

# ***Strategic Implications of Intellectual Property in Shaping Corporate Image and Branding***

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**Abstract:** This paper explores the critical role of intellectual property (IP) in shaping corporate image and branding in the digital age. The main objective of this paper is to examine the evolution of the IP-based marketing model, focusing on how it attracts consumers and brand loyalty. Through an in-depth literature review and theoretical analysis, this study explores the practical application of intellectual property in brand strategy. Using case studies of established brands such as Sanrio and emerging brands such as Chiikawa, this paper demonstrates the impact and challenges of integrating IP into marketing campaigns. The results show that IP can build deep consumer connections and serve as a dynamic brand communication platform. Even in the face of declining traditional sales channels and the need to embrace digital transformation, strategic IP integration can increase brand awareness and enhance consumer loyalty. The report concludes that a prudent and innovative approach to intellectual property is essential for brands seeking to resonate with consumers on a deeper level. A well-designed IP strategy has the potential to significantly expand a brand's market presence and foster a unique consumer experience.

**Keywords:** Intellectual property, brand strategy, consumer loyalty, digital transformation, enterprise brand.

## **1. Introduction**

In the past, China's market strategies predominantly featured two marketing paradigms: brand-centric and channel-centric approaches. However, the digital era has ushered in a paradigm shift, with "Intellectual Property" (IP) emerging as a pivotal force in marketing. Concurrently, the evolution of e-commerce and the enhancement of logistics systems have made product distribution more efficient, diminishing the reliance on traditional channel-driven strategies. Despite this, the cultivation and influence of IP have become integral to marketing efforts, with an increasing number of brands leveraging IP to engage consumers and foster brand loyalty.

In his seminal work "Super IP," author Sheng Wu elucidates that "In the mobile Internet epoch, a defining trait is the perpetual emergence of multiple focal points and novel connections through the discontinuous fragmentation of network superimposition. Consequently, amidst the fragmented and information-saturated landscape, IP has become a beacon of new connectivity and a novel discourse framework. A brand's IP is fundamentally an embodiment of the corporate image, occupying a significant space in consumers' minds. It is constructed and redefined through IP-centric thinking, with content at its core and community engagement as its foundation, facilitating dynamic

interactions between the brand and its audience, enabling the creation of a distinctive brand narrative and organic traffic, culminating in a bespoke branding experience."

Despite a burgeoning literature on IP, the discourse remains fragmented, impeding the extraction of coherent and definitive insights.

## 2. Literature Review

Sheng Wu introduces the concept of IP in "Super IP," positing that "It represents a personalized 'new species' in the Internet of Everything era, a content symbol with a lifecycle crafted through systematic methodology [1]. It could manifest as an individual, a literary piece, a distinctive brand, or an intangible heritage that defies conventional description. Essentially, IP is a medium capable of generating high-quality content, embodying uniqueness."

Sanrio, a Japanese company founded in 1960 by Yoshihiko Nagashima, is a prime example of intellectual property (IP) development. With a corporate philosophy of "みんな nakayoku" (meaning "Everyone living in harmony"), Sanrio is committed to fostering close connections among people. Starting as a toymaker, it has evolved into a leader in "cuteness culture," exemplified by its iconic character Hello Kitty. The brand's innovative spirit and distinctive design philosophy have made it globally renowned. Post-IP integration, Sanrio's product range has diversified to include toys, stationery, household goods, clothing, and more, all noted for their aesthetic appeal, quality, and creative ingenuity, distinguishing Sanrio in a competitive market. Additionally, Sanrio's dedication to establishing theme parks and cultural exhibitions has broadened the appeal of its "cute culture." Sanrio's extensive portfolio of classic IP characters is its core competency, with over 450 major IP images, led by Hello Kitty, which accounts for approximately 50% of sales[2]. The brand's presence spans more than 130 countries and regions, nearly achieving omnipresence across age groups. Based on its high-quality and rich IP resources, Sanrio's licensing business encompasses product licensing (toys, plush toys, T-shirts, etc.), promotional licensing (for use in advertising and promotions such as bank cards, beverages), and spatial design licensing (interior design for coffee shops, hospitals, hotels), with licensed products permeating nearly every facet of daily life[3].

In the digital age, Sanrio has also successfully embraced digital transformation to attract more young consumers. Through social platforms like Instagram and TikTok, Sanrio engages with a younger demographic. By collaborating with idol influencers, Sanrio enhances brand influence and visibility, while providing immersive experiences and personalized recommendations through virtual reality technology. Other brands have also successfully built deeper connections with consumers on social media, thereby strengthening brand awareness. For example, Dove's #ShowUs project is a social media campaign that challenges traditional beauty stereotypes, created in partnership with Getty Images and Girlgaze Photographers, highlighting women and non-binary individuals. This campaign demonstrates how brands can use social media to promote positive social messages that resonate. Apple's #ShotOniPhone campaign encourages users to share photos taken with their iPhones, increasing user engagement and showcasing the product's capabilities while leveraging user-generated content (UGC) for brand promotion[4].

The phenomenon of IP-driven brand development is not limited to Sanrio. Chiikawa, a comic strip by Japanese illustrator Nagano[5], has garnered significant acclaim, securing the 2022 Japan Character of the Year Award and a prominent position on the 2022 Japan Hot Goods list. Chiikawa is a super cute manga series made by the Japanese artist Nagano, featuring a hamster as the main character. "Chiikawa" in Japanese means "small and cute," and it first showed up on the author's Twitter account on May 1, 2017. The story has been shared on Twitter since January 2020, was published by Kodansha, and was adapted into a TV show in April 2022. In 'Chiikawa,' the narrative features a group of small animals who diligently work and earn certificates for weeding to sustain themselves, mirroring the universal challenges of life that many individuals encounter.

In the story, Hachiware[6], Chiikawa, and Usagi make pure friendships by being sincere with one another, and they find happy moments even when things aren't perfect. A lot of people, especially young folks, have fallen in love with Chiikawa's story and characters on social media. It's become super popular, and with that, it's worked with some big brands to make lots of cool stuff that fans want to buy. Nagano, the person who made Chiikawa, has made a lot of money from all this, especially from selling those cool Chiikawa things. In China, they've started showing Chiikawa in Chinese on websites like Bilibili and Douyin, which has helped it get even more fans there. What makes Chiikawa so special is that it gets young people. It's like a "chill pill" for when life gets too much, giving them a break and making them feel better. The Chiikawa anime adaptation has amassed over 43 million views on YouTube, reflecting its rising popularity. In China, data from the XiaoHongShu app indicates a staggering increase in #chiikawa page views, underscoring its resonance with the youth demographic, particularly in first-tier cities, and across diverse interest groups. Chiikawa's narrative is soothing and engaging, resonating with the zeitgeist of seeking relaxation amidst a hectic lifestyle, achieving popularity through memes, co-branding, and accessible merchandise, thereby rapidly expanding its influence and generating substantial profits.

Sanrio and Chiikawa certainly have their ways of making their characters big hits. Sanrio, for instance, has seen a jump in sales by putting out special stuff like the 20th birthday goodies for their character, the Laurel Dog. Chiikawa, on the other hand, has become well-known and sold lots of its stuff by having its cartoons on TV and getting people talking about it on social media. Sanrio reaches out to more fans by being active on social media, which helps make its brand better known. Chiikawa also has lots of followers on social media, and it chats with them through its official pages, which helps to push its brand and grow. When it comes to making their brands bigger, Chiikawa teams up with other famous brands. This way, they make more people aware of Chiikawa and cover more of the market.

Sanrio has been around for a long time, and it has built a strong way of doing business. It uses its brand in lots of different ways, like giving permission to other companies to use its characters and selling its products all over the world. Sanrio also has a bunch of different things it does, like running theme parks and making games, which helps it reach more people. Even though Chiikawa is super popular in Japan, it's still working on getting known in other countries. Sanrio, with its long history and famous characters, is already a big name everywhere in the world. With its characters like Hello Kitty, Sanrio has a strong place in the market, no matter where you go.

The transformational power of IP is also evident in the revitalization of traditional attractions, such as the Palace Museum. The 2014 viral sensation "Yongzheng: Feeling Cute" rebranded the museum's image, attracting a new demographic and significantly increasing visitor numbers. This case illustrates the innovative application of IP in marketing, adapting to societal evolutions and consumer preferences, contrasting with the primary IP development followed by business model integration seen in other examples.

### 3. Experimental Purpose

To elucidate the impact of intellectual property (IP) in shaping corporate image and brand, this study begins with an in-depth review of the existing literature. An examination of academic and industry reports over the past few decades reveals that, although a substantial body of research exists on brand building and marketing strategies, there is a notable absence of focus on IP as a central research subject. In particular, most of the current literature often neglects how IP can establish an emotional connection with consumers in the information age and promote consumers' in-depth discussion on brand loyalty. The analysis of Sheng Wu's 'Super IP' and other theoretical works provides a foundation to further explore the unique value and influence that IP, as a new species, brings to brands in the Internet era.

However, there is often a lack of long-term follow-up studies on the long-term impact of IP on enterprise economic benefits. Therefore, this study aims to fill this gap, to demonstrate the specific impact of IP on sales and enterprises through more convincing research, and to explore whether the effect of IP is the same in different market environments. In addition, this study focuses on how IP is constantly changing to adapt to consumer preferences and social trends analysis of Sanrio, Chiikawa, and the Palace reveals the application of intellectual property (IP) across various cultural and market contexts, along with its strategic implications for branding.

These case studies show that despite the variety of manifestations of IP, its role in enhancing brand personality and engaging consumers is consistent. Through these supplements, our literature review not only provides a solid theoretical foundation for the research, but also clarifies the innovation points and potential value of the research, and lays a foundation for the subsequent research methods and experimental design.

#### 4. Method

This study will have a total sample size of 5,000 people, and adopt the experimental method in quantitative research to obtain first-hand data. In addition, cross-sectional random sampling will be adopted to screen the subjects, and a single-blind experiment will be conducted during the experiment. Conclude the experiment and debrief the participants afterward to ensure the ethical issues of the experiment.

#### 5. Content

This study will adopt the experimental method of quantitative research. The research question is "whether the shaping of IP will produce greater economic benefits for enterprises". We will sell two kinds of bear dolls in a shopping mall, one is the famous IP bear doll, and the other is the same company that does not create IP bear dolls. There is little difference in color, size, and quality between the two dolls, but there are different image characteristics brought by IP. The experiment will use stratified sampling to randomly select 5,000 middle school students from different schools to go shopping in the mall and finally compare the sales volume of the two kinds of bears. In this experiment, the independent variables selected for examination were the different bears and their associated intellectual property (IP), with the dependent variable being the number of customer purchases, highlighting the varying outcomes attributed to the distinct IPs.

The experiment adopts the method of cross-sectional study, and the samples examined are all middle school students, which can largely screen out the individual cases who make choices because they do not know famous IP. If the purchase volume of famous IP bears is greater than that of ordinary bears, it can indicate that the shaping of IP will bring greater economic benefits to the enterprise, but if the purchase volume of ordinary bears is greater than or equal to the purchase volume of famous IP bears, it indicates that the shaping of IP has little impact on the enterprise. In the process of the experiment, a single-blind experiment should be conducted to avoid modifying the subjective will of the sample because it knows the experiment topic. Pay attention to the post-explanation, and inform the subjects of the experimental purpose to ensure the ethical experiment.

This kind of research method can better reflect the causal relationship and facilitate us to better conclude. Other methods may have more confounding variables, which may lead to inaccurate experimental results. For example, the interviewer may not select the results carefully because the interviewer is in a bad mood that day or is urged.

## 6. Expected Results

This study is expected to reveal the critical role of intellectual property (IP) in shaping corporate image and brand strategy. Based on the comprehensive analysis of existing literature and the construction of a theoretical framework, we expect to find the following points:

It is expected that the results of the experiment will show that brands with a significant IP presence have higher brand recognition among consumers. Dolls with unique IPs in the experiment will have more buyers. Dolls with IP can enhance people's purchasing power for goods and increase brand exposure.

## 7. Where The Experiment Could Be Improved

To enhance the credibility and persuasiveness of the experiment, several improvements could be considered building upon the current experimental design. First, the sample range can be expanded to increase the total number of samples and improve the diversity. Doing so reduces bias and improves the generalisability of the findings. Secondly, the analysis should extend beyond sales volume to include a comprehensive evaluation from multiple dimensions. Additional indicators that could be considered include the number of brand followers, levels of brand loyalty, and consumer satisfaction...Comprehensively evaluate the impact of IP on enterprise economic performance. Third, long-term follow-up studies should be conducted to continuously follow up this experiment. Longitudinal studies are conducted to understand the long-term impact of IP on business revenue, to understand the ongoing benefits of IP, and the impact on the business. For the long-term follow-up of the experiment, the focus should be on key indicators such as brand value, market share, consumer behavior, revenue and profit, and market adaptability. The quantitative brand value evaluation method could be employed, with the World Brand Lab's approach serving as a reference [7]; this method primarily utilizes the adjusted present value of earnings method, which is grounded in an affordability-based approach. Additionally, a combination of consumer research, competitive analysis, and future revenue forecasting for the company, along with a quantitative market share evaluation method that encompasses total market analysis, target market analysis, major competitors analysis, and relative market analysis, could be implemented.

## 8. Conclusion

Although the experiment has been designed with the following considerations, crucial aspects still require attention, including the availability of two toys that are comparable in quality and price, where one incorporates intellectual property (IP) and the other does not. Identifying such specific comparisons can be challenging; however, once these are found and included in the experiment, it will facilitate an accurate determination of the relationship between IP and brand economic revenue. This approach will enable a comprehensive summary and validation of the fragmented information regarding IP's role in shaping current research.

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