in their minds. As a regular rule, Bandai also produces a series of models related to the same theme. The series of models usually have high sales and worthy of collecting. At the same time, although there are some products range not belonging to the mainstream, they still design and build them. For example, most toy companies are not willing to produce insect models. However, Bandai did it to fulfil the wish of people who like insects. Also, some of the teachers are aware of these insect models. They buy these models as teaching tools to teach students in Biology class. Bandai utilizes this means to satisfy the regular customer needs and find potential customers and invisible publicity for their brand. On the other hand, following the trend is important[9]. Based on quality assurance for classic products, the brand should positively try the strategy in fashion, like co-branding, e-business, and so on. The goal is to tell customers that their brand is still updating and have the courage to attempt, which means it can be counted on to hope[10].

## 5. CONCLUSION

In conclusion, as one of the core competitiveness of enterprise culture, Brand culture has strong market competitive advantages and makes enterprises win a stroke above the fierce market competition. Deep brand culture helps enterprises to build up a personalized, easy-going, close, and rich brand culture. It can reduce the sense of distance between the brand and consumers and constantly improve the brand's competitive advantage. Therefore, brand culture plays an important role in the process of cultivating customer brand loyalty. Bandai's success is not accidental. They use various operational strategies and practical policies to create special Bandai's culture devoted to creating products that can make customers moved. So that Bandai always launches some unexpected toys, this measure can attract a large number of potential customers. At the same time, Bandai uses the Diderot Effect, which means that when people start to have their first models, they would like to collect a series of models. Therefore, the customer will unknowingly understand the brand culture in the process of purchasing and willing to choose Bandai as their first choice. Bandai uses the above methods and emphasizes how to use products to close the relationship between customers and brands. They would like to listen to the customers' real needs and try their best to make these come true. Only respecting and meeting customers' real needs, customers can be willing to choose this brand among many brands and become loyal customers of this brand.

So what is the difference between this article and previous studies? The previous studies only pay attention to how to create Bandai's culture. A few articles focus on how to build brand loyalty. Brand loyalty is the expansion of the influence of brand culture. The article holds that loyalty judgment is shaped by strong brand culture and high recognition. If customers recognize the brand culture of a product and have a brand experience, they will virtually integrate themselves with the values represented by the brand. Brand culture, as the core of brand value, will become the leader of leading consumption. To let consumers recognize the value concept of the brand is the external expression of their concept and eventually form a brand loyal consumer group. Generally speaking, the enterprise must first allow customers to recognize the profound cultural details in the product so that customers will be able to resonate with the product and become the loyal person of the brand.

Although this research has basically achieved the expected research goal and has certain innovation and

theoretical and practical significance, the research of this paper is not perfect, and the understanding of many related problems is also very limited, and there are still some deficiencies in this paper to be improved

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