

# Brand Alliances Put to the Test

I'll bet that, more than once in your career, you've pondered the risk of teaming up with some other brand in a co-branding deal. The deal probably looked good; the conditions were perfect; but the brand... would it damage your own?

It would be an exaggeration to claim that a number of studies have examined co-branding. But, luckily enough, I've managed to get hold of one study that might help us shed light on the issue.

The Journal of Consumer Marketing published the study I'm referring to in 2000. It reveals a lot of interesting data and highlights facts of which we are possibly instinctively aware -- by confirming them empirically. The study was based on potato chips and dips. By offering various combinations, the tests helped the research team determine how human beings value brand alliances.

Now, here's the interesting fact. It turned out that, according to this survey, if you teamed up two high-equity potato chip and dip brands, the prior-to-tasting score was 4.63 out of 7. After

trial tasting, the score was 5.06. In other words, approval ratings demonstrated only a slight increase after trial tastings. But when the researchers teamed up two low-equity potato chip and dip brands (in fact, two fictional brands that no one had, of course, ever heard of), the prior-to-tasting score was 3.98 and the post-tasting score was 4.51. The surprise? The products used in both tests -- the high- and low-equity brand tests -- were the same! But, clearly, the subjects not only perceived a difference between the specimens, they comprehended "better value" in the low-equity brand combination.

We learn from this study that high-quality brands that team up with other high-quality brands can expect to gain from the co-branding partnership -- but it will be limited. However, if you happen to represent a low-equity brand, this study indicates it might be a good idea to team up with another low-equity brand.

What about a high-equity brand teaming up with a low-equity brand? Well, according to this and other surveys,

such a venture has value and limited risk. If the products in question deliver what they promise, the risks to each of them are minimized further -- even when a high-equity brand teams up with an obscure one.

So, if you happen to represent a high-equity brand, worry not: Teaming up with low-equity brands won't damage your reputation, as long as you keep a constant eye on that brand's product or service quality.

Needless to say, if you represent a low-equity brand and you co-brand with a high-equity brand, not only will you increase sales but the association will help you dramatically improve your brand's image, too.

What I find fascinating from all the surveys I've seen over the years is that consumers actually love brand alliances. People want guidance through the overwhelming plethora of brands out there. Most consumers



currently see brand alliances as being beneficial to them. Consumers perceive the strategy as a promotion created for them -- rather than for the marketers aiming to increase brand sales.

So, the conclusion is clear. Brand alliances have the potential to boost your brand's sales, improve its image, and communicate benefits to consumers.

Consumers see brand alliances as being beneficial to them.

What more could you ask for? And, by the way, what's holding you back? There are more than enough brands for you to team up with at the moment!

---

## Further Information

For more information about Martin Lindstrom, [click here](#).