

Analysis of Bandai Marketing Strategy Based on Consumer Psychology

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Abstract: With the growth of the world economy, the economic growth of Japan's entertainment industry, especially the electronic game and animation industry, has gradually accelerated. Since 2005, Bandai Company has made a series of adjustments to its business strategy, which not only greatly improved the company's performance, but also had inspiration for other companies. However, there is only little analysis of the company's strategy exists. On this basis, the research uses literature review and case analysis methods to analyze the recent marketing strategies of Bandai Company. The results show that Bandai Company has captured consumers' psychology in social media marketing and limited-edition product sales, but its attractiveness to adult consumers may not be sufficient. This may be due to Bandai's excessive focus on the children's market. For Bandai Company, the research proposes three suggestions, starting from the finished product section, assembling model section, and toy section, to enhance consumers' purchasing intention. It is recommended to improve the process and quality of products and develop more representative products. It is suggested that up to take ladder pricing in pricing and expand the market share of low price and high cost performance.

Keywords: Bandai, consumer psychology, marketing strategy

1. Introduction

Since its establishment in 1955, Bandai Corporation has become one of the largest comprehensive entertainment companies in Japan for decades and has gradually developed into the world's most well-known toy and animation company. In this context, the success of Bandai's marketing strategy is the main reason why the company has been able to grow rapidly in decades. Relatively speaking, China's animation derivatives market is very poor.

Nowadays, the Internet has entered the 3.0 era, and with the emergence of diversified marketing methods, traditional toy marketing methods may no longer be able to attract consumers' attention. Faced with fierce competition in the market and the gradual improvement of consumer vision, Bandai Company needs to update its marketing strategy in a timely manner to achieve sustained success in the new challenges and opportunities.

At present, consumer analysis in the field of animation derivatives is still very scarce, and this gap needs to be filled. In this regard, research in the academic field mostly focuses on the analysis of a specific consumer's psychology, lacking a combination of consumer psychology and marketing

strategies to analyze and provide opinions. Moreover, due to the impact of the COVID-19 epidemic, it has caused a great impact on the global economy. Under these conditions, there is currently a lack of research in this field on how companies can appropriately change their marketing strategies to cater to the economic redevelopment in the post-pandemic era.

Based on the impulsive consumption factors and cultural identity factors in consumer psychology, this paper uses the case analysis method and literature survey method to analyze the psychological basis and ideas of three mainstream consumer behaviors of Bandai from the three theoretical perspectives of crowd factors and from the customer profile of Bandai. The research will start from the consumption psychology of the three mainstream consumers of Bandai Company, analyze whether Bandai's recent strategies are in line with the thoughts and hobbies of mainstream consumers, and provide suggestions for the three departments under Bandai Company's toy department.

2. Brand Background of Bandai Corporation

2.1. Development of Bandai Company

Bandai is a subsidiary of Bandai Namco Holdings, and also the largest comprehensive entertainment company in Japan. Bandai Company mainly involves entertainment, internet, anime products and their surrounding areas. The number and variety of science fiction, anime, and close-up models it produces are all the world's largest. Famous IPs include: "Mobile Soldier Gundam" series, "Masked Rider" series, etc. Bandai Company is headquartered in Tokyo, Japan and has 27 subsidiaries in eight major regions and countries around the world. In addition to toys and children's entertainment, the global commodity tentacles of Bandai also include game software, multimedia, music, film feature, Vending machine, game cards, candy, authorized clothing, and models. When Bandai Company started its business, it was called the "Bandai House Store" and was renamed Bandai in 1961. In 2005, the electronic game industry in Japan entered a depression period. In order to improve the market situation and consider itself, Bandai and the famous Japanese game brand company Namco were merged into Bandai Namco Holdings. The games and toys of the two companies have a synergistic effect, which can better cope with market shocks. And Bandai and Namco were respectively listed as subsidiaries under its umbrella.

2.2. Operating Revenue Data

According to the annual report of Bandai Company, in 2022, the overall sales revenue of Bandai was 1004.146 billion yen (approximately 52 billion yuan), a year-on-year increase of 21.6%, and the operating profit was 139.546 billion yen, a year-on-year increase of 34.33%, achieving a significant increase in revenue and gain [1].

In 2022, Bandai recovered from the impact of the epidemic, and performed well throughout the year. Its performance of various departments' year-on-year growth significantly increased. In terms of IP, the sales revenue of the top ten IPs of Bandai Company in 2022 is shown in Table 1.

Table 1: Top 10 IPs of Bandai in 2022 Sales(continue) [1].

Top 10 IPs of Bandai in 2022 Sales (billion yen)		
IP	Sales	Year-on-year growth compared to last year
Dragon Ball	1385	8.20%
Gundam	1247	20.48%
One Piece	705	61.70%
Kamen Rider	305	6.27%
Ultraman	198	36.55%

Table 1: (continued).

Naruto	194	-19.50%
Anpanman	99	4.21%
Super Sentai	66	34.69%
Pretty Cure	55	-8.33%
Aikatsu !	8	-63.64%

From the perspective of sub sectors, the digital entertainment, toy, IP creation, and physical entertainment department performance of Bandai Company are shown in Figure 1:

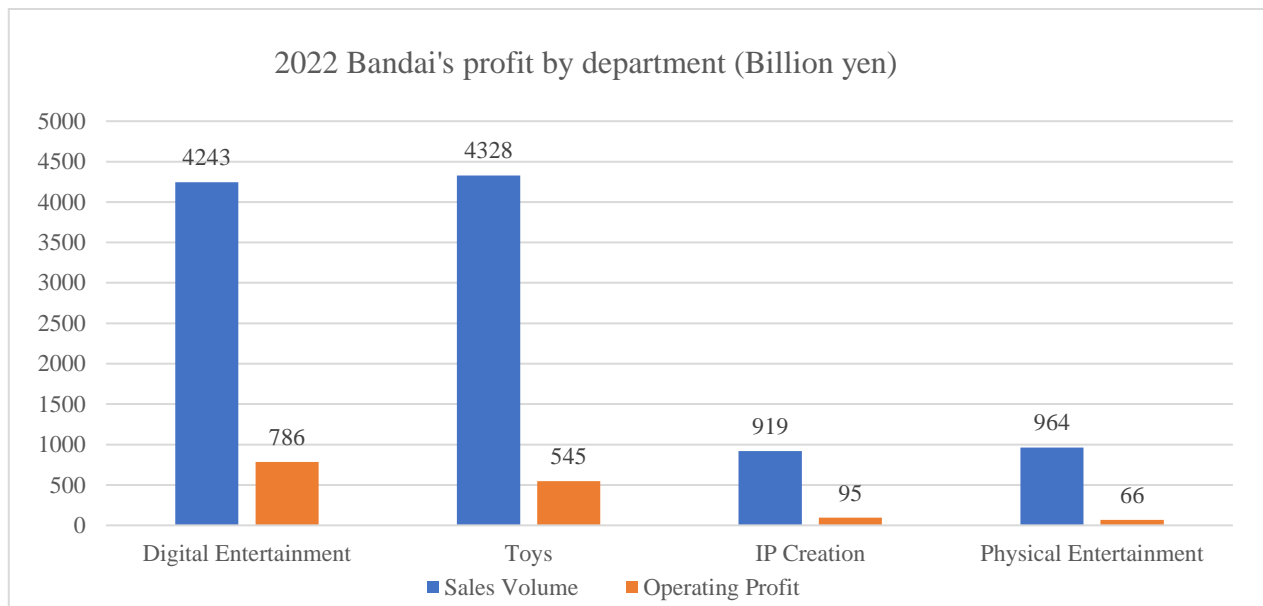


Figure 1: 2022 Bandai's profit by department.

3. Psychological Analysis of Bandai Brand Consumers

3.1. Children's Consumer Psychology

Due to the anime and game attributes of Bandai brand products, Bandai's consumers are mainly children. Zhou believes that children's consumption psychology has the characteristics of intuitiveness in understanding goods, imitation in using goods, instability in consumption emotions, and ambiguity in choosing goods [2]. This means that children are easily attracted to toys with simple structures, simple gameplay, bright colors, and loud sounds. Moreover, learning to use toys by imitating characters in TV and animated films can even induce children to develop a desire for consumption. However, the instability of children's consumption emotions can lead to variable preferences for products. This change may be due to a change in liking for animated characters or influenced by other people's evaluations and emotions.

3.2. Adults' Niche Hobby Psychology

The second category of consumers in Bandai can be summarized as adult enthusiasts of anime culture. According to statistics, adult enthusiasts of anime culture are concentrated between the ages of 18 and 24. This means that adults with mature social attitudes make up the majority of consumers.

Humans are a social animal, and their needs and purchasing behavior are usually influenced by social culture and subculture and follow specific behavioral norms such as the relevant groups, social classes, and families they belong to, which is also known as Veblenian theory [3]. This theory suggests that humans are social beings who make purchases based on social and cultural norms. Therefore, the conclusion can be inferred that consumers will have a higher evaluation of products that conform to their cultural identity and generate a greater desire to purchase. So, adults may purchase corresponding products out of their identification with anime culture.

3.3. The Psychology of Conformity and Trend among Ordinary People

The third category of consumers can be classified as ordinary consumers who pursue popular products. Due to the popularity of the movie "Ready Player One" in 2018, many anime characters emerged outside the anime industry and entered the public eye. Among them, Gundam's important appearance as the climax of the movie made this image even more the focus. After the release of this movie, the Gundam image became a trendy item. When consumers encounter ambiguous consumption information, they will refer to the public's evaluation of consumption, which will lead to the occurrence of street fashion [4]. So, the third type of consumer is generally a pursuer and follower of fashion.

4. Marketing Strategy Analysis

4.1. Commercialization of TV Cartoon Products

Li and Hou pointed out that anime derivatives are derived from native things such as comics, animations, games, and movie animations [5]. Moreover, according to statistics, the development of anime derivative products, as a key link in the entire anime industry chain, generates 80% of the return on anime investment. The commercialization of television images is one of the main projects of Bandai Company. Taking the Kamen Rider product as an example, as a children's-oriented IP, this image brought 30.5 billion yen in revenue to Bandai Company in 2022. Through the design analysis of the derivative products of the Kamen Rider by Bandai Company, in terms of weapons, the company has made a reduction based on the original proportion. This undoubtedly caters to the body shape of children's consumers and parents' concern for product safety. However, this ignores the second category of consumers mentioned earlier, which is the niche enthusiasts among adults. The consumption purpose of such consumers is to purchase products that try to restore the original style as much as possible. So, in terms of strategies for anime derivatives, Bandai Company may overlook the ideas of adult enthusiasts while satisfying children's consumers.

4.2. Release of Restricted Products

Guan defines Hunger marketing as that the sellers or suppliers of products deliberately create a shortage of products to attract consumers' attention, satisfy consumers' consumption psychology, make them want to buy more, and create the illusion that sales supply falls short of demand, to exchange for greater profits [6]. The strategy of Bandai Company to sell limited products can fit the psychology of consumers in this regard, because consumers' psychological novelty and comparability can lead to a strong sense of satisfaction in the psychology of consumers when limited products are purchased. Liu pointed out that to be effective, Hunger marketing needs to meet several conditions [7]. Firstly, there is insufficient market competition. As the largest comprehensive entertainment company in Japan, Bandai holds a significant market share. Secondly, consumers' consumption psychology is immature. According to statistics, over 60% of mainstream consumers of Bandai Company are under the age of 24, which is also one of the reasons for the success of the limited

product strategy. Thirdly, the comprehensive competitiveness of the product is strong. As an established toy manufacturer, Bandai has always had a high level of technical expertise. Fourthly, the brand's awareness and maturity need to meet the requirements. It is obvious that Bandai, as a globally renowned company, can meet the standards. Therefore, the limited-edition product sales conducted by Bandai in recent years can be considered to have captured the psychology of consumers.

4.3. Organizing Offline Activities

Due to the pandemic, there has been a significant decrease in offline marketing activities held by Bandai in the near future. Offline exhibitions, as an important activity to attract customers to purchase goods, are essential in marketing. However, as an offline activity in the animation industry, it will face the following problems. Taking the Ultraman exhibition as an example, offline exhibitions cannot reproduce the special effects and light and shadow in television, so it may reduce the interest of visitors. In addition, the actor's state can vary, and they cannot exhibit perfect movements and fights like on TV, which can also have an impact on consumer interest.

4.4. Social Media Marketing

Li believes that social media marketing is a way of utilizing social networks, online communities, blogs, encyclopedias, or other internet collaboration platforms for marketing, sales, public relations, and customer service maintenance and development [8]. Due to the recent pandemic, Bandai has been increasingly marketing on social media. The consumers of Bandai are mainly Generation Z, while Liu believes that Generation Z is the generation growing up with social media, and they regard social media as the core component of daily life [9]. Bandai has caught the attention of Generation Z in this regard, launching marketing activities on various social media platforms preferred by young people such as Bilibili and Weibo, as Xue stated that pursuing personalized experience, paying attention to value information and increasing online shopping trend are the characteristics of consumers in the internet 3.0 era, which proves that the social media marketing strategy of Bandai is undoubtedly successful [10].

5. Suggestions

5.1. Assembly Experience and Finished Product Painting

As mentioned earlier, Gundam, as a new trend product, is gradually becoming popular among ordinary consumers who pursue trends. As the main product of the Bandai Assembled Model Product Department, Gundam has also been endowed with new value by these new consumers. In previous audiences, the promotion of the Gundam assembled model focused on new molds, new shapes, and new assembly designs. However, with the influx of new consumers, the painting, assembly experience, and ease of use of models have gradually become the criteria for evaluating the quality of a model. In other words, due to the large number of newcomers entering, people's standards for model evaluation have shifted from deep to shallow. Therefore, the Assembled Model Product Department of Bandai should increase the painting of the model, reduce the number of stickers, and replace them with coloring. During the display stage of the finished product, appropriate techniques such as painting should be used to replace the plain group, and the assembling process should be optimized to enhance the assembly experience of consumers.

5.2. Quality Control and Details

In the era of Internet 3.0, most brands have begun to set up their own brand Metaverse publicity programs. Li believes that establishing interaction with customers and encouraging them to actively

participate in product innovation is beneficial for brand development [8]. Therefore, on this basis, Bandai Company can start to develop the marketing method combined with Metaverse. Although this method is not very effective for the Assembled Model Product Department because people cannot intuitively enjoy the fun of assembling models in the virtual world, for the finished model department, people can observe more closely and meticulously whether each coating and proportion of the finished model matches the original work. Bandai can take this opportunity to strengthen the details of model quality control and create momentum with the gimmicks of Metaverse, which is conducive to attracting more and more customers of Generation Z.

5.3. Style, Price, and Quantity

Li and Hou believe that the original value generated by the product's attachment to anime images is the core value of the product [5]. This means that the best way to enhance the value of animation derivatives is to make the product as close to the original animation as possible. On this basis, Bandai Company has launched the CSM (Composite Selection Modification) and CSG (Composite Style Gigantic) series to cater to the needs of adult enthusiasts, taking the derivative products of Kamen Rider as an example. These two series of products have a high reputation among the consumer group due to their excellent workmanship and restored design as their main advantages. However, due to excessive pricing, many economically disadvantaged enthusiasts have been deterred. The suggestion for this is to launch a larger proportion of products in low-end products, aiming to restore the original design more. On the one hand, it can attract adult enthusiasts with insufficient economic strength to purchase, and on the other hand, it can attract other ordinary consumers with lower prices.

6. Conclusion

According to Bandai's performance in marketing strategies in recent years, the author believes that Bandai's performance in social media marketing and limited product marketing has captured the consumers' psychology. It not only uses Hunger marketing to increase consumers' demand for products, but also uses social media to attract a series of Z generation consumers for efficiency. However, in the toy market, Bandai may have placed too much emphasis on toy safety, thus ignoring the needs of some adult consumers. Moreover, due to the impact of the epidemic, Bandai Company's offline marketing activities have been relatively unsuccessful in recent years. This can also be seen as a failure of marketing activities. On this basis, this article proposes three suggestions. Firstly, Bandai Company can start by appropriately enlarging the proportion of toys and trying to restore the original size and shape of the animation, which can attract more adult consumers who like to collect them to make purchases. Secondly, Bandai Company should appropriately increase the number of high-end product sales, which will also help more players purchase at appropriate prices, which can improve the company's performance and reputation. Afterwards, the company can enhance the feel of the model in terms of assembly experience, allowing new consumers to have a better experience, thereby attracting buybacks. This research fills in the lack of research on the Japanese Toy model market and provides a reference for the future marketing strategy of Bandai Company. At present, there is no quantitative analysis of the results, and it is hoped that economic methods can be used to predict the expected performance of Bandai Company after improvement in the future.

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