

CHAPTER I

Background

1.1. Background

The development of local Indonesian brands has been experiencing an increase in recent years. The number of Indonesians who are aware of different local brands and are interested in becoming fans of particular Indonesian brands reflects the growth of local brands in Indonesia (Arviani *et al*, 2022). With the increasing competition, companies are now forced to think of creative ways to implement new strategies to defeat their competitors (Zuhdi *et al*, 2020). Co-branding, the strategic alliance between two brands, has gained significant attention in recent years as a powerful marketing approach. The Indonesian Ministry of Tourism and Creative Economy, through the Wonderful Indonesia Co-Branding Forum (WICF), calls for the co-branding partners of Wonderful Indonesia to continually expand their co-branding efforts.

The Indonesian gaming industry has experienced remarkable growth, propelled by the increasing popularity of video games and esports. In the gaming industry, Indonesia, the largest country in Southeast Asia, is the 17th largest market globally (Mulachela *et al*, 2021). A high usage rate of smartphones accompanies the growth of Indonesia's gaming industry. In 2022 alone, the average Indonesian spends 5,7 hours daily on their phones (Riyanto, 2021). To tap further into this market and engage with the gaming community, gaming brands have recognized the potential of partnering with virtual YouTubers (VTubers). VTubers, digital avatars controlled by real individuals, have gained immense popularity, particularly in the gaming community, as they engage audiences through live streaming and content creation.

One intriguing form of co-branding between a gaming brand and a VTuber has emerged through a collaboration between the Indonesian gaming brand Fantech and an Indonesian independent VTuber Mythia Batford. As of July 17th, 2023, Mythia Batford has 795.000 subscribers, garnering over 45 million views on YouTube since debuting on December 1st, 2020, making her the largest independent VTuber in Indonesia.

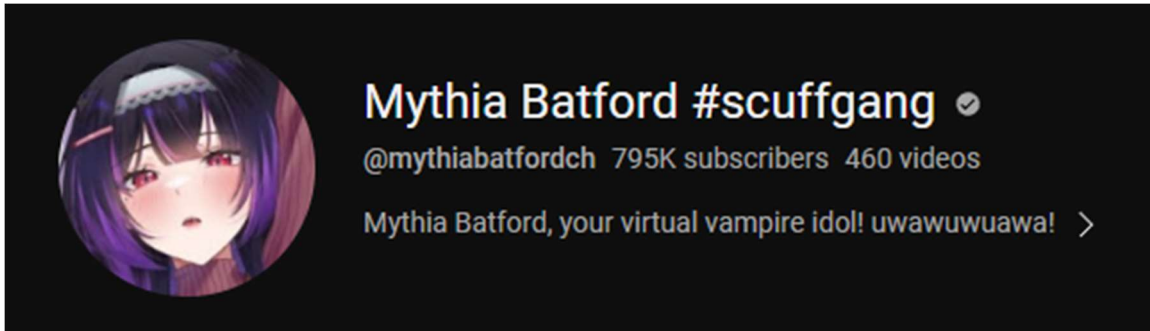


Figure 1. YouTube channel subscriber count of Mythia Batford

Source: youtube.com (2023)

The unique combination of Fantech as a gaming brand and Mythia Batford as a VTuber offers an exciting opportunity for co-branding initiatives. By joining forces, Fantech and Mythia Batford aim to leverage their respective strengths and create a synergistic brand experience. VTubers, with their virtual personas, bring an element of entertainment, authenticity, and relatability that resonates with gaming enthusiasts. Their ability to provide engaging live-streamed content, commentary, and interaction creates a unique connection with audiences, making them influential digital personalities within the gaming ecosystem.

The motivations behind the co-branding strategy between gaming brands and VTubers are multifaceted. Co-branding can boost sales through existing target markets and enable new opportunities for new consumers (Zuhdi *et al*, 2020). For gaming brands, collaborating with VTubers allows them to access the VTuber's dedicated fanbase and tap into their influence and reach. This partnership opens up opportunities for increased brand visibility, expanded audience demographics, and enhanced brand loyalty. VTubers, on the other hand, benefit from aligning with reputable gaming brands, which can provide them with resources, sponsorship opportunities, and exposure to a broader gaming community. In the case of Fantech and Mythia Batford, Fantech released a limited product line, from September 9th to September 11th, 2022. Announced on September 5th, 2022, Fantech released four limited Mythia Edition collaboration products; keycaps, a desk mat mousepad, a mouse, and a gaming chair.



Figure 2. Fantech’s announcement and call for preorders of the Fantech Mythia Edition product line

Source: fantechstore.id (2023)

The co-branding strategy between Fantech and Mythia Batford offers several potential benefits outside the sales of Fantech Mythia Edition products. The co-branding efforts enhance brand awareness and recognition for both parties. The collaboration creates a mutually beneficial relationship, where Fantech gains exposure to Mythia’s audience. At the same time, Mythia receives support and validation from an established gaming brand. Additionally, co-branded content can generate excitement, foster community engagement, and drive user participation for both parties.

1.2. Problem Statement

1. What are the communication activities that Fantech and Mythia Batford implemented in driving product brand awareness of Fantech Mythia Edition on X?

1.3. Scope

1. This research is conducted specifically on the Mythia Batford and Fantech Indonesia X accounts that mention the product line Fantech Mythia Batford Edition
2. The main data that will be gathered is:
 - a. Digital marketing activities on Mythia Batford’s X account
 - b. Digital marketing activities on Fantech Indonesia’s X account

1.4. Goal

The main goal of the research is to:

1. Identify the activities implemented in raising awareness of Fantech Mythia Edition products.

1.5. Benefits

The benefits of this research include both practical and academic benefits:

1. Contribute to the repository of knowledge and reference for research in marketing.
2. Contribute as a reference to marketing practitioners, specifically regarding co-branding and digital marketing.

