

Brand + Brand = Success

Will the recent alliance between Procter & Gamble and Gillette succeed? Well some years ago, the American Marketing Association produced a study with an interesting result. In a consumer survey on co-branding, 80 percent of respondents said they would be likely to buy a digital-imaging product co-branded by Sony and Eastman Kodak. However, only 20 percent of respondents claimed they would buy the product if it were branded by Kodak alone, and only 20 percent said they would buy the product if it carried only the Sony brand.

Unfortunately, not all examples are as promising as the Kodak/Sony one. Take AT&T and British Telecom's alliance, Concert. Launched on July 26, 1998, it was backed by \$10 billion and two of the world's most respected Telco's. The alliance failed in less than two years and closed only months ago, leaving everyone doubtful about the value of co-branding and alliance ventures. Over 90 percent of co-branding ventures fail. Half go under because three simple rules were not observed. If you're considering a co-branding relationship, take heed of these three ground rules
Equal Value for All Parties
If the potential relationship doesn't represent clear value for both parties, forget it. What's more, forget everything about trying to fashion a better deal out

of the arrangement than your partner's deal. No relationship in which one of the two parties has a better deal has survived. This doesn't mean one brand can't be very well known and the other totally unknown. It means the benefit to both parties from the relationship must be equal. Recently Samsonite released a new bag based on a new brand alliance with Philippe Starck. No surprise there, as Samsonite is the world's largest luggage manufacturer. Philippe Starck, one of the worlds leading household names in design. Brand combinations are indeed often surprising. These days, I often notice alliances I'd never have predicted but as long as they represent equal value for all parties – they're on track.
Brand Value Match
The idea of two brands working together might seem perfect at the board meeting, but the reality may be impossible to implement if the participating brands don't share values with each other. A co-branding partnership representing brands that are too different, that have no values in common, or that contradict each other's brand images will be over before it's started. Bearing this in mind, let's consider the AT&T/British Telecom alliance. Do you understand what that alliance was all about? I don't. Was t a way to create new global products, such as global phone numbers? The answers you receive to your question would depend on whom you asked.

Everyone will have a different take on the alliance's purpose. The reality, however, was that only a few products ever appeared on the global scene that would have indicated what the alliance was all about.

Easy to Understand
The brand relationship must be easily understood by you and by customers. If you can't explain the value of the relationship in two lines, forget it. How would a customer understand the relationship if you can't explain it simply?
Nestlé and L'Oréal some years ago announced a relationship. What do these two brands have in common? Anything? Yes indeed according to the two companies. Nestlé's aim is to produce food that's healthy, not only for the insides of our bodies, but for our skin as well. Who's the global market leader in skin care? You got it: L'Oréal. The question however is – did the consumer get it? The alliance still exists but is struggling – perhaps the alliance wasn't as "easy to understand" by the consumer as first anticipated by the two companies.

Co-branding might sound simple, but the wedding of successful brands doesn't



necessarily guarantee that the partnership will grow as a successful marriage. In many ways, brands are like people: They represent values and viewpoints. You know from the real world how difficult it is for married couples to reconcile their values and viewpoints and to stay together. Half of the world's marriages break down, and all but 10 percent of brands fail to maintain their co-branding partnerships. So, without any doubt, there's space for substantial improvement. And, needless to say, you'll see substantial savings in your marketing budget if you marry the right brand the first time.

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