Master Thesis

'Co-Branding as a Tool for Strategic Brand Activation - How to Find the Ideal Partner'

An Explanatory Case Study in the Fashion and Design Sector

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Abstract

Title: **Co-Branding as a Tool for Strategic Brand Activation - How to Find the Ideal Partner**; *An Explanatory Case Study in the Fashion and Design Sector*

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Keywords: Co-Branding, Brand Activation, Relationship Marketing

Thesis purpose: The purpose of this study is to investigate the interdependencies within the process of partner selection in the fashion and design sector and the emanating criteria for finding the ideal co-branding partner in order to use co-branding as a strategic brand activation tool.

Methodology: Multiple Case Study

Theoretical perspective: Brand Building and Brand Activation, Relationship Marketing, Strategic Alliances, Affinity Partnering, Co-Branding, Consumer-Brand Relationships

Empirical data: Interviews with expert consultants and company representatives (*adidas, BMW, BMW MINI, Diesel, H&M, Opel, Philips, Sharp, Volkswagen*)

Conclusion: Partner selection depends decisively on the different co-branding aims and incorporates the crucial step when using co-branding as a tool for strategic brand activation. The co-branding aim and the corresponding partner lead to various types of relationships, which, in this study, are anthropomorphized to connect the world of marketing and branding to real life. Fashion and design brands have proven to be particularly eligible as co-branding partners for brand activation due to their innovative and trend-oriented nature.

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List of Abbreviations

4 P's	Product, place, price, promotion
B2B	Business-to-business
B2C	Business-to-customer
BMW	Bayerische Motorenwerke AG
e.g.	Exempli gratia/for example
et al.	Et alteri/and others
etc.	Et cetera
ff	and the following
GmbH	Gesellschaft mit beschränkter Haftung/limited liability corporation
H&M	Hennes & Mauritz
i.e.	Id est/that is
MP3	MPEG-1 Audio Layer 3
MTV	Music Television
NPO	Non-profit organisation
p.	Page
POS	Point of Sale
PR	Public Relations
pp	Pages
SEK	Svensk Krona
SUV	Sport Utility Vehicle
TV	Television
UK	United Kingdom
USP	Unique Selling Proposition
Vol.	Volume

1. INTRODUCTION

1.1 The Role of Co-Branding in the Contemporary Branding Era

"We have entered what may be called the Golden Age of Brands."[1] This statement by Fournier is based on the fact that approximately 75 per cent of investments are placed in firms due to intangible assets such as brand values.[2] We can therefore assume that co-branding, generally referred to as the pairing of two brands in a marketing context,[3] plays an important role when it comes to brand building and activation. This hypothesis is also based on our observation that an increasing number of well-known brands employ co-operative branding strategies such as co-branding. Hunt et al., who argue that the rise of strategic network competition has enhanced the significance of relationship marketing, support our assumption.[4] According to a study[5] by the German consultancy firm *Noshokaty, Döring & Thun*,[6] the relevance of marketing co-operations is expected to increase considerably in the future. The following figure summarizes the predictions resultant from this study.
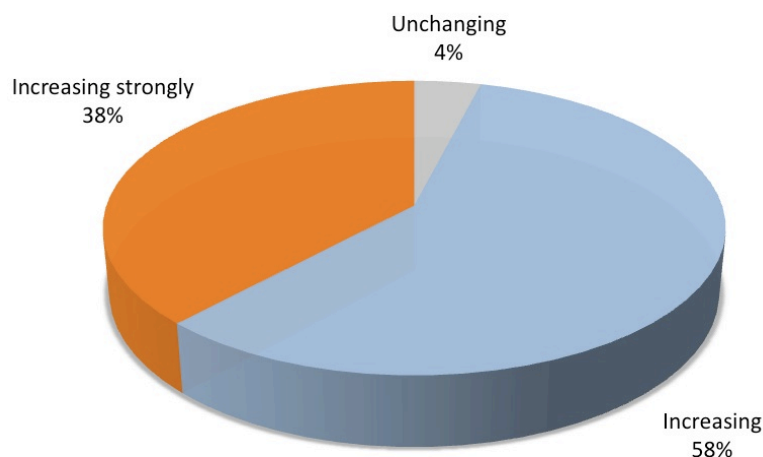
Figure 1. Relevance of Marketing Co-Operations[7]

The interviewees of the study by *Noshokaty, Döring and Thun*, cite the globalisation of consumption and the convergence of electronic media as the predominant factors for their opinions. They feel that marketing co-operations help companies to differentiate themselves from competitors, and thus to improve the relationship to the consumer. These predications prompted us to explore the topic of co-branding more thoroughly, focussing on the fashion and design industry, the lifestyle of which takes centre stage in our contemporary branding era with its numerous emotional laden aspects.[8]

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[1] Fournier et al. (2007), p. 781
[2] Knowles (2003)
[3] Grossmann (1997)
[4] Hunt et al. (2006)
[5] The study is based on questionnaires and interviews conducted with 108 company representatives from different branches.
[6] Noshokaty, Döring & Thun in Berlin is a consultancy agency in Berlin specialized in the field of marketing co-operations.
[7] Own illustration based on information from Noshokaty, Döring & Thun (2007)
[8] Roberts (2005)

1.2 Literature Review

Branding, in general, is a thoroughly investigated field of academic research. Marketing literature has analysed branding from all thinkable angles and, thus, provides a broad variety of sources to review. Researchers such as Kapferer and Kotler, among others, explore co-branding to some degree in their branding studies.[9] Very few, however, have investigated the topic in greater detail. Nevertheless, the secondary literature on co-operative business strategies in general, as well as on co-branding has increased in recent years. This development is discussed extensively in chapter 4.

With respect to our specified research question of 'How to find the ideal partner' in co-branding, we discovered that existing research predominantly considers the importance of the appropriate partner at the strategic alliances level. Kanter, for example, identifies criteria for partner selection based on alliance studies.[10] Morgan and Hunt as well as Bucklin and Sengupta both emphasize the importance of the right partner choice.[11] Parkhe recommends also taking internal aspects into account when choosing a partner,[12] in addition to the classical external criteria as described by Burgers et al.[13] This leads us to believe that the question of partner selection is generally considered within the overall context of marketing co-operations, in other words, as one of many aspects, and is not treated as the main issue as such. There are but very few and rather recent attempts to investigate the topic of partner choice more thoroughly. Darby, for example, defines the process of partnering as well as categories of important partner features.[14] However, what has not been explored yet is the question of how to go about finding the ideal partner in a co-branding setting in order to activate a brand through lifestyle aspects, such as fashion and design. To our knowledge, no clear attempt has yet been undertaken to explain how to identify the right partner for a specifically determined objective and, thus, for a corresponding relationship. This leads us in the direction of relationship marketing. In the area of consumer psychology, for example, researchers such as Fournier and Ji have started to investigate consumer-brand relationships in recent years.[15] However, no researcher has as yet examined brand-brand relationships within the context of co-branding in the fashion and design sector. Hence, we see an indispensable need to fill this gap within the existing literature on the topic, in order to provide a valuable contribution in the field of co-branding.

1.3 Problem Formulation and Purpose of Study

When considering the current situation as described above, as well as the growing pressures companies face to keep a brand alive in today's competitive and fast changing markets, it becomes

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[9] Kapferer (2004), Kotler (2006)
[10] Kanter (1994)
[11] Morgan and Hunt (1994), Bucklin and Sengupta (1993)
[12] Parkhe (1991)
[13] Burgers et al. (1993)
[14] Darby (2006)
[15] Fournier (1998), Ji (2002)

evident that co-branding holds great potential as a strategic tool for brand activation. In order to prove this assumption, we have identified the area of partner selection as our main gap and, thus, the key element of our focus, which we feel has not yet received sufficient research attention. In our opinion, this is the most pivotal step within the whole area of co-operative business strategies, as it constitutes the most important success factor for partnerships. On this topic, we have identified two other relevant areas, which are closely interrelated with our main focus. First, we take a thorough look at the approaches underlying the different co-branding strategies. Secondly, we are also interested in the relationships between two branding partners. Thus, the question arises: What characterises them and what makes each of them special and unique? A review of the literature as well as the theoretical framework clearly shows that the relevant terminology in the area of brand collaborations needs to be organised. The objectives of our study and the research we conduct in the above-mentioned fields will be explained in further detail in the next chapter. The purpose of our study is to better organise existing knowledge on the topic and to fill in the gaps described above by investigating the interdependencies within the process of partner selection in the fashion and design sector and the emanating criteria for finding the ideal co-branding partner in order to use co-branding as a strategic brand activation tool. Therefore, we provide a table of an explanatory typology of brand-brand relationships allocated in a matrix based on their characteristics. Deduced from that, we develop a framework of strategic brand activation through co-branding, illustrating the correlations between the strategic aims and the corresponding relationships.

1.4 Research Objective

While studying the literature, we found many good starting points for further research topics. However, the question that intrigued us the most was that of *how to find the ideal partner*. We regard this as the most relevant question for marketers as well as for researchers, since the choice of partner is critical for the success or failure of a relationship. Furthermore, this topic has barely been explored before. In our observation, design and fashion brands are especially popular for co-branding partnerships. We therefore decided to focus on this sector in particular. It is our assumption that design and fashion brands provide great potential to charge the partner brand emotionally, thereby giving it a more appealing image for the target audience. We feel that this field is particularly representative of the lifestyle-dominated era in which we live and therefore ideal for finding answers to our questions.

Second, we want to explore the different types of relationships that can exist between two brands, and how these relationships are characterised. Our third research objective is to find out about the companies' intentions when entering collaborations and to illustrate the correlation between partner selection and the determined aims in order to show how co-branding works as a strategic tool for brand activation. In addition to these defined goals, we also explore how firms use co-branding as a brand activation tool, how they measure the success of their co-branding activities and what

expectations they have for the future of co-branding in their sector as well as in general. In other words, we attempt to provide a relatively broad overview of the area of brand collaborations. Specifically, we seek to find answers to the following three research issues described in chapters 1.4.1, 1.4.2 and 1.4.3.

1.4.1 Criteria for Finding the Ideal Partner

The first and pivotal question when entering a relationship is: *How to find the ideal partner*? This question has, as yet, not been answered in a co-branding context adequately. Some researchers have made tentative efforts, but most research has largely remained on the surface of the topic. With our analysis, we aim to find out what companies specifically look for in a partner brand and why. Particularly, we want to investigate how the partner selection process at companies is handled, and whether collaborations are planned strategically, for instance, through continuous industry screening, or rather occur by coincidence, for example, through personal contacts or preferences. Moreover, we seek to find out what criteria the perfect partner has to fulfil, and whether partners are chosen based on a certain criteria framework. Finally, we are also interested in exploring how a well-balanced relationship can be ensured so that the partnership results in a beneficial undertaking for both sides.

1.4.2 Typology of Brand-Brand Relationships

We consider co-branding as a contemporary cultural and social phenomenon in our society, in which everybody seems to be searching for the perfect match both in personal life as well as professionally. Prior research has primarily focused on consumer-brand or personal relationships. Brand-brand relationships, however, have been predominantly disregarded. We apply approaches from psychology and sociology and correlate partner selection in real life to partner selection in a marketing context. To investigate brand-brand relationships in greater depth and from a new perspective, we transfer and expand Fournier's typologies of consumer-brand relationship forms[16] to a different brand setting: *co-branding*. To provide an empirical basis for this typology, we asked our interviewees to describe the relationships to their partner brands, and what, in their opinion, makes each of them special and unique. Based on these findings, we humanize the brands, resulting in a brand-brand typology describing the individual characteristics of these relationships, and we further arrange these relationship forms in a matrix, showing their coherent relation.

1.4.3 Framework of Strategic Brand Activation through Co-Branding

Deduced from the different approaches in co-branding and the various resultant relationship types defined in our brand-brand typology, we develop a framework of strategic activation through co-branding that correlates the defined aims with possible relationship types. We understand a framework as a formation of objects illustrating interrelations. The aim of this framework is to explain the

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[16] Fournier (1998)

connections and dependencies between the different co-branding components and to show the dynamic process of brand activation and brand relationships as strategic tools within this process. The framework furthermore serves as a summary of our findings from the case studies.

1.5 Motivation for Theoretical and Methodological Approach

The research analysis of this paper is embedded in a theoretical framework that provides an overview of co-operative marketing strategies in a relationship-marketing context. It provides an explanation of the area of strategic alliances and offers insights into the various approaches within affinity partnering. The theoretical information and the models presented are the basis of our analytical research within the case studies, and help to answer our key question of finding the ideal partner. Moreover, we transfer the consumer-brand relationship theory to the area of co-branding and draw conclusions for brand-brand relationships in order to provide a typology for this field. Finally, the terminology of the existing theory is organised according to a comparison between the secondary literature and the primary empirical data compiled from our expert interviews.

In order to confirm our assumptions and provide empirical evidence, a qualitative research analysis is conducted. We thereby choose multiple case studies and telephone interviews as the most suitable research vehicles for this paper. This particular approach offers us the possibility to access qualitative and meaningful data, and thus, serves in gaining practical and theoretical contributions in a distinctive way. [17] The advantages and disadvantages of this choice are discussed in detail in chapter 3.3.

1.6 Limitations

The theories cited in this work are simplified descriptions of many comprehensive studies. It is not the objective of this paper to provide exhaustive accounts of these theories. Only those theoretical views, parts and concepts that support the objectives of this study are given consideration. It should be emphasized that the research focus is co-branding on an international scale, although mainly with brands and interview partners originally coming from Europe. It should be noted that if we had used other cases, such as less successful co-branding ventures, or interview experts with a different background, such as design managers or marketing experts, we might have drawn more diverse conclusions. Hence, general conclusions can only be made with the caution and the knowledge of these limitations. Furthermore, there are other elements of co-branding, which are not covered in the scope of this paper, but which nevertheless should be considered as part of the process of partner selection. Possible elements, for instance, include politics or the cultural environment. Therefore, a closer look at, for example, cultural adaptations of the co-branding projects presented in this paper might have shown a slightly different approach when choosing the ideal partner and activating a brand

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[17] Bryman and Bell (2003)

through co-branding. Also, social co-operations, such as Corporate Social Responsibilities, are not included in our field of co-branding.

1.7 Outline of the Paper

This thesis consists of seven chapters. While chapter 1 introduces the topic and research question, chapter 2 provides background information about co-branding. It defines co-branding, offers a brief perspective on how co-branding has developed over the years, and outlines its opportunities and threats. It also discusses the legal environment of co-branding, and examines the importance of co-branding in the fashion and design sector.

Chapter 3 explains the logic underlying the empirical research of this study. It presents the assumptions on which the methodological approach is based on and explains our research strategy and design. Furthermore, the chapter indicates the limitations that arise out of this particular methodological approach.

Chapter 4 provides the theoretical framework for the paper, focussing on the concepts of brand building and brand activation, relationship marketing, strategic alliances, affinity partnering and co-branding. It also gives an overview of previously conducted research in the field of consumer-brand relationships.

Chapter 5 constitutes the analysis part of the paper and contains the core of our research: the case studies. Based on the conducted qualitative research, it discusses representative cases of co-branding. We describe collaborations in the fields of fashion and design with fashion, namely *H&M* and *adidas*, with consumer electronics, namely *Philips* and *Sharp* and with the automobile sector, namely *BMW* and *Volkswagen*.

The findings of the study are presented in chapter 6, along with theoretical and practical contributions. Our theoretical contributions are a typology and matrix for brand-brand relationships and a framework of strategic brand activation through co-branding. Then, the success factors for the perfect co-branding match are defined based on the findings. Finally, the consequences of making the right or wrong choice are elaborated.

Finally, chapter 7 summarizes the results of our study and offers concluding thoughts. Moreover, it provides suggestions for further research.

2. BACKGROUND

2.1 Definition of Co-Branding

The term co-branding is used in different ways by researchers and practitioners. Even within academics, there is no general agreement on a precise definition. While there is consent on the general idea that co-branding involves the pairing of two brands in a marketing context,[18] it is not quite clear, whether a new product emerges from the joint activities of the two brands or not. Academics disagree about this question, whereas practitioners tend to use co-branding as an umbrella term for all joint activities ranging from one-day long sponsoring events to the joint development of a product planned over many years. Chapter 4.2.4.1 provides a detailed explanation and discusses the different views. A classification of co-branding according to the level of involvement is presented in chapter 4.2.4.2.

2.2 Development of Co-Branding

The strategy of featuring the names of two popular brands on one item first came into being in the mid-1990s.[19] In general, the concept of relationship marketing spread immensely during this time,[20] after relationship quality had emerged in the early 1980's.[21] Blackett and Boad refer to McKinsey&Company who state that in the last decade the amount of corporate alliances worldwide, including co-branding ventures, has grown by 40 per cent each year.[22] The number and size of these partnerships has increased and become more central to overall marketing strategies.[23] In recent years, the trend to enter into brand alliances and brand collaborations was mainly motivated by competition and improved operational efficiency.[24] Today, partnering is critical to success.[25] Darby conducted a partnering survey that shows that 80 per cent of UK companies believe that partnership sourcing has a crucial impact on competitiveness.[26] Furthermore, the aspect of added value and image transfer is estimated to be more important, offering additional potential to gain competitive advantages in saturated markets. Kapferer refers to Chang and Mauborne who claim that the future lies in value innovations.[27] Our interviewees are largely of the opinion that the main motives for co-branding have not changed decisively. Susanne Becker, Manager at *Noshokaty, Döring and Thun*, explains that the dimensions of co-operations have changed though.[28]

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[18] Grossmann (1997)
[19] Liebeck (2005)
[20] Gummesson (2002)
[21] Ibid
[22] Blackett and Boad (1999)
[23] Ibid
[24] Darby (2006)
[25] Ibid
[26] Ibid
[27] Kapferer (2004)
[28] Becker (2008)

> *"Gaining new customers is 'core'. Within the last ten years, co-operations have definitely gained in significance, companies started to understand the potential of co-operations. [...] Marketing co-operations have become an established marketing instrument."* (Susanne Becker, *Noshokaty, Döring and Thun*)

Also, image-driven co-operations have not been seen in such a degree.[29] Thus, today, co-branding is used to promote both tangible assets as well as more and more intangible values.

2.3 Legal Aspects of Co-Branding

Co-branding involves licensing fees, royalties and other expenses, along with a number of other legal issues.[30] As a result, agreements of legal arrangements are indispensable to reduce risks and ensure well-balanced partnership. Co-branding agreements cover rights, obligations and restrictions that are binding to both the parties. Essential provisions must be thoroughly drafted to provide clear guidelines for the parties involved. For example, parties must decide who has the primary responsibility for marketing the co-branded product.[31] Prince and Davies cite Grundlach and Murphy, who provide an explanation of the legal differences of co-branding agreements and strategic alliances.[32] Co-branding agreements are often initiated through informal exchanges of intentions, which are then followed by *traditional contractual exchanges*, and finally formalized in a binding agreement between the two parties, with the aim of involving both firms in the mutual brand building or marketing venture.[33] Strategic alliances, on the other hand, usually begin with *non-traditional contractual exchanges*, that imply an intent to work together in order to develop innovations.[34] While most strategic alliances are usually long-term in orientation and require large investments, contractual co-branding arrangements generally have shorter durations or include a trial period within the contract.[35] Thus, both parties can make a decision following the project as to whether they want to continue their co-business relationship, or end the agreement. In the event of an extension, prior arrangements can turn into strategic alliances. Irrespective of these two contract forms, both parties generally retain their independent outside of the co-brand or alliance arrangement.[36]

Also, an exit strategy must be included for the event that the co-branding arrangement should fail to meet the defined goal.[37] It is usually defined beforehand while adjusting specific stipulations in a contract. Most of our interview partners have contractual agreements with their partner brands to ensure that one party does not dominate the partnership. Klaus Petri, Director of Communications for

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[29] Becker (2008)
[30] Liebeck (2005)
[31] Blackett and Boad (1999)
[32] Prince and Davies (2002)
[33] Ibid
[34] Ibid
[35] Ibid
[36] Ibid
[37] Ibid

Germany, Austria and Switzerland at *Philips*, also stresses the financial issues that need to be clarified through the contract:

> *"When you are selling co-branded products, both parties in the end want to make money out of it. And there are always discussions about how the margin is divided between the two partners. [...] Of course you have to make contracts before you bring a new product onto the market."* (Klaus Petri, *Philips*)

Anni Oppermann, Senior Global PR Manager at *adidas,* agrees, *"If it's a real partnership you have a contract behind it."*[38] However, in reality, a contract does not always exist. In one interview, Reinhart Buchner, Design Manager at *Sharp,* points to the fact that *"these relationships are all very trustworthy. We don't have a written contract or anything – just shake hands. We trust our partners."*[39] Christina Käßhöfer, Head of Marketing at *Diesel,* supports this aspect of trust, noting, *"If I don't have a partner I can trust, I will not work with him."*[40] She further explains that, unlike a local single co-operative project, an international collaboration requires a legally binding agreement, particularly if there is a lot of money involved. However, in some cases, she adds that it is sometimes *"quite threatening to the other party if you come with a [...] contract and if it's only for one event then sometimes some people do not react the way you want."*[41] For smaller co-operations, she prefers coming to an agreement via email, because *"sometimes it is the more charming way than a legal contract."*[42] Nevertheless, due to changing market environments and managerial turnover, relying on verbal consent or informal commitments can be risky. In order to prevent controversies and exploitation, a legal agreement is recommended both in theory and in practice. However, because every co-branding venture is different and unique, specific stipulations of the general business terms and conditions are practically indispensible.[43] According to Prince and Davies, these should include precise definition of the roles of each decision-maker, and statements on how strategies are justified to stakeholders, on the limitations of the relationship, on how assets are shared and for how long.[44] However, without the trust and goodwill of both parties, even the best contracts and legal agreements cannot ensure a stable mutual business relationship for the future.

2.4 Opportunities and Threats of Co-Branding

"You can destroy as much as you can succeed with a partnership or co-branding."[45] This quote by Anni Oppermann clearly underscores the fact that partnerships offer both immense opportunities for success as well as risks for failure. The following analysis provides an overview of the main opportunities and possible negative consequences of co-branding from a B2B and a B2C perspective.

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[38] Oppermann (2008)
[39] Buchner (2008)
[40] Käßhöfer (2008)
[41] Ibid
[42] Ibid
[43] Blackett and Boad (1999)
[44] Prince and Davies (2002), p.54
[45] Oppermann (2008)

	Opportunities	Threats
B2B	• Brand activation • Access to new markets, POS and target groups[46] • Increase of market penetration and sales • Generation of meaning transfer[47] and image benefits through spillover effect • Efficiency through creation of new and unique consumer perception of the co-branded product[48] • Enhancement of the weaker brand's value in case of unequal partnership[49] • Reinforcement of brand name through repeated exposure[50] • Transfer of new and embedded knowledge[51] • Outsourcing of specific responsibilities • Strengthening of market position[52] • Increased efficiency through shared risks and costs • Economies of scale and synergies • Improvement of brand equity perception[53] • Increased market share[54] • Media response and word of mouth • Resources potentially gained through co-operative relationships: financial, legal, physical, human, technological, organisational, relational, informational[55] • Competitive advantage within rivals and mature markets; ability to better adapt to the changing markets • Win-win proposition for compatible product categories[56] • Creation of operational advantages, e.g. use of the partner's distribution channels • Possibility to demand a higher price due to added value of co-brand • Prospects for engaging in long-term relationships leading to future joint undertakings	• Brand equity damage through partner and brand misfit[57] • Harm through unstable images and environmental changes • Domination of the partnership trough one party • Sales cannibalization of existing products[58] • No equivalent contributions in case of partner misfit[59] • Product recalls in case of failure • Internal communication problems due to cultural differences • Media response and word of mouth. • Difficulty to measure the success of the image transfer and the partnership • Legal requirements

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[46] Becker (2008)
[47] Bengtsson (2004)

B2C	• USP, added value benefits and product differentiation	• Switching consumers
	• Improved consumer trust	• Consumer confusion
	• Inveigling crossover effect on the consumer because of emotional charging[60]	• Vampire effect: celebrity brand takes centre stage while co-branded product itself becomes secondary[63]
	• Identification and personality transfer of celebrity brands	• Consumer resentment in case of product recalls
	• Reduction of risks as a motivation for consumer behaviour[61]	• Loss of authenticity and credibility in case of brand mismatch
	• Uniqueness and exclusivity compared to mass-market products[62]	• Consumer antipathy with consequence to acceptance and disposition to purchase through transfer of negative image
		• Overexposure, confusion and disorientation through too many co-operations[64]
		• Brand dilution through partnerships to unrelated product categories[65]
		• Difficulty of forecasting consumer's reactions to the partnership

Table 1. Opportunities and Threats of Co-Branding[66]

As this analysis has shown, co-branding offers multiple benefits if applied appropriately. However, if not employed with care and accuracy, it can also backfire and cause more damage than good. Through the right partner choice, co-branding can result in a win-win situation for both parties. The following chapters provide information on how to find the ideal partner as a strategy to activate one's brand as well as secure the opportunities mentioned above to one's advantage.

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[48] Washburn et al. (2000)
[49] Bengtsson (2004)
[50] Vaidyanathan and Aggarwel (2000)
[51] Gummesson (2002), p. 162
[52] Bengtsson (2004)
[53] Washburn et al. (2000)
[54] Bauer (2002)
[55] Sheth and Parvatiyar (2000), p. 493
[56] Washburn et al. (2000)
[57] Ibid
[58] Vaidyanathan and Aggarwal (2000)
[59] Simonin and Ruth (1998)
[60] Awada (2003), p. 44
[61] Sheth and Parvatiyar (2000)
[62] Oppermann (2008)
[63] Engel (2001)
[64] von Kirschhofer (2001), p. 34
[65] Vaidyanathan and Aggarwal (2000)
[66] Overview provided by the authors of this thesis (2008)

3. METHODOLOGY

3.1 Methodological Assumptions

Methodology can be defined as a *"combination of techniques used to inquire into a specific situation."*[67] To develop a brand-brand relationship typology and matrix, and to answer the research question *"How to find the ideal partner"*, we employ both primary and secondary data. The production of data is a reflexive methodological approach linked to epistemology[68] and politics, and is therefore influenced by a *"general set of assumptions about the best ways of inquiring into the nature of the world."*[69] Thus, dealing with methodology and choosing a research design has a deeper sense than only dealing with accurate methods. On the one hand, deciding on a particular methodological approach is a philosophical decision as to what one regards as important.[70] On the other hand, it involves taking up a responsible position. Methodological assumptions always provide insight into the researcher's epistemological and ontological[71] views and standpoints.[72] According to Haraway, the chosen methodological approach is a partial view that offers unexpected openings, though it excludes objectivity.[73]

We choose to employ a multiple case study approach for our research design. We further support the cases with semi-structured telephone interviews, which we conducted to gain a deeper understanding of co-branding relationships and to gather information, which is not available in the secondary literature. Our motives for this particular choice are outlined in 3.3. However, this particular subjective approach proved to be the most effective for researching on our topic. We acknowledge that a different approach may lead to different results.

3.2 Research Strategy: Qualitative

For the empirical research of our thesis, a qualitative approach was chosen. Qualitative research can be defined as a strategy that focuses on *"depth and subtlety in a single or small number of settings [...]."*[74] Accordingly, our thesis is a detailed and thorough analysis of unique cases in co-branding, taking into account the specific point of view and arguments of experts in this particular field. As such, we seek to find data that is both profound as well as insightful. Data, in general, are primary interpretations of empirical material. With this study, however, we attempt to gain contextual

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[67] Easterby-Smith et al. (2002), p. 31
[68] Epistemology is a general set of assumptions about the best way if inquiring into the nature oft the world.
   For further details see Easterby-Smith et al. (2002), p. 31 ff.
[69] Easterby-Smith et al. (2002), p. 31
[70] Easterby-Smith et al. (2002)
[71] Ontology is a study of assumptions that we make about the nature of reality. Fur further details see
   Easterby-Smith et al. (2002), p. 31 ff.
[72] Easterby-Smith et al. (2002)
[73] Haraway (1988)
[74] Research Mindedness [Accessed on 2008-04-25]

understanding of the phenomenon of co-branding, that is, to investigate the process of finding the ideal partner in its larger discourse rather than simply discussing the everyday factors surrounding brand co-operations. The most apparent difference between qualitative and quantitative research is that empirical data are described by words rather than by numbers.[75] Another difference between the two research strategies is the theoretical approach. Usually, quantitative research involves testing a theory as a deductive approach, whereas in qualitative research as theory is usually generated trough the use of an inductive approach. Bryman and Bell describe inductive theory as *"something that emerges out of the collection and analysis of data."*[76] In our investigation, we apply an inductive approach to gather new insights on the topic and illuminate the phenomenon of co-branding from completely different angles.

When choosing the sampling cases and interview partners in qualitative research, there is little conformity in the secondary literature on this approach. However, in comparison to quantitative approaches, which generally involve probability sampling, qualitative approaches typically entail purposeful sampling. According to Marshall, sample strategies cover three broad approaches: convenience sampling, theoretical sampling and judgement sampling.[77] He describes the latter as a form of purposeful sampling. It is also the most frequently applied sampling technique. DiCiggo-Bloom and Crabtree describe purposeful sampling as an approach *"that seeks to maximise the depth and richness of the data to address the research question."*[78] These factors along with the feeling that this particular sampling approach best suited our needs also played a role in our decision to apply it to our research. Marshall proposes several subcategories of purposeful sampling. One of them, key informant sampling focuses on people with special skills and expertise. Accordingly, co-branding experts also form the key target group of focus in our primary research. As will be shown, the members of this particular target group are rather homogeneous, sharing many major similarities immediately linked to our research question. A profile of each respondent[79] supports this assumption while also providing a better understanding and greater transparency of the phenomenon of co-branding in general. A frequently cited drawback of qualitative sampling, it should be noted, is an inherently subjective element that can never be ruled out entirely. With respect to this study this means a certain degree of partiality on the responses of the interviewees can be assumed. Also, the cases and co-brands chosen for this study as well as the selection of the interviewees are subject to the author's own individual understanding of the research area. Biases, therefore, are to some degree unavoidable when conducting interviews.[80]

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[75] Bryman and Bell (2003)
[76] Bryman and Bell (2003), p. 285
[77] Marshall (1996)
[78] DiCiggo-Bloom and Crabtree (2006), p. 317
[79] See **Appendix A.**
[80] Yin (1994)

Another key issue that needs to be addressed in this context is the number of samples selected for the qualitative research. While Yin claims that factors such as sampling logic and typical criteria regarding sample size are irrelevant in a multiple case study,[81] Sandelowski is convinced that *"an adequate sample size [...] permits [...] the deep, case-oriented analysis [...] that results in [...] a new and richly textured understanding of experience."*[82] Consequently, the quality of small samples and the credibility of data play a more important role in our considerations than generalizations and quantity. In practice, the appropriate number of cases and interview partners evolves naturally during the course of the study. The optimal number of samples is automatically met with data saturation. This approach demands a flexible research design and constant reflection as to whether further data are required.[83]

Six cases from well-known brand relationships in the fashion and design industry were selected for this study. These are divided into three categories.

1. Fashion and design brands co-operating with other fashion and design brands
2. Fashion and design brands co-operating with consumer electronics brands
3. Fashion and design brands co-operating with automobile brands

During our research, we contacted approximately 50 experts in the co-branding business, of whom twelve granted us a telephone interview, and another two agreed to respond to our interview questions by filling out a questionnaire. As opposed to interviews, questionnaires have the disadvantage of not providing an opportunity for follow-up questions. For the analysis part of our interviews, we focus on those respondents whose knowledge contributes the most to the specific case and our research questions, as well as on the key respondents from the related companies. The interview partners are categorized according to their different perspectives on co-branding: company representatives, consultants and dating agencies. The respondents from the various companies were all in the position to provide interesting insights on corporate internals. Consultants by comparison have a rather more external role. Dating agencies also tend to approach the topic from more of a sociological and psychological point of view. The findings from the various cases and the statements gathered from the respondents will be discussed in further detail throughout the paper.

Limitations of Qualitative Research

The advantages of a qualitative research approach for this study lie in the possibility it offers to conduct a thorough analysis of the cases as well as to ask complex questions in telephone interviews. It therefore facilitates in-depth study of value-laden facts and questions, and does not place limitations

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[81] Yin (1994)
[82] Sandelowski (1995), p. 183
[83] Bryman and Bell (2003)

on strictly defined research variables. Thus, the key advantage is flexibility. Yet, according to Bryman and Bell, the following critical factors surrounding qualitative research need to be taken into consideration:

1. *Subjectivity.* The results of the research depend too much on the researcher's perception of significance. That means, we do not only subjectively select the brand relationship for the cases and the interview partners, but also, while conducting investigations and interviews, we may subconsciously emphasize different topics and question facts we personally think are important for the study.

2. *Difficulty of replication.* This factor corresponds to the low degree of external reliability, which means that it is difficult to replicate qualitative studies. Especially during the interview situation it is not possible to freeze the dialogue and reproduce it in the same setting with the same circumstances at another point of time. Due to the unstructured form of qualitative research and the very flexible approach, the data are affected greatly by our notions and subjective thinking. Hence, an exact replication of the telephone interview is impossible to attain even with the same interview parties, as they, too, change throughout their lifetime.

3. *Difficulty of generalization.* This issue is concerned with external validity *"which refers to the degree to which findings can be generalized."*[84] While a high degree of generalization is provided by a representative sample in quantitative research, generalizations of qualitative data, according to Bryman and Bell, are affected by the value of their theoretical weight.[85] In our research, we therefore attempted to generate a sound sample of cases and interview partners through careful selection of both the brand relationship and the experts in fashion and design industries.

4. *Lack of transparency.* At times, there are difficulties to understand how a qualitative research study was conducted, starting with the selection of the brand relationship and the interview partner. The detailed description of our approach provided in this section of the thesis is an attempt to lend more transparent to our study. Generally speaking, the validity and reliability of a qualitative research approach are complex issues.

3.3 Research Design: Multiple Case Study

A research design, according to Bryman and Bell, provides a framework for the collection and analysis of data.[86] It shows the precedence of the research process. Yin explains that it is the logic,

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[84] Bryman and Bell (2003)
[85] Ibid
[86] Bryman and Bell (2007)

which links the data to the initial question of the study.[87] In order to investigate the question of how co-branding can serve as a tool for strategic brand activation, as well as what factors characterise the ideal partner brand, we conduct six case studies dealing with special forms of relationships in the fashion and design industry. The studies include secondary data, such as literature, press releases and websites, as well as primary data, which were collected through telephone interviews.

According to Bryman and Bell, a case study basically *"entails the detailed and intensive analysis of a single case."*[88] However, given the fact that we analyse six different cases, the concept of case study in our research rather resembled a multiple case study with each single case introducing a special form of co-branding and serving a different purpose within the general scope of the work. According to Yin, collecting and analyzing data from several cases requires much more effort. At the same time the rewards can be greater given the fact that the researcher can integrate variations into the cases.[89] This affirmation of a multiple case study research approach strengthens our study findings and provides additional support for our interpretations. In this context, Holt stresses the importance of searching for patterns between the complexities of the cases,[90] which he describes as a comparative process in which the researcher needs to make sense of existing data in order to build a new theory.[91] Hunt in turn describes theories as *"systematically related sets of statements, including some law-like generalizations that are empirically testable."*[92] In our thesis, we draw correlation between the research case findings and the theory of Fournier, who has developed a typology of consumer-brand relationships.[93] However, a theory about typologies of brand-brand relationships has not been considered in the literature as yet. By categorizing the different characteristics of brand-brand relationships, we provide an explanation of the phenomena, which, after all, is the purpose of theories.[94] Furthermore, in chapter 6.1.2 a framework of strategic brand activation through co-branding will explain the aims of the different strategic approaches, which are related to our research question *"How to find the ideal partner."*

Case studies as such take an in-depth look at one, or a small number of organisations normally over time.[95] Accordingly, our thesis takes an intensive look at the above-mentioned six brand relationships. Yin describes case studies as strategies that focus on contemporary phenomenon within a real-life context. They are *"the preferred strategy when 'how' and 'why' questions are being posed."*[96] Case

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[87] Yin (1994)
[88] Bryamn and Bell (2007), p. 62
[89] Yin (2004)
[90] Holt (2004)
[91] Ibid
[92] Hunt (1983), p. 10
[93] Fournier (1998)
[94] Hunt (1983)
[95] Easterby-Smith et al. (2004)
[96] Yin (1994), p.1

studies make it possible to explain, explore or describe the research question.[97] With its central *"how"* question, our research approach thus focuses on a contemporary phenomenon. That is to say, it is explanatory in nature. To a certain extend, however, the approach also includes exploratory and descriptive elements as much as empirical data in the form of primary data that were collected to describe the brand relationships. Case studies are generally based on multiple sources of evidence,[98] to increase the reliability and validity of the findings and to maximize the quality of data gained from the case studies, a very careful and thorough selection was undertaken for this paper. The process is further explained in 3.4.

Case Selection and Function

In the first step, we identify and select brand relationships, which we regard as the most promising for our study. Brand relationships which do not in any way fit into the fashion and design sector and which are not applied on an international scale, are automatically excluded. Naturally, brands and interview partners to which we have good access for information also played a role in our considerations. We are particularly interested in selecting internationally successful examples of co-branding with companies that share a common industry, namely fashion and design, but which differ in their strategic approaches. The crucial questions emerge as follows: What makes these particular brand relationships unique and what differentiates them from others? What elements make them indispensable for our thesis and discussion?

Following the selection of the cases and compilation of the empirical data, it is essential to conduct a systematic comparison to identify patterns and analogies, as will be explained in further detail during the analysis.[99] Fournier refers to this procedure as a cross-case analysis.[100] The theory development process is an essential part of the research design phase for multiple case studies.[101] Appropriate case description and exploration is crucial to ensure that the explanation works equally well across these and other cases in the chosen field.[102] For this purpose, we attempt to find interconnections between relationships in marketing and relationships in other humanities fields such as sociology and psychology. We compare various ways of partner selection in an effort to deduce similarities and differences characterising the different types of partnerships. The approach is also helpful in determining criteria that characterise the perfect partner for certain objectives and partnerships. By adapting and combining data from these various fields, the findings allow us to draw more general conclusions about the research topic. Thereby, it is important to ensure both internal as well as external validity. Nevertheless, we want to stress that the analytical focus of this particular study is

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[97] Yin (1994)
[98] Ibid
[99] Holt (2004)
[100] Fournier (1998)
[101] Yin (1994)
[102] Holt (2004)

aimed at a contextual understanding of the phenomenon of co-branding, rather than generalizations. This point is further discussed in 5.2.[103]

3.4. Research Methods

A research method, according to Bryman and Bell, is a technique of collecting data.[104] Yin in this context describes three principles of data collection, which we stick to in order to establish high qualitative case studies.[105] According to principle one, case studies should rely on a wide variety of sources as triangulation[106] strengthens the cases, makes them more convincing and accurate. We want to underpin our case studies by collecting various sources of secondary and primary data to provide more reliability. Reliability, according to Yin, means that when conducting the same case studies all over again, one should come to the same findings and conclusion.[107] To follow this replication logic, we use trustworthy and peer-reviewed sources of secondary data and conduct document studies, for example, using press releases and official statistical information of companies to ensure accurate background information and to augment and corroborate evidence from other sources. Furthermore, we collect primarily empirical data by conducting telephone interviews with experts. However, as has been mentioned in 3.2 an exact replication of telephone interviews is not possible. Principle two is about creating a case study database, which we create by taping most of the telephone interviews, taking notes while interviewing and transcribing most parts for our analysis and overview as will be explained later in this chapter. Principle three implies maintaining a chain of evidence to increase reliability of the information in the case study. We follow this principle by allowing the external observer and reader to follow the process of our telephone interviews by providing interview guidelines[108] and by describing the steps of our working process, starting with the choice of cases and ending with the ultimate conclusion.

Interviews in general, according to Yin, are *"the most important sources of case study information."*[109] We employ the interview form via telephone, which is one of the core research methods in qualitative research and, according to Bryman and Bell, determines *"the collection of data on more than one case [...] and at a single point in time [...]."*[110] With our empirical research we are interested in unique features of our cases and in opinions of different leading marketing managers respectively different organisations and institutions from sociological backgrounds, such as dating agencies. Our target group for the interviews are experts in co-branding in the fashion and design industries but also co-branding experts of companies from other industries, for example, from the consumer electronics and

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[103] Taylor-Powell and Renner (2003)
[104] Bryman and Bell (2007)
[105] Yin (1994), p. 90 ff.
[106] Triangulation is the use of more than one method or source of data in the study of a social phenomenon so that findings may be cross-checked. Bryman and Bell (2007), p. 733
[107] Yin (1994)
[108] See **Appendix B.**
[109] Yin (1994), p. 84
[110] Bryman and Bell (2003), p. 48

automobile sector. The informants are purposefully selected to maximize the insights on our research topic. To get a variety of interview experts we divide the professionals into two groups: company representatives and consultants. This segmentation helps us to get a broader opinion about co-branding from an expert point of view both in marketing and sociology. Due to the time frame we collect the data only once. Further research, however, can take up on this study and investigate in a longitudinal design if the influence of co-branding as a tool for strategic brand activation and the criteria for partner selection change over time as a result of changes in fashion and design trends or new marketing instruments.

Compared to quantitative interviewing, the main difference in qualitative interviews can be found in its less structured and standardized approach. There are two major forms of qualitative interviewing, unstructured interview and semi-structured interview. In our work we agree on the latter. Referring to semi-structured interviews, Bryman and Bell state, *"The interviewer has a series of questions that are in the general form of an interview guide but is able to vary the sequence of questions."*[111] Yin states that data from open-ended interviews employ a more *conversational* mode and require the investigator to have a sound prior knowledge of the subject matter.[112]

We prepare three interview outlines[113] in order to have a clear focus and a red thread to follow – one outline for marketing representatives, one for consultants and another one for consultants of dating agencies. Thus, we can concentrate on specific issues with predetermined open-ended questions and nevertheless react and inquire further when needed. Moreover, guideline questions create a higher degree of transparency and external reliability of the study. The main difference in these three guides lies in the phrasing of the questions. We adapt and reword the questions according to the specific brand, company and profession of the interviewee. We include different types of questions ranging from introductory questions to follow-up questions and probing, specifying and direct questions. In order to get the respondent to feel comfortable we start with broad and open-ended questions and then narrow them to get more specific information. Due to the tight time frame of our respondents, we schedule the interviews to take around 15-20 minutes.

In qualitative interviewing great attention is paid to language. Thus, recording is mandatory and transcription recommended. These techniques help correcting the natural restrictions of our memories, making repetitive and more solid examination possible and opening the data to further research and potential reuse in future studies.[114] Because of the evident advantages, we decide to record our telephone interviews; however, in one case an interviewee refused to give us permission to record so we had to take notes, which is not as efficient as having the possibility to listen to the recordings

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[111] Bryman and Bell (2003)
[112] Yin (1994)
[113] See **Appendix B.**
[114] Bryman and Bell (2003)

afterwards again. We decide to transcribe only the sections of the dialogues, which we think are relevant for our study.

For holding the interviews we employ online telephony with the *Skype* software. This enables us to make online calls to landline phones as well as mobile calls across the world at a fair charge. For recording, we use a test version of *Pamela*, which is a supplementary programme provided by *Skype,* and converts the recorded interviews into MP3 audio encoding formats.

For our study, the main advantage of telephone interviewing is its time and cost saving factors. Further, telephone interviewing is the most convenient method for us as business people are often time-restricted, difficult to reach and are furthermore used to communicating via telephone.

3.5 Methodological Limitations

We believe that being aware of the constraints and limitations of one's research approach is as important as knowing about its opportunities. When making the decision as to which brand relationships to use as cases in the study, the choice is somewhat limited in so far as we have to eliminate companies to which we do not have access to detailed data and interview partners. We also have to reduce the number of brands to which we have contacts to representatives, but who informed us that they are not allowed to give interviews about their co-branding strategies. Had we been able to include certain other cases, they might have revealed elements, which would have prompted us to come to different insights and thus, a different interpretation of the analysis.

While searching for co-branding experts and potential interviewees, we found that locating the necessary contact details was far easier than getting important business people to consent to giving us an interview. Some brand representatives were very co-operative. Others however, were extremely careful and declined our request on the grounds of personal privacy and data protection laws. In addition to personal contacts, Internet platforms and online business communities, such as *XING*, proved very helpful in contacting the right people by providing specific search criteria. Yet, we cannot claim to have interviewed all of the important experts for our research topic beyond a shadow of a doubt. Further, most of our respondents are from Germany, due to factors such as personal contacts, easier contact access or the location of the company headquarters, as in the case of *BMW* and *Volkswagen*. Nevertheless, all of the brands chosen operate and co-operate on international and global scales. Thus, we consider the interviews to be internationally representative.

A slight drawback in our primary research is apparent in the fact that we are not trained interviewers. Normally, interviewers are schooled in applying specific skills and tactics while conducting interviews. We had no such training, and thus, had to rely on what we had read in methodology books

on the subject and on our own subjective experiences. Concerning *inter-observer consistency*, meaning how many people conducted the interviews, both authors acted as interviewers; yet, not in one and the same interview. This, admittedly, can lower internal reliability.[115] Nevertheless, we preferred this division of the duties for the fact that each author was able to carefully prepare the interview while the other author provided back up support in case of uncertainties. In other words, while one author conducted the interview, the other author took notes and provided assistance when it came to vague responses or counter questions.

Finally, the social environment also plays a key role. While conducting the telephone interviews, we were not able to control the situation and environment in which the interviewees were located when replying to our questions. Distractions and interference from the immediate surroundings of the respondents may have had some bearing on the interviews. Other factors, which may have influenced the interviewees' responses, include cultural and social backgrounds. Except for one, not all of our respondents are native English speakers. Also, interpersonal factors, for example, with respect to the different socioeconomic positions of students and managers, may have played a role, or the simple fact that the interview was being recorded.

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[115] Bryman and Bell (2003)

4. THEORETICAL FRAMEWORK

4.1 Brand Building and Brand Activation

Aaker defines a brand as *"a distinguishing name and/or symbol such as a log, trademark, or package design intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors."*[116] According to Fournier, brands must be understood from a consumer's point of view, pointing out that *"a brand has no objective existence at all: it is simply a collection of perceptions held in the mind of the consumer."*[117] Rebecca Robins, Global Marketing Director of *Interbrand*, in turn stresses, *"brands are valuable assets, but only if developed, managed and maintained as such."*[118] All of these observations, taken as a whole, underscore the fact that careful brand building and regular brand activation form the basis of successful branding. The following sections of this chapter provide insights into the importance of these topics.

4.1.1 Brand Building

In general, the three steps that define the brand building process are brand conceptualization, brand positioning and brand communication, both internally and externally.[119] According to Melin, brand conceptualization works with three central concepts: product attributes, brand identity and core values.[120] Positioning the brand is achieved through brand communication, both to internal and external audiences. Consistent and integrated communication efforts further enhance the brand building process.[121]

Three parties are generally involved in the creation of brand meaning: cultures, consumers and corporations that market brands.[122] In this study, we examine managerial views on co-branding, as well as the role it plays as a strategic brand management tool. Fournier et al. cite McCracken in pointing out that companies that create brand meaning through the 4 P's[123] and other marketing communications devices, such as co-branding, are meaning-making institutions.[124]

Stephen King from the WPP group[125] is often quoted for his explanation of the difference between a brand and a product: *"A product is something that is made in a factory; a brand is something that is*

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[116] Aaker (1991), p. 7
[117] Fournier (1998)
[118] Brandchannel [Accessed on 2008-05-04]
[119] Melin (2007)
[120] Ibid
[121] Broderick and Pickton (2005)
[122] Fournier et al. (2007), p. 782
[123] The 4 P's refer to product, place, price and promotion.
[124] Fournier et al. (2007), p. 786
[125] WPP is one of the world's largest communications services groups.

bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless."[126] Other authors such as Gobé claim that a brand indeed has a life cycle.[127] Kapferer argues that if a brand stays attached to one product, it follows the life cycle principle, but that usually every brand starts out as a single product, and then grows, thereby escaping the cycle.[128] Following this argument and Stephen King's explanation, we also argue that the life cycle theory[129] is too narrow in scope as we discovered a brand can indeed brave the life cycle and remain successful through activation. To assess and evaluate brand strengths, we employ a research instrument developed by *Young and Rubicam*:[130] the *Brand Asset Valuator*. We regard this tool as particularly useful for marketers, given the fact that it can help them to develop a good understanding of various consumer-brand relationships. With these insights in turn, ways can be found to differentiate the brand from those of the competitors, thereby providing consumers with an added value.

The *Brand Asset Valuator* measures brand attributes and personality by evaluating questionnaires answered by consumers[131] and determining how a brand is placed within its category.[132] The model views the relationship between a brand's differentiation and relevance factors as a yardstick for a brand's growth potential: its brand strength, so to speak. Involvement with a brand is indicated through such factors as esteem and knowledge: the brand stature. *Young and Rubicam* describe the management of these relationships as *"key to successful brand building and to retention of brand value."*[133] The following chart illustrates this classification procedure and gives examples for each category.

Brand Strength
(differentiation and relevance)

High	**Unrealized potential** *e.g. Budweiser, The Gap, Heinz*	**Leadership** *e.g. BMW, Guinness, Starbucks, Orange*
Low	**New or unfocused** *e.g. Kodak, Levi-Strauss, Xerox*	**Eroding** *e.g. Hewlett-Packard, Kellogg's, Reuters*
	Low	High

Brand Stature
(knowledge and esteem)
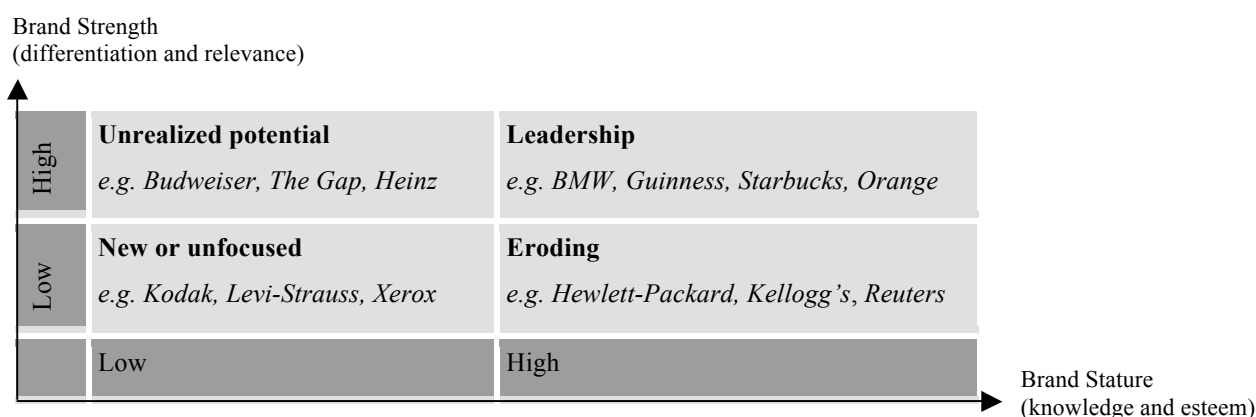
Figure 2. Brand Asset Valuator[134]

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[126] Young and Rubicam (2006), p. 2
[127] Gobé (2001)
[128] Kapferer (2004)
[129] The lifecycle theory describes a product's launch, growth, maturity and decline.
[130] Young and Rubicam is one of the world's leading marketing communication agencies.
[131] Data were collected from 230,000 consumers in 44 countries.
[132] Patterson (2006)
[133] Young and Rubicam (2006), p. 3
[134] Ibid

The model developed by *Young and Rubicam* was helpful in describing the current status of the brands we examined in the case studies of this work. In addition to providing support to manage one's own brand, the *Brand Asset Valuator* can also help to evaluate potential partner brands by comparing one's own brand with the brand position of the potential partner.

4.1.2 Brand Activation

"Brands are like muscles: Exercise them, stretch them, and keep them moving and they'll have a longer, healthier life. Let them be couch potatoes and they'll atrophy."[135] This statement by Zymann corresponds with the description of Morel et al., who point out that *"Brand activation is not a theory; it's a natural step in the evolution of brands."*[136] In this study, we use the term *brand activation* synonymously with *brand leveraging*. Aaker has developed a brand leveraging model that illustrates different ways in which a brand can be activated, namely through line extensions, vertical extensions, brand extensions and co-branding.[137]
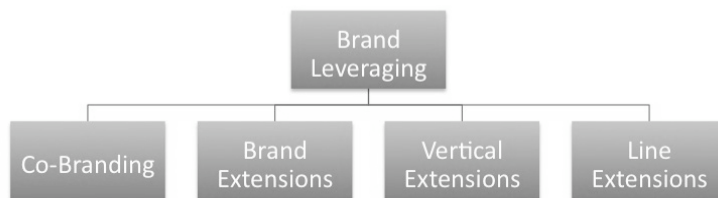
Figure 3. Brand Leveraging Model[138]

Line extensions use a well-established brand name to introduce product variants with minor differences to the parent product into the same market segment,[139] whereas brand extensions employ an already recognized brand name to introduce a new product in a different product category.[140] Similar to the line extension, the vertical extension also introduces slightly different products to the same category, however, at different price and quality levels.[141] The pairing of two brands in a marketing context,[142] or co-branding, is described in further detail in chapters 2.1 and 4.2.4.

All of the individuals we interviewed perceive co-branding as an effective instrument to activate a brand. Susanne Becker, Manager at *Noshokaty, Döring & Thun,* argues that the key objective of brand activation is to create customer experiences with a high level of involvement, which in turn can create greater user experience, brand awareness as well as strengthen specific image dimensions.[143]

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[135] Zymann (2002), p. 61
[136] Morel et al. (2002), p. 4
[137] Aaker (1996)
[138] Adapted from Aaker (1996)
[139] Hankinson and Cowing (1997)
[140] Kotler and Pfoertsch (2006)
[141] Östlund and af Sandeberg (2003)
[142] Grossmann (1997)
[143] Becker (2008)

Corresponding to the brand activation model described above, she goes on to explain that a brand can be activated through a product or service experience, through employees or through communications measures, such as advertising, sponsoring or PR.[144]

4.2 Co-Operative Business Strategies

„If you want to be incrementally better: Be competitive.
If you want to be exponentially better: Be co-operative."[145]

4.2.1 Relationship Marketing

Relationships form the core of our society,[146] both in personal and professional life. In times of homogeneous markets, the importance of differentiation is steadily increasing. Furthermore, companies generally need to achieve more brand action with fewer resources. Fournier identifies co-creation, collaboration, complexity, ambiguity, dynamism, loss of control and multivocality as characteristics that define *"our new branding world."*[147] To successfully address these challenges, the building of relational ties offers a promising strategic option.[148]

Fournier describes relationships as *"multiplex phenomena that range across several dimensions and take many forms, providing a range of possible benefits for their participants."*[149] Gummesson extends this explanation in her definition of relationship marketing as *"the process whereby both parties [...] establish an effective, efficient, enjoyable, enthusiastic and ethical relationship: one that is personally, professionally and profitably rewarding to both parties."*[150] We think that this definition is also applicable to the B2B level, and especially relevant in the case of strategic alliances, affinity marketing and co-branding.

Gummesson describes alliances as *"organised and agreed relationships between two parties,"*[151] classifying them as *mega relationships*[152] that are part of an organisation's corporate strategy, and thus situated above the daily business of classic market relationships.[153] Possible partners on a B2B level can be current or potential future competitors, as well as competitors that offer substitutes and suppliers. Relationships both affect and are affected by the context in which they are embedded.[154] The success of such relationships critically depends on the choice of the right partner – just as in real life.

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[144] Becker (2008)
[145] Futures Industry [Accessed on 2008-05-08]
[146] Gummesson (2002)
[147] Fournier et al. (2007)
[148] Darby (2006)
[149] Fournier (1998), p. 344
[150] The Marketing Strategy Letter (1993) in Gummesson (2002), p. 3
[151] Gummesson (2002), p. 157
[152] Gummesson classifies relationships into classic market relationships, special market relationships, mega relationships and nano relationships. For more information see Gummesson (2002).
[153] Gummesson (2002)
[154] Fournier (1998)

In an effort to define and delineate relevant terms in this context the following chapters explore the theoretical background of strategic alliances and affinity partnering with reference to co-branding. In addition, aspects taken from the field of consumer psychology such as consumer-brand relationships will be discussed, which were considered in relation to the case studies examined in the analysis part of this paper.

4.2.2 Strategic Alliances

4.2.2.1 Definition and Categorization

Strategic alliances[155] are *"two or more partners working closely together to achieve something one cannot easily do or chooses not to do alone,"*[156] and can be both of intraorganisational or interorganisational nature.[157] While intraorganisational alliances are co-operations between functional units within an organisation, interorganisational strategic alliances are defined as *"relatively enduring interfirm co-operative arrangements, involving flows and linkages that use resources and/or governance structures from autonomous organisations, for the joint accomplishment of individual goals linked to the corporate mission of each sponsoring firm."*[158] It is important to distinguish between strategic alliances that do, and those that do not involve shared equity. Those in which shared equity plays a role are often rather long term in orientation and thus more rigid in nature. Strategic alliances in which shared equity is not a factor, such as joint product development projects, the relationship is more frequently of temporary nature, and therefore more flexible.[159] Strategic alliances can be contracted on a vertical level, in other words down the value chain, for example with suppliers and manufacturers, as well as on a horizontal level, i.e. on the same position in the value chain.[160] In the field of marketing collaborations, both configurations are possible: brand-brand relationships on a horizontal level, for example, co-branding, as well as on a vertical level, as in the case of ingredient branding. This topic will be explained in greater detail in chapter 4.2.4.1.

First, it is important to distinguish between intra- and interindustrial strategic alliances.[161] In the case of intraindustrial collaborations, competitors co-operate even if they aim to gain market share in the same product class or segments. Reasons can often be found in an international context, for example when two market leaders of different countries collaborate in order to jointly succeed in a third country. The term interindustrial strategic alliances, on the other hand, is used to describe a co-operation of companies from different industries that aim to open up a market that each of them would

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[155] The different forms of relationships can be classified in supplier, lateral, buyer and internal partnerships. For more information see Morgan and Hunt (1994)

[156] Darby (2006), p. 15

[157] Varadarajan and Cunningham (1995)

[158] Parkhe (1991), p. 581

[159] Varadarajan and Cunningham (1995)

[160] Ibid

[161] Ibid

not have conquered by themselves.[162] This paradoxical phenomenon, namely co-operation with competitors, is more recently also referred to as co-opetition latterly.[163]

The motivation of companies entering into strategic alliances is, to a large part, driven by concrete factors such as size or corporate culture, economic and industry-specific factors such as cost structures or the threat of new entrants into a sector, as well as market environmental-related issues, for example, the rate of technological advancement or changes in consumer buying patterns.[164]

4.2.2.2 Aims and Forms of Appearance

All the various types of strategic alliances have one thing in common: the aim of achieving a competitive advantage. A competitive advantage is generally referred to as cost leadership or differentiation.[165] Distinctive skills and unique resources are the crucial factors on which competitive advantage is based.[166] To achieve a sustained competitive advantage, the resource must be valuable, rare, imperfectly imitable, and have no strategically equivalent substitutes.[167] In general, there are two types of strategic alliances: those that unite different and complementary skills and resources to create an advantage, and those that combine similar skills and resources to lower costs. Consequently, a company is principally looking for a partner firm capable of enhancing its strengths or compensating its weaknesses.[168]

The motives underlying the decision to enter an alliance are diverse. The most common motives are of a product-related nature, for example, to differentiate or add value to a product. Motives are also often related to market entry and market position situations, for example, with the objective to gain access to a new market. Factors, such as learning new skills or reducing the threat of potential future competition can also be reasons for seeking out an alliance partner.[169] Beyond these rather immediate interests, strategic alliances also provide the possibility to innovate faster in times of constantly changing market conditions and global competition.[170] The types of motives[171] for entering an alliance generally also determine the type of relationship, whether it be a joint venture, trade association, corporate financial interlock or otherwise.[172]

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[162] Varadarajan and Cunningham (1995)
[163] Yu (2008)
[164] Varadarajan and Cunningham (1995)
[165] Porter (1998) and Coulter (2005)
[166] Day and Wensley (1988)
[167] Barney (1991)
[168] Varadarajan and Cunningham (1995)
[169] Ibid
[170] Teng (2007)
[171] Determinants of entering an alliance can be necessity, asymmetry, reciprocity, efficiency, stability and legitimacy. For more information see Oliver (1990).
[172] Oliver (1990)

The terms alliance and joint venture are often used as synonyms in secondary literature. According to Blackett and Russell, however, there is a difference, namely that a joint venture is based on the mutual idea to jointly invest in research and development, a very capital and time intensive undertaking, whereas alliances are generally created for marketing reasons.[173] Alliances typically entail the formation of a new master brand such as the *Star Alliance*, which is supported and advertised by the member brands.[174] Kotler and Pfoertsch's use of the term master brand is synonymous with corporate brand. They define it as a brand *"embracing all products or services of a business."*[175] With regard to co-branding, alliances are similar in nature to this umbrella term, since they are marketing oriented collaborations, however, they may differ decisively in their duration and focus. While alliances are long-term arrangements with more operational or technical elements, co-branding activities are generally medium-term, and tend to have a stronger marketing and communications focus.[176]

4.2.3 Affinity Partnering

4.2.3.1 Definition and Delineation of Strategic Alliances

The term affinity partnering is used to describe the rather intangible assets of marketing alliances such as brand name, reputation and customer relationships.[177] As a special form of strategic alliance, affinity partnering is defined as *"a relationship marketing strategy in which the primary goal of the partnership is to leverage the felt affinity, goodwill, or brand name strength of a partner so as to enhance relational market behaviour in existing or new market segments."*[178] Based on this definition and a review of the secondary literature, we also use the term affinity partnering to describe marketing alliances, collaborations or co-operations in this study. In affinity partnering, it is typical of the parties involved to inform the consumer of the partnership in order to profit from the partner's brand image and reputation. Since the consumer is an important part of the relationship, affinity partnering has a triadic nature, whereas within classic strategic alliances only two business entities are involved, and are thus of a dyadic nature.[179] The benefits of affinity partnering comprise increased control, learning, efficiency, stability and legitimacy.[180] With co-branding, the above-mentioned augmentation of prestige through association with elite partners plays an important role.

4.2.3.2 Forms of Affinity Partnering

There are a variety of strategies within affinity partnering relationships. A classification system introduced by Swaminathan and Reddy provides a theoretical basis to point out key strategic differences. They note that the level of affinity can be high, moderate or nominal, and that the level of

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[173] Blackett and Russell (1999)
[174] Ibid
[175] Kotler and Pfoertsch (2006), p. 79
[176] Blackett and Russell (1999)
[177] Swaminathan and Reddy (2000)
[178] Swaminathan and Reddy (2000), p. 383
[179] Swaminathan and Reddy (2000)
[180] Ibid

integration can be either physical or symbolic.[181] Emanating from those parameters, the following table assigns the different forms of affinity partnering, which will be explained in the following paragraphs.

	Physical	Symbolic
High	Affinity programs, product bundling	Affinity promotions
Moderate	Cause-related marketing	Cause-related marketing promotions
Nominal	Co-branding, dual branding, celebrity marketing, product placement	Co-Branding, Joint sales promotions/ co-operative advertising, sponsoring, celebrity marketing, product placement

Table 2. Typology of Affinity Partnering Strategies[182]

Affinity Programs are alliances between brands and affinity groups that generally provide members with a membership in a club or, for instance, reward purchases. After review of secondary literature we see affinity programs as being largely synonymous with loyalty programs. Affinity and loyalty programs both aim to decrease demand fluctuations increase volume requests and improve brand image. Especially in industries with few differentiation possibilities, affinity programs function as an important tool.[183] Affinity promotions also target a clearly defined affinity group; this segmentation can, for instance, be based on demographic factors, interests or products. Compared to affinity programs, however, affinity promotions have a rather more symbolic value.[184] When two differently branded products are sold together in one package, this is called product bundling;[185] examples can often be found in the food and software sectors.

Cause-related marketing describes a relationship between a corporation and a non-profit organisation for mutual benefit, i.e. an increased brand awareness and improved brand image for the corporation and, on the other hand, a secure supply of financial support for the non-profit organisation (NPO).[186] The donation for the NPO is directly related to sales of a certain product or service, and can therefore be referred to as being of rather physical involvement, as compared to sponsoring, which is explained below. According to Chiagouris and Ray, authenticity is particularly important in this case. Proper suitability between the brand and the cause significantly determine the success of the alliance.[187] Thus, we can assume that partner selection plays an essential role in cause-related marketing. Cause-related

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[181] Swaminathan and Reddy (2000)
[182] Adapted from Swaminathan and Reddy (2000)
[183] Swaminathan and Reddy (2000)
[184] Ibid
[185] Bengtsson (2002)
[186] Swaminathan and Reddy (2000)
[187] Chiagouris and Ray (2007)

marketing promotions can enable companies to better promote their product or service offerings, and to expand into new markets.[188]

Sponsoring generally operates on the principle of *"a company donating to a worthy public cause in return for publicity for its brand."*[189] The objective is to profit from the partner's public image and thereby gain publicity and increased brand awareness.[190] There are obvious parallels to cause-related marketing here, but the level of integration with sponsoring is rather symbolic, given the fact that there are no sales-related donations. It is more of an intangible supportive relationship by nature.

Joint sales promotion and co-operative advertising describe combined efforts of two or more parties to achieve common goals.[191] A good example for joint promotion is the short-term agreement between *Opel* and *Mango,* which was solely implemented on a communications level for a limited period of time. These two well-established brands helped to increase publicity and sales by combining the strength of both brands in an advertising campaign.[192] Resources were pooled and expenditures shared; both partners were also able to seek out new marketing opportunities that they had not thought of before.[193] Typically, joint promotions and co-operative advertising are rather short-term in their orientation and combine brands from different sectors that address the same target group with non-competitive products.[194] When two or more corporations use one and the same retail setting, this is called dual branding,[195] and includes for example, shop-in-shop systems or fast food chains at petrol stations. Product placement refers to the practice of including a brand name product, package, signage or other trademark merchandise within a motion picture, television show or music video.[196] It can thus be regarded as a form of brand collaboration.[197]

A more detailed explanation of co-operative strategies will be provided in the next chapter 4.2.4. However, what all affinity partner strategies have in common is *"the connection between two marketable units and the explicit communication of the partnership to the consumers."*[198] This is what distinguishes affinity partnering from strategic alliances in general.

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[188] Swaminathan and Reddy (2000), p. 16
[189] Blackett and Russell (1999)
[190] Blackett and Russell (1999) and Kotler and Pfoertsch (2006)
[191] Swaminathan and Reddy (2000)
[192] Blackett and Russell (1999)
[193] Varadarajan (1985)
[194] Blackett and Russell (1999)
[195] Swaminathan and Reddy (2000)
[196] Steortz (1987); Brennan et al. (1999); Argan et al. (2007)
[197] Grossmann (1997)
[198] Bengtsson (2002), p. 34

4.2.4 Co-Branding

4.2.4.1 Definition and Conceptual Delineation

Broadly speaking, co-branding can be referred to as any pairing of two brands in a marketing context.[199] There are a number of definitions in marketing literature. Frequently, terms are mixed up in this context or misleadingly used as synonyms. Blackett and Russell combine value and time aspects in their definition, and indicate a limit when the collaboration turns into an alliance: *"Co-branding is a form of co-operation between two or more brands with significant customer recognition, in which the participants' brand-names are retained. It is usually of medium to long-term duration and the net value creation potential is too low to justify setting up a new brand and/or legal joint venture."*[200] Most examples fit into this definition; however, it does not consider the consumer perspective. Bengtsson therefore introduces the term mixed-brands to describe a product that represents a mixture of brands with a term that consumers can relate to more easily.[201] This is an important point as we discovered while conducting our interviews. Most companies understand co-branding as a way to improve the image of selected products in the consumers' minds. This study, however, reflects on the managerial perspective of co-branding and brand alliances. Blackett and Russell describe the parties involved in co-branding as *"independent entities with the intention to create something new – a product, a service or an enterprise – the scope of which falls outside their individual areas of capability or expertise."*[202] While some researchers emphasize the creation of a single, unique product as a result of the collaboration between two brands,[203] our interview experiences indicated that most practitioners refer to co-branding even if no joint development of a new product is involved. We considered this aspect in our general framework of strategic brand activation through co-branding provided in chapter 6.1.2.

As indicated in 4.2.2.1, concerning strategic alliances, marketing collaborations can also be categorized into vertical and horizontal co-branding forms.[204] Vertical co-branding refers to co-operations up or down the value chain such as ingredient branding, also known as component branding,[205] or inbranding,[206] which is defined as *"a special form of co-branding – the joint presence of at least two or more brands on a single product or service."*[207] An example is the co-operation between *Gore-Tex*, a producer of outdoor activity clothing, and the fabric manufacturer *Lycra*. Bengtsson explains that the branded components involved in this case usually cannot be bought or

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[199] Grossmann (1997)
[200] Blackett and Russell (1999), p. 7
[201] Bengtsson (2002)
[202] Blackett and Russell (1999), p. 18
[203] Levin et al. (1996); Park et al. (1996); Washburn et al. (2000); Swaminathan and Reddy (2000)
[204] Klein (2005)
[205] Huber (2005)
[206] Kotler and Pfoertsch (2006), p. 133
[207] Kotler and Pfoertsch (2006), p. 129

consumed separately.[208] There are also mixed forms of co-branding and inbranding, for instance, *NutraSweet* and *Coca-Cola*.[209] Horizontal co-branding in turn refers to co-operations between brands on the same value chain level. Most of the classical co-branding strategies fall into this category. As a special form horizontal co-branding can involve co-operations with celebrities. As will be shown in the *H&M* case, and the discussion of the co-operation between *H&M* and *Madonna*, it is a viable form of co-operation. From our point of view, it belongs to the category of co-branding just as much as the collaborations with *H&M's* various designers. In our interview with Kristina Stenvinkel, Head of Communication at *H&M*, we were given the impression that *H&M* sees this the same way.[210] We also found confirmation of this assumption in the dissertation of Anders Bengtsson. He refers to co-operations with celebrities as a form of co-branding,[211] whereby celebrities often function as brands themselves. We argue that this is definitely the case with the *H&M* and *Madonna* collection, and could very well also apply to other cases, since both the brand and the celebrity – functioning as a brand – mutually influence each other's image.

4.2.4.2 Level of Involvement in Co-Branding

As the typology of affinity partnering strategies by Swaminathan and Reddy (Table 2) shows, the level of affinity can be nominal. Possible types of co-branding can vary greatly, and include everything from a pure joint promotional effort to the joint creation and development of an entirely new product.[212] Blackett and Russell classify four stages of co-branding in terms of shared value creation. They describe a hierarchy of types that is dependent on the nature of the co-operation.[213]

High shared value creation

Low shared value creation

| Complementary Competence Co-Branding |
| Ingredient Co-Branding |
| Values Endorsement Co-Branding |
| Reach-Awareness Co-Branding |

Figure 4. Hierarchy of Types of Value Creation Sharing Co-Operative Relationships[214]

Reach-Awareness Co-Branding

Creating awareness quickly by targeting their partner's customers is the basis of the reach-awareness principle. It incorporates the lowest level of shared value creation, and thus involvement. Direct marketing campaigns often follow this approach. Co-operations between credit card suppliers and other parties such as the one between *American Express* and *Delta Airlines* provide an illustrating

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[208] Bengtsson (2002)
[209] Kotler and Pfoertsch (2006), p. 133
[210] Stenvinkel (2008)
[211] Bengtsson (2002), p. 25
[212] Kotler and Pfoertsch (2006), p. 129
[213] Blackett and Russell (1999)
[214] Blackett and Russell (1999), p. 9

example for reach-awareness co-branding activities. Typically, this strategy requires a relatively low level of investment and work while both partners profit from the partnership through increased awareness and revenue opportunities. Partners are usually chosen from a relatively broad field since the requirements are rather incomplex.[215]

Values Endorsement Co-Branding

This co-operation explicitly intends to mutually endorse the brand values and positioning of both brands. These collaborations are designed to align the brand values in the consumers' minds. Because the brand is associated with a worthy cause or positive values, choosing a potential partner is more limited than in the case of reach-awareness co-branding. The co-operation between the worldwide leader in gastronomy *Le Cordon Bleu* and the producer of domestic appliances *Tefal*, for instance, exemplifies this stage.[216] There are obvious parallels to sponsoring, and long-term sponsorships can indeed be regarded as a form of value endorsement co-branding.[217]

Ingredient Co-Branding

According to Blackett and Russell, ingredient co-branding is the third stage of involvement. Currently, it is the only sub-category of co-branding in which there is broad agreement in the marketing literature, as described in chapter 4.2.4.1.[218] Ingredients are components of the end product and have rather low brand recognition in the consumers' minds such as technology. Ingredient branding involves communicating the presence of, for example, a certain technology or substance of content in the end products.[219] The strategy enables the supplier to build a direct relationship with the consumer, thereby increasing brand awareness. The partner brand up the value chain stream, on the other hand, profits from the communication of quality and enhanced trust.[220] An example is the co-operation between the computer technology corporation *IBM* and the producer of microprocessors *Intel* with the slogan *"Intel Inside."*

Complementary Competence Co-Branding

The level with the highest shared value creation, and thus involvement, is referred to as complementary competence co-branding. When two brands combine a product that is *"more than the sum of the parts and relies on each partner committing a selection of core skills and competencies to that product on an ongoing basis,"*[221] this is called complementary competence co-branding.[222] However, it can only be considered a form of co-branding up to a certain point. Depending on the

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[215] Blackett and Russell (1999)
[216] Ibid
[217] Ibid
[218] Blackett and Russell (1999)
[219] Smith (1999)
[220] Ibid
[221] Blackett and Russell (1999), p. 14
[222] Blackett and Russell (1999)

extend of the collaboration, the companies involved may decide to establish a new brand, which in turn could develop into a formal alliance or joint venture.

4.3 Consumer-Brand Relationships

As discussed in chapter 4.2.3, affinity partnering, and thus co-branding, is triadic in nature. The consumer plays an important role in this relationship triangle. As indicated in 1.4.2, this study aims to establish a connection between the existing theory on consumer-brand relationships and the B2B level in creating a typology of brand-brand relationships. For this reason, we will take a look at aspects of consumer psychology and consumer-brand relationships.

Fournier argues that a brand can be regarded as a relationship partner, highlighting ways in which brands are personalized or anthropomorphized.[223] Based on her empirical study, she identifies possible relationships between consumers and brands such as arranged marriages, casual friends, committed partnerships, secret affairs and enslavement.[224] She thereby distinguishes, for example, between long-term and short-term, voluntary and non-voluntary relationships, as well as between various levels of involvement.[225] According to Fournier, the factors contributing to stability and durability of relationships are affective and socio-emotive attachments such as love and passion, as well as self-connected, behavioural ties, such as interdependence, commitment and supportive cognitive beliefs such as intimacy.[226] Using these facets, she developed a brand relationship quality model as an alternative to the construct of brand loyalty. The model is based on the reciprocity principle that all relationships are dependent on, namely, that the consumer influences the brand, and vice versa. Thus, both partners form and affect the quality of the relationship. Mutual goal compatibility is more important than a match between the product and the consumer's character.[227]

Similar to Fournier, Ji analyses forms of relationships between kids and brands, which she classifies into different categories while also considering the social environmental factors children are influenced by. Ji suggests that the two components of brand knowledge, namely brand awareness and brand image, play a decisive role in relationship building between brands and children.[228] In our study, we not only examine the brand as a relationship partner, but we also make assumptions about the relationships between two brands. We regard Ji's argument as especially important in the case of brand-brand relationships because, as all our interviewees confirm, the current status of the partner brand is of major importance. This is exactly where the *Brand Asset Valuator,* described in 4.1.1, comes into play: as a tool to identify and review the partner brand's potential.

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[223] Fournier (1998)
[224] For a complete summary of Fournier's consumer-brand relationship typology see **Appendix C.**
[225] Fournier (1998)
[226] Ibid
[227] Ibid
[228] Ji (2002)

The following analysis is embedded into the theory outlined in this chapter. While some parts provide background information for a better understanding of the topic as a whole, the section on brand activation and brand relationships in particular offer a theoretical framework of strategic brand activation through co-branding referring to our research question: *"How to find the ideal partner."*

5. ANALYSIS

5.1 Process of Data Collection and Interview Experiences

Overall, the process of data collection was very fruitful. Secondary data on co-branding theories were found in scholarly articles and the marketing literature. For data on the selected brand relationships, we additionally made use of press documents and the respective websites of the selected brands. The collection of primary data via telephone interviewing was also a very effective method and enriching experience. From a technological point of view, Internet telephony and recording with *Skype* did not cause any major or unexpected problems, except that the longer the interviews were, the more the voices of the interviewer and the interviewee started overlapping, which, in some cases, made transcribing more difficult. However, the overall content was still clear.

From our personal perception, we can say that all respondents were friendly, co-operative and genuinely interested in our research. Some respondents were really well prepared on the topic and took their time answering our questions in detail so that, in some cases, the estimated time frame of 20 minutes was actually almost twice as long. A few of our interview experts even named further contacts whom we could interview, or motivated us to call them again in case further questions emerged. We also noted that the surrounding of most of the respondents were rather calm, enabling them to concentrate on the interview, which we regarded as a big advantage.

Except for one telephone interview and one questionnaire, which was partly filled out in English and partly in German, we were very lucky that all of the respondents agreed to conducting an interview with us in English, although none of them were native English speakers. The interviewees spoke English fluently, which had the methodological advantage of not needing to translate the interviews. Only in very few cases there was a need to explain certain technical terms in German. However, apart from this minor restraint, overall comprehension was very good. Also, despite the fact that we were not trained in interviewing techniques, we managed to support the interviewees in their responses, provided clarification while, at the same time, exercising restraint not to lead or direct the interviews.

5.2 Qualitative Data Analysis: Multiple Case Studies

In order to make our findings more credible and to help the reader follow our interpretation process, we would like to briefly describe our motivation for the particular research approach we selected in conducting the analysis. According to Yin, data analysis consists of *"examining, categorizing, or otherwise recombining the evidence to address the initial propositions of a study."*[229] He suggests four

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[229] Yin (1994), p. 102

dominant analytic techniques for a general analytic strategy, of which we employed the following two for our research:[230]

1. *Pattern matching*, which is one of the most desirable strategies for case studies.
2. *Explanation building*, which is a special type of pattern matching, but has a more complex procedure with the goal to analyse the case study data by building an explanation about the case. The phenomenon is explained by stipulating a set of causal links about it.

The other two techniques involve a time-series analysis, which was not necessary in our procedure given the fact that a chronological investigation of co-branding did not play a major role in our research field. Furthermore, Yin cites Miles and Huberman who suggest various analytic techniques.[231] In our analysis, we make reference to one of them, which Miles and Huberman describe as *"making a matrix of categories and placing the evidence within such categories."*[232] These techniques were helpful in structuring and organising the evidence. The typology of brand-brand relationships presented in the conclusion of this analysis relies both on the theoretical and practical evidence, emerging from the research results.

As collecting qualitative data, the analysis according to Bryman and Bell is based both on analytic induction and grounded theory, whereas the latter offers the most commonly used framework.[233] Marketing Research Review describes grounded theory as *"a method of categorizing empirically collected data to build a general theory to fit the data."*[234] Bryman and Bell further explain that the most central tool of grounded theory is coding combined with a category approach: *"Coding is the key process in grounded theory, whereby data are broken down into component parts, which are given names."*[235] First, the component parts of our analysis included key questions, which all respondents were asked. Second, unique characteristics of the individual brand relationships were personalized and assigned to categories that draw metaphorical comparisons to specific social relationships.

Taylor-Powell and Renner provide a summary of the interview analysis process, which we have chosen to apply to our case studies. According to this approach, one first has to familiarize oneself with the data by writing down impressions of the interviews. In the second step of the analysis, one should then focus on reviewing the rationale of the study and identify key questions. The third step includes the categorization of the information, in other words, to identify main themes and patterns, and then arrange them into logical categories and subcategories. Thereby, the content of the interviews

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[230] Yin (1994), p. 106 ff
[231] Yin (1994), p. 103
[232] Yin (1994), p. 103
[233] Bryman and Bell (2003)
[234] Quirks [Accessed on 2007-11-29]
[235] Bryman and Bell (2007), p. 585

can also be cross-indexed to finally create mutual categories, such as *Facts and Figures*, *Activation through Co-Operation* and *Partner Selection*. Step four involves identifying connections and patterns within and between the categories, and ranking the categories according to their relative importance. Finally, in step five, the findings are interpreted and conclusions are drawn. During the process, we combined explanations and definitions from the secondary data with the primary data in the form of important quotations from the respondents. As stated, given the nature of the study and the cases, the analytical objective was not so much directed at making primary generalizations of co-branding, but rather at developing an overall better contextual understanding.[236]

As our cases deal with brand relationships in the fashion and design industry, we focussed our approach on three different categories:

1. Fashion and design brands co-operating with other fashion and design brands (*H&M, adidas*)
2. Fashion and design brands co-operating with consumer electronics brands (*Philips, Sharp*)
3. Fashion and design brands co-operating with automobile brands (*BMW, Volkswagen*)

5.3 Case Studies

Co-branding is used in all industries. However, we decided to concentrate our research on analyzing cases specifically in the fashion and design sector. The main reason for this decision is the fact that today fashion and design play a major role in most companies. *"Design or die"* is no longer an ironic remark as it was in the 1980s. Design today is a frequently discussed topic on the managerial level, and strategic brand decisions nearly always include design decisions.[237] Further, fashion changes constantly and therefore allows new forms and trends to serve as line extensions. Also, fashion and design evoke emotions and are able to transfer these feelings and images to partner brands. Our personal observations indicate that particularly big and successful co-operations involve more and more fashion and design brands. Thus, we chose to specifically target cases of fashion and design brands that are involved in unique co-operations with other brands in various ways. Some brands come up with special and limited editions for one season, others launch whole collections with their partner brand, and a few develop a totally new brand out of a co-branding project. Examples and details are discussed in the following case studies and in chapter 5.4.

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[236] Taylor-Powell and Renner (2003)
[237] Bürdek (2005), p. 363

5.3.1 Fashion and Design with Fashion

5.3.1.1 H&M

Facts and Figures

H&M Hennes & Mauritz B.V. & Co. KG was established in Sweden in 1947.[238] Its retail stores provide up-to-date fashion with the business strategy of offering fashion and quality at the best price. The product range is divided into a number of different concepts for women, men, teenagers, children and cosmetics. In 2007, there were approximately 1,500 *H&M* stores in 28 countries.[239] The company employs some 68,000 people and had a turnover of 9,871 million euros[240] in 2007.[241]

Activation through Co-Operation

According to *H&M's* press information, *"the brand is one of H&M's greatest assets."*[243] Therefore, the aim of all communication at *H&M* is to strengthen the brand both over the short- and long-term.[244] In our interview with Kristina Stenvinkel, Head of Communication at *H&M,* she explains that it is crucial to *"never be boring."*[245] The main aim is to generate curiosity about the season's new collections and to be perceived as inviting and exciting.[246] Furthermore, *H&M* states in its press release that it is important to attract customers and inspire them to shop.[247] Among other strategies, *H&M* therefore tries to surprise its target groups by consistently entering into new seasonal co-operations with different designers and celebrities. This results in special and limited collections and big campaigns that a create buzz in a distinctive way.[248]

The very first designer collaboration came about in 2004 with the iconic *Chanel* designer *Karl Lagerfeld*.[249] According to Tungate, the launch of the *Lagerfeld* collection was the consummation of a long-time flirtation between haute couture and high street, and shows a shift in fashion within recent years. [250] The two unequal worlds have suddenly started to overlap. Thus, the launch of *H&M's* collection with fashion idol *Karl Lagerfeld* was promoted on a global scale with giant posters and a TV-

Figure 5. *Lagerfeld* for *H&M*[242]

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[238] H&M [Accessed on 2008-05-11]
[239] Ibid
[240] 92,123 million SEK, conversion rate 2008-05-15
[241] H&M [Accessed on 2008-05-11]
[242] Style [Accessed on 2008-05-12]
[243] H&M Press Information [Accessed on 2008-05-10]
[244] Ibid
[245] Stenvinkel (2008)
[246] H&M Press Information [Accessed on 2008-05-10]
[247] H&M [Accessed on 2008-05-11]
[248] Tungate (2005)
[249] H&M [Accessed on 2008-05-11]
[250] Tungate (2005)

Figure 6. *Kylie Minogue* for *H&M*[255]

commercial.[251] The co-operation turned out to be one of *H&M's* greatest marketing coups, and more co-operations followed in which multi-brand lifestyle played a dominant role.[252] These included high profiles such as the English fashion designer *Stella McCartney*, the Dutch designer duo *Viktor & Rolf* and the Italian glamour designer *Roberto Cavalli,* as well as celebrity brands, such as the singers *Madonna* and *Kylie Minogue.*[253] The results of these short-term co-operations were low priced luxury goods and collectors items.[254] In our interview, Susanne Becker, Manager at *Noshokaty, Döring and Thun*, analyses the two dimensions of *H&M's* co-branding strategy.

> *"I think the strategy H&M follows is not necessarily short term. [...] They established several short-term design collaborations that have an immediate effect on store traffic and sales but the overall concept is [...] long term and changes the perception of the H&M brand in the long run, making it more attractive to a fashion conscious target group."* (Susanne Becker, *Noshokaty, Döring & Thun*)

Activating a brand first of all implies stimulating, leveraging and strengthening the brand. This, according to *H&M* press information, is exactly what co-branding does for *H&M*. *"These collaborations show the strength and breadth of H&M's offering. The attention they receive strengthens our brand as an international fashion company."*[256] Kristina Stenvinkel mentions another essential aspect of how co-branding works as a brand activation tool for *H&M*: *"We reach a very broad audience."*[257] The Business of Fashion observes that especially the way *H&M* promotes its co-branding strategy keeps the collaborations feeling fresh and interesting for consumers.[258] The company, for example, employs special videos of the designers and the launch parties and there are forums on the Internet where *H&M* fans discuss who the co-designer for next season's collection could be.[259]

Partner Selection

As partnerships with leading designer brands have become an important part of the retailer's strategy,[260] the partner is a key factor and must be carefully chosen in order to ensure the best success possible. According to *H&M's* marketing director Jörgen Andersson, fashion always mirrors society

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[251] Tungate (2005)
[252] Ibid
[253] H&M [Accessed on 2008-05-10]
[254] Tungate (2005)
[255] QS Supplies [Accessed on 2008-05-12]
[256] H&M Press Information [Accessed on 2008-05-10]
[257] Stenvinkel (2008)
[258] The Business of Fashion [Accessed on 2008-05-14]
[259] Ibid
[260] Tungate (2005), p. 48

and today's customers want glamour.[261] Consequently, the number of choices for an attractive fashion partner is limited. Kristina Stenvinkel described the process of partner selection at *H&M as follows:* *"It's mainly driven by the marketing department together with the design department and also the communication department."*[262] Moreover, she mentions that *H&M* has a *"wish list for the future,"* adding that the list contains *"designers that everyone could relate to"* and *"big icons in the fashion world."*[263]

Celebrity endorsers and models also belong to the co-branding strategy of *H&M.* Their selection is a constant topic of conversation both with the target group and the media. Tungate makes reference to the photographer Vincent Peters who argues that choosing a model is part of the branding process, given the fact that the image of the model can work for the brand.[264] Celebrities are undeniably powerful.[265] According to Tungate, stars give brands a well-defined personality at a minimum of effort, offering a rich fantasy world to which consumers aspire.[266] As will be discussed later, other brands such as *BMW* refuse to work with celebrity endorsers altogether, due to the risks posed by their fast-changing images.

Figure 7. *Comme des Garçons* for *H&M*[267]

Kristina Stenvinkel points out another central aspect that limits the partner choice for *H&M,* explaining that, as *H&M* wants to reach a broad audience, *"it has to be a commercial collection."*[268] Further, in order to enter new markets, get access to new target groups and establish a solid first impression in Eastern markets, *H&M* has recently decided to enter into co-operations with Asian designers and brands. One example is the collaboration in autumn 2008 with the brand *Comme des Garçons.* In a press release, Margareta van den Bosch, creative advisor of *H&M,* explains why the head designer of *Comme des Garçons, Rei Kawakubo,* was an interesting co-operation partner.[269]

> *"Rei Kawakubo has been at the top of our wish list for a long time and we are thrilled that she has chosen to collaborate with us. We have tremendous respect for Kawakubo's fashion philosophy of questioning fashion's ingrained patterns, and admire her artistic approach to design. We are particularly excited that the collection will be launched in Japan, Kawakubo's native country, at the same time as the launch of our new store there."* (Margareta van den Bosch, *H&M*)

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[261] Tungate (2005)
[262] Stenvinkel (2008)
[263] Ibid
[264] Tungate (2005), p. 109
[265] Tungate (2005), p. 118
[266] Tungate (2005), p. 120
[267] Fashion and Beauty [Accessed on 2008-05-22]
[268] Stenvinkel (2008)
[269] H&M Press Information [Accessed on 2008-05-10]

The question arises, why these well-known star designers want to co-operate with *H&M*. According to *H&M's* marketing director Jörgen Andersson, *Karl Lagerfeld*, for instance, was attracted to the youthful and creative elements of the *H&M* brand.[270] However, the actual win-win situation emerged out of the immense media response, publicity as well as the financial rewards, which should not be disregarded. Furthermore, the *H&M* collaboration broadened its appeal with younger clients, who might also buy the perfume or trademark accessories of the star designer some day.[271]

Tungate claims that creativity drives consumption.[272] However, as Christina Käßhöfer points out too many co-operations can have a negative impact on the strategy for a brand such as *H&M's*.

> *"I think there is a trend here. I think it is dangerous. [...] If you do that* (co-branding) *too often, it wears off. One month you have Madonna, the next month you have Viktor & Rolf, the next month you have Stella McCartney, the next one you have, I don't know [...] swim wear from Kylie Minogue. I think if you do that too often, you don't have your own story to tell anymore."* (Christina Käßhöfer, *Diesel*)

Nevertheless, according to Jörgen Andersson, *H&M* does not dictate style, but rather offers the style that the customers demand.[273] According to Jörgen Andersson, today's consumers are interested in design.[274] Similarly, Kristina Stenvinkel, commenting on the future of the *H&M's* co-branding strategy, predicts, *"We are going to continue as long as the customers like it."*[275] The press and the media have been only too happy to play along with this strategic focus labelling the current trend of upmarking mass market brands and their stores as *"massluxe," "masstige" or "mass-clusivity."*[276] However, apart from the fashion retailer and competitor *TopShop*, *H&M* seems to be the only player consistently using this approach with great success.[277] Its co-operations, according to Tungate, have made *H&M* the overall winner in terms of publicity and prestige.[278] Looking at the *Interbrand* ranking of Europe's Top Performing Retail Brands in 2008, *H&M* has a solid hold on first place with a brand value of 10,366 million euros.[279] Its winning position does not indicate that consumers have gotten tired of *H&M's* co-branding strategy yet.

5.3.1.2 adidas

Facts and Figures

While its roots go back to the 1920s, *adidas* has been a registered company since 1949. Named after its founder Adi Dassler, *adidas* moved from being a purely manufacturing- and sales-based sporting

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[270] Tungate (2005), p. 48
[271] The Business of Fashion [Accessed on 2008-05-14]
[272] Tungate (2005), p. 74
[273] Tungate (2005), p. 47
[274] Tungate (2005), p. 48
[275] Stenvinkel (2008)
[276] Tungate (2005), p. 42 ff
[277] The Business of Fashion [Accessed on 2008-05-14]
[278] Tungate (2006), p. 48
[279] Interbrand [Accessed on 2008-05-13]

goods company to a marketing firm in the 1990s.[280] The company develops, designs and markets athletic footwear, apparel and accessories with the mission to be the leading sports brand in the world.[281] Today, the value of the *adidas* brand is 3,077 million euros[282] with net sales of 7.11 billion euros and an operating profit of 920 million euros in 2007.[283] Together with *Taylor Made* and *Reebok*, *adidas* is part of the *adidas* group. The *adidas* brand is divided into the two areas *Sport Performance*, covering the functional sports performance segment, and *Sport Styles* for the more fashion-oriented consumer.[284]

Activation through Co-Operation

From our interview with Anni Oppermann, Senior Global PR Manager at *adidas*, we were given the impression that co-branding is regarded as an important tool for strategic brand activation at *adidas*. *"Nowadays competition is quite extensive and hard and you always think and brainstorm about what is the next big thing we can offer our consumers,"*[285] according to Anni Oppermann. She refers to marketing collaborations as a good option to prevail in the contemporary marketing situation explaining *"it has to be authentic but also creative and individual in terms of offering something that adds value and provides a USP."*[286] The *adidas* brand currently engages in collaborations at various levels. The sponsoring of sports events such as the *Soccer World Cup* or the *Olympic Games* makes up a huge portion of *adidas'* commitment to collaborations. Furthermore, *adidas* co-operates at the distribution level, for instance, with *Intersport*, a sporting goods retail chain, as well as with *Dick's Sporting Goods*, the leading online sporting goods retailer.[287]
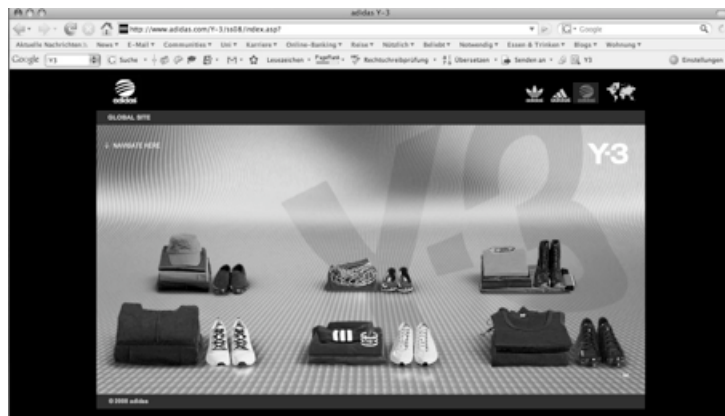
Figure 8. *Yohji Yamamoto* for *adidas*[288]

The first brand collaboration *adidas* entered was with *Yohji Yamamoto* in 2003, followed by a co-operation with *Stella McCartney* in 2005. Considered as being *"the perfect fusion of performance and style,"* *adidas* announced that both collaborations have been extended to 2010 due to their success.[289]

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[280] adidas Group [Accessed on 2008-05-10]
[281] Ibid
[282] 4,767 million US dollars, conversion rate 2008-05-10; Interbrand (2007)
[283] adidas Group [Accessed on 2008-05-10]
[284] Oppermann (2008)
[285] Ibid
[286] Ibid
[287] adidas Group [Accessed on 2008-05-10]
[288] Y3 [Accessed on 2008-05-12]
[289] adidas Group [Accessed on 2008-05-10]

In 2005, *adidas* and *Porsche Design* also signed a long-term partnership agreement.[291] The *adidas* collaborations with *Yohji Yamamoto* and *Stella McCartney* provide perfect examples of the type of co-branding we briefly outlined in chapter 2.3, and which we described in more detail in chapter 4.2.4.2: a co-branding activity that has grown into a strategic

Figure 9. *StellaMcCartney* for *adidas*[290]

alliance. In both cases, the designers contacted *adidas* because they wanted to establish a single sports product within their collection. Due to the positive co-operation experience and the success of its outcome, the idea of a joint collection emerged, which eventually developed into a sub-brand.[292]

Figure 11. *Muhammad Ali* for *adidas*[294]

Moreover, *adidas* works with celebrities such as *Missy Elliot,* with whom *adidas* introduced the *Respect M.E.* collection. The collaboration with *Muhammed Ali* culminated in the establishment of *Ali by adidas*. Although the latter has been discontinued, the co-operation with *Missy Elliot* is still going strong with new projects such as the recently initiated *Stand Up. Be Seen.* talent competition.[295] Anni Oppermann explains that all of their co-branding relationships are based on

licensing agreements.[296] The most recent co-operation, the product collaboration with *Diesel* under the name *Originals Denim by Diesel*, is a long-term partnership commitment, currently scheduled to run until 2011.[297] Patrik Nilsson, president of *adidas* US, says that *adidas* wants to offer customers an experience when they come to the stores, and emphasizes that the lifestyle aspect is strengthened through the collaboration with *Diesel*.[298] Both brands *Diesel* and *adidas,* incorporate an unconditional approach to individuality and

Figure 10. *Missy Eliott* for *adidas*[293]

[290] adidas by Stella McCartney [Accessed on 2008-05-12]
[291] adidas Group [Accessed on 2008-05-10]
[292] Oppermann (2008); Tungate (2004)
[293] Oppermann (2008)
[294] Word Press [Accessed on 2008-05-12]
[295] adidas Group [Accessed on 2008-05-10]; Oppermann (2008)
[296] Oppermann (2008)
[297] Ibid
[298] Moroz (2008)

expression. Thus, the target groups of the two brands are almost identical. Christina Käßhöfer, Head of Marketing at *Diesel* Germany, tells us that they consider the overlapping of the target groups of both brands as an advantage, and hope that consumers will combine *adidas* and *Diesel* products even more

Figure 12. *Original's Denim* by *Diesel*[302]

often now.[299] Anni Oppermann stresses that this will not result in the two brands cannibalizing each other, pointing out that the outcome of the collaboration, the co-branded jeans collection, is exclusively sold in *adidas Original* stores.[300] Hermann Deininger, Chief Marketing Officer of the *adidas Sport Style* division describes the main practical advantage of the collaboration with *Diesel* as follows: *"Now when a consumer walks into one of our stores, we can offer a complete look – from a track top to jeans to a pair of sneakers."*[301] Beyond that, Christina Käßhöfer and Anni Oppermann both mention the importance of the press angle, and emphasize the strong media coverage as being a great advantage for both parties.

Partner Selection

Partner selection plays a crucial role in the whole collaborating process. The partner brand must add something special to the equation, as Hermann Deininger, Chief Marketing Officer *adidas* Sports Style Division, stresses in a press release.[303]

> *"This is the first time that we have entered into a collaboration of this kind with adidas Originals, and we would only do this with the right partner who brings our consumer something truly unique."* (Hermann Deiniger, *adidas*)

Observing the market and identifying the needs of lifestyle consumers is a continuous process. *"Our consumers deserve the best,"* as Anni Oppermann puts it, *"so we always try to really find the best partners. But, don't get me wrong, we're not looking for partners constantly, it is more of a development out of the market and brand situation."*[304] According to Anni Oppermann, the process includes a number of different factors so that there is not a real recipe for how to develop a successful co-branding relationship.

The *Diesel* collaboration, for example, emerged out of a friendship between Stefano Rosso, the son of *Diesel* founder Renzo Rosso, and Ben Pruess, Global Director of *adidas Originals*.[305] Both are big soccer fans, as Lehmann points out, thus, the deal was essential closed on the sidelines of the field.[306]

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[299] Käßhöfer (2008)
[300] Oppermann (2008)
[301] adidas Group [Accessed on 2008-05-10]
[302] Word Press [Accessed on 2008-05-12]
[303] adidas Group [Accessed on 2008-05-10]
[304] Oppermann (2008)
[305] Ibid
[306] Lehmann (2008)

Anni Oppermann comments that *adidas* had noticed that key people at *Diesel* had a passion for the *adidas* brand and illustrates the partner finding process in the following manner: *"You put a circle around that brand and you think about whether it might be a relevant partner for yourself."*[307] In a press release, Renzo Rosso, President of *Diesel*, confirms his passion for the *adidas* brand with the following statement.[308]

> *"I am an adidas fan myself and I am very excited about this project! It is the first time that Diesel creates a denim line with another lifestyle brand and we wanted to do it with adidas that shares with us the same fresh attitude and care for high quality and creativity."* (Renzo Rosso, *Diesel*)

Before entering a partnership, *adidas* considers all of the angles as to whether it is the right fit. Anni Oppermann explains the parameters of those considerations as follows.

> *"It* (co-branding) *needs to be with a company that shares the same values and thinking in terms of what it is that you want to offer, same quality, kinds of objectives. Basically, you can only partner up with someone that strategically fits to your company and adds value to your brand."* (Anni Oppermann, *adidas*)

Even if there is obviously no rule as to how to develop co-branding activities, Anni Oppermann considers finding the ideal partner as a real challenge, stressing that "*it has to be very authentic, it has to be the right fit,*" adding *"other than that it would obviously harm more than it would help."*[309]

5.3.2 Fashion and Design with Consumer Electronics

5.3.2.1 Philips

Facts and Figures

Royal Philips Electronics of the Netherlands was founded 1891 in Eindhoven and, today, is a global leader in the healthcare, lighting and consumer lifestyle sector.[310] The consumer electronics company has adopted the mission to deliver innovative products, services and solutions through its brand promise of *"sense and simplicity."*[311] According to its homepage, *Philips* is in the process of transforming itself into a market driven and people-centric company.[312] As part of its *Vision 2010* strategy, the company has simplified its business structures to align them with this strategy by creating three core sectors starting in 2008: Philips Healthcare, Philips Lighting and Philips Consumer Lifestyle. Since 2007, *Philips* has been planning major design and fashion-led campaigns with the

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[307] Oppermann (2008)
[308] adidas Group [Accessed on 2008-05-12]
[309] Oppermann (2008)
[310] Philips [Accessed on 2008-05-09]
[311] Ibid
[312] Ibid

objective of moving away from the company's traditional focus on the technical benefits of its products and toward more of a lifestyle positioning.[313]

Activation through Co-Operation

At *Philips,* there are over 30 partnerships with other market leaders in their respective fields,[314] including *Nivea*, *IKEA* and *Senseo*.[315] In our telephone interview with Klaus Petri, Director of Communications at Philips, he talks about *Philips'* first co-operation, which given the success of this particular strategic co-branding relationship has been continued.

> *"It's always one plus one is more than two. We have made some good experiences. [...] the first co-operation was with the coffee sector, with Senseo. [...] We had really good feedbacks."* (Klaus Petri, *Philips*)

Klaus Petri emphasizes the fact that the development of the idea behind the collaboration has to be well thought-out. *"Co-developing of a product is not just 'we have a product and we want to put your sticker on it.' It is really about two parties sitting down together and deciding what kind of a product could be done together."*[316] Mutual products are usually communicated and advertised together in order to stimulate sales as well as the brands. This practice also offers an important financial benefit, particularly for consumer electronics, as Klaus Petri illustrates.[317]

> *"The mark-up spending is really low in electronics. The mark-up spending in the food and also in the coffee area are extremely high compared to ours, [...] so the nice situation was that our brand was mentioned in a lot of advertisements which Philips never could have paid for."* (Klaus Petri, *Philips*)

With respect to *Philips'* lifestyle orientation and the fashion and design focus of this paper, the co-operation with the leading fashion brand *Swarovski* is especially noteworthy and of central importance for this case study. *Swarovski*, strives to position itself at the cutting edge of fashion with its jewellery, fashion accessories and home décor objects.[319] The company is globally active in 120 countries, and is dedicated to the production of crystalline products, which are sold in approximately 1,150 *Swarovski* stores worldwide.[320] According to Klaus Petri, the company's wide distribution of retail shops and its far-reaching brand presence was one of the decisive drivers for *Philips* when launching the collaboration with *Swarovski* in 2007, which

Figure 13. *Active Crystals* Headphones[318]

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[313] Marketing Week (2007/08)
[314] Philips [Accessed on 2008-05-10]
[315] Petri (2008)
[316] Ibid
[317] Ibid
[318] Kim Vallee [Accessed on 2008-05-10]
[319] Swarovski [Accessed on 2008-05-10]
[320] Ibid

Figure 14. *Active Crystals* USB-Stick[324]

culminated in the development of the mutual collection *"Active Crystals."*[321] The collaboration consists of a technological assortment featuring the design of *Swarovski* crystals. Press releases have referred to the co-operation as an *"alliance of senses and aesthetics,"* one which has become synonymous with individual flexibility, energy, design high fashion and high-tech.[322] With the collection of *"Active Crystals,"* *Philips* and *Swarovski* attempt to prove that it is possible to combine elegant design with modern technology.[323] The collection comprises wearable items such as heart-shaped memory-stick pendants or crystal audio headphones. The emotional and sensual approach has created new opportunities for *Philips*. As Klaus Petri explains, the collaboration has broadened the *Philips* brand, giving it an entirely new dimension.

> *"Normally, USB-sticks are really unsexy. The co-operation with Swarovski brought*
> *USB-sticks to the market which looked like a fashion item."* (Klaus Petri, *Philips*)

Gray points out that technical objects with appealing designs are increasingly used as lifestyle accessories.[325] *Philips* was able to gain access to a new target group given the fact that the design items were meant to appeal particularly to women, who are often key decision makers with respect to consumer electronic purchases.[326] Rudy Provoost, CEO of *Philips Consumer Electronics*, is also very happy about the partnership with *Swarovski*, optimistically commenting on the co-operation in a *Philips* press release.[327]

> *„Through our co-operation a unique value offer evolves that unites the leading*
> *market position of Philips in innovation and the luxury competence of Swarovski.*
> *These new products will have a far-reaching influence on how women interact with*
> *innovation and technology."* (Rudy Provoost, *Philips*)

Klaus Petri observes that, especially in mature markets, there is *"never only one reason for doing it* (co-branding).*"*[328] According to Klaus Petri, it is important to create value and remain innovative, and that and an international co-branding approach with a competent partner *"is really a form of reanimating markets."*

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[321] Petri (2008)
[322] Philips Press Information [Accessed on 2008-03-09]
[323] Active Crystals [Accessed on 2008-05-09]
[324] Philips Press [Accessed on 2008-05-10]
[325] Gray (2006)
[326] Marketing Week (2007/08)
[327] Philips Press Information [Accessed on 2008-03-09]
[328] Petri (2008)

Partner Selection

With respect to the process of partner selection, Klaus Petri tells us that the co-operation with *Swarovski* was largely driven forward by the former CEO of *Philips Consumer Electronics*. He adds that people in the marketing department of *Philips* often think about entering a co-operation but in reality should not be negotiated by any single marketing individual.[329]

> *"The decision is made by the top management, because then it is not an individual decision, it is the company's decision. [...] Sometimes it is the idea of a single marketing person but in the end it has to be accepted by the top management."*
> (Klaus Petri, *Philips*)

According to all of our interviewees, one prerequisite for a perfect partnership is that both partners have to fit together. For a leading brand such as Philips, this means that *"the general idea is to have a partner which is also in the same markets as we are."*[330] Klaus Petri emphasizes that it does not make much sense for a global brand to co-operate with a local partner. This argument is confirmed by Simonin and Ruth, who argue that if two partner brands differ in familiarity, the two brands do not make equal contributions to relationship evaluations.[331] Consequently, the more a company acts on a global scale, and the more familiar it becomes, the more it limits the partner choice.

> *"The idea should be [...] that our partners are really [...] on a broader and global space. It should be a co-operation of equals. [...] it should be a top player in this special market. [...] Swarovski is everywhere were we are."* (Klaus Petri, *Philips*)

Another crucial criterion for *Philips* when choosing a partner is the image aspect. Klaus Petri points out that *Philips* would not consider a partner with a risky image. Profiting from each other's images and the reflection of reputation is an aspect, which according to our expert, should not be underestimated in co-branding.

> *"Of course you are also charging your own brand when you have a partner which has a high image. There is no doubt about it."* (Klaus Petri, *Philips*)

Swarovski as a partner moreover offers a high-quality solution to sell the mutual products at the point of sale. Taking the intentional lifestyle aspect into consideration, its own retail stores fit better to the luxurious *"Active Crystal"* items than big electronic outlets, which often use discount communication and have a mass market character.[332] Concerning the duration of partnerships at *Philips* Klaus Petri tells us that there is a lot of investment from both parties to develop something together and that it thus does not make sense to have it just for one season; this leads automatically to a long-term co-operation.[333]

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[329] Petri (2008)
[330] Ibid
[331] Simonin and Ruth (1998)
[332] Petri (2008)
[333] Ibid

> *"Our learning is that if you want to co-operate with another company, it has to be a long-time co-operation. It is not just doing it once for a try."* (Klaus Petri, *Philips*)

Last but not least we get to know that even the most potential and successful business partner has to fulfill the condition of good social and human relations. When planning a long-term co-operation with a brand, the requirement of understanding and personal communication is obligatory.

> *"The idea is always to make money. But in the end, if you have only a financial interest, it never will work. So what always comes out is that you are also creating a kind of human relationship."* (Klaus Petri, *Philips*)

Klaus Petri remembers that the internal communication to *Swarovski* has worked out well, though it is sometimes not easy to bring fashion and technology oriented people together.[334] All in all, *Swarovski* has proven to be a successful co-branding partner for *Philips* as through the unique and innovative product combination and design, *"Active Crystals"* has succeeded in filling a market niche. The *Interbrand* Best Global Brands Survey 2007[335] shows that *Philips'* brand value in 2005 was ranked position 53 with a value of 3,805 million euros,[336] but in 2007 it has risen to position 42, with a value of 4,973 million euros.[337] This increase occurred in the introductory period of *Philips'* lifestyle focus and demonstrates that the co-operation with *Swarovski* and thus, the launch of the new technological fashion devices[338] is an indicator for the right strategic approach.

5.3.2.2 Sharp

Facts and Figures

Shaping the future with innovations has been the motto of *Sharp* ever since the company was founded in 1912.[339] Since the establishment of *Sharp Electronics (Europe) GmbH (SEEG) in 1968,* the German sales base, *Sharp* has steadily expanded its business activities in Europe. In the past years, it has grown to a total of 14 locations and employs at staff of some 2,674 people worldwide.[340] The company's product spectrum ranges from consumer electronics and white goods to digital information systems, mobile phones as well as solar modules. The development of digital technologies and components for the electronics sector belongs to the core competencies of *Sharp*. The company defines its guiding principle as *Honesty and Creativity,* adding on its website: *"We do not just develop innovative products – we create new lifestyles for the 21st century."*[341] In 2006, global sales increased 11.8 per cent to 19.45 billion euros and the operating profits grew by 13.9 per cent to 1.16 billion euros, while the net profit rose by 14.7 per cent to 632.6 million euros.[342]

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[334] Petri (2008)
[335] Marketing Week (2007/11)
[336] 5.9 million US dollars, conversion rate 2008-05-16
[337] 7.7 million US dollars, conversion rate 2008-05-16
[338] Marketing Week (2007/11)
[339] Sharp [Accessed on 2008-05-16]
[340] Ibid
[341] Ibid
[342] Ibid

Activation through Co-Operation

In the European market, *Sharp* has entered into three primary co-operations with brands in the fashion and design industry.[343] The first was a joint-appearance with the Japanese fashion designer *Issey Miyake* in 2001.[344] He used *Sharp* LCD televisions and monitors both for his exhibition in Berlin and his shops in Japan. *Sharp* in turn ran his fashion shows on its TVs during trade fair appearances. In our telephone interview with Reinhart Buchner, Design Manager at *Sharp Electronics*, he summed the primary objectives for *Sharp* when entering collaborations as follows.[345]

> *"Especially in the design field, I would say Sharp is, at least in the European market, not fully recognized as a design brand. [...] So for us, being seen together with brands which have a very high reputation in the fashion market or also in the design field is very beneficial."* (Reinhart Buchner, *Sharp*)

This quote makes it obvious that *Sharp's* co-branding activity is rather image-driven, and that the company is currently trying to activate its design performance more intensively. The same can be said for the other two co-operations *Sharp* has entered which, compared to the first, also included the development of a new product. One of these was the co-operation with *Swarovski*. The result was a *Solar Car*, the *"Swarovski Crystal Aerospace"*.

Figure 15. *Solar Car*[346]

The design was developed by the British contemporary designer *Ross Lovegrove,* who was contracted by *Swarovski* for the project. Reinhart Buchner explains how the contact with Sharp came about.

> *"He* (Ross Lovegrove) *then was looking for a supplier for the solar cells, and recognized that Sharp, as the world market leader of delivering solar cells, was the right partner for this project."* (Reinhart Buchner, *Sharp*)

Reinhart Buchner observes that the co-operation with *Swarovski* has places *Sharp* solar cells in an entirely different market context. The car with the *Sharp* logo has been travelling around the world and showcasing the environmentally friendly *Sharp* solar cells in a very innovative and attractive way.[347] Reinhart Buchner particularly emphasizes the original idea of the project that inspired *Sharp* to combine its solar cells with crystals from *Swarovski*, which focus the sun's light to increase solar cell efficiency.

> *"This was a very [...] innovative idea, and Sharp was happy to be the one to deliver the cells for such a unique approach."* (Reinhart Buchner, *Sharp*)

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[343] Buchner (2008)
[344] Ibid
[345] Buchner (2008)
[346] Pure Contemporary [Accessed on 2008-05-16]
[347] Buchner (2008)

Reinhart Buchner points to the crucial factor of brand awareness. In his opinion, the co-operation with *Swarovski* has worked as a brand activation tool for *Sharp*. One out of four solar cells world-wide is produced by *Sharp*.[348] However, solar cells are installed on roofs, and there is basically no visible *Sharp* logo. Many people are not even aware of the fact that *Sharp* is a producer of solar cells.[349] Thus, as Reinhart Buchner stresses, the co-branding project with *Swarovski* had a very positive side effect of bringing *Sharp's* competence in this particular field to people's attention.[350]

> *"With this car, and later with the Artemide Tree, Sharp was clearly named. It went to the press, architecture and design magazines [...] and also created the awareness that Sharp is the brand behind the solar cells."* (Reinhart Buchner, *Sharp*)

The *Artemide-Solar Tree*, also designed by *Ross Lovegrove,* is the outcome of the third co-operation of *Sharp*. It was developed together with the design-oriented Italian manufacturer *Artemide*, a company that specializes in lighting design. The *Artemide-Solar Tree* is an innovative, sinuous solar lamp made of steel pipes, each one supporting a light bubble to which solar cells are connected over a battery system. In a press interview, Peter Thiele, General Manager of *Sharp Electronics Business Group Germany and Austria,* explains that, in developing the *Solar Tree, Sharp* combined the latest solar technology with modern design elements.[354]

Figure 16. *Solar Tree*[351]

> *"We show that with solar cells it is possible both to create aesthetic design and to save energy to help conserve the environment. [...] Both with the Solar Tree and the Swarovski Crystal Aerospace, we demonstrate how flexibly solar cells can be put to use."* (Peter Thiele, *Sharp*)

The *Solar Tree* was originally designed in 2007 for the *MAK Design Nite*, an event of the *Vienna Design Week*.[355] Initially, only a temporary installation of the *Solar Tree* was envisaged. However, following its success in Vienna, *Sharp, Artemide* and *Ross Lovegrove* saw the project as having great potential for a worldwide campaign on innovative urban lighting concepts.[356] They predicted that other big cities around the world could be won over by the *Solar Tree,* and by the use of renewable energy sources for street lighting.[357] Consequently, a European tour was initiated that provided *Sharp* with additional brand activation and brand awareness raising opportunities

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[348] Sharp Press Release (2008)
[349] Buchner (2008)
[350] Ibid
[351] Renewable Energy World [Accessed on 2008-05-10]
[352] Ibid
[353] Ibid
[354] Sharp [Accessed on 2008-05-17]
[355] Artemide [Accessed on 2008-05-17]
[356] Ibid
[357] Ibid

Partner Selection

In all three co-operations, *Sharp* was the party approached by the designers *Issey Miyake* and *Ross Lovegrove*. Although the typical partner search process as described above does not apply in this particular case, a careful screening of the requesting partner nevertheless had to be undertaken. With respect to *Sharp's* criteria for partner selection as Reinhart Buchner points out, it is essential that the potential partners are leaders in their respective field.[358]

> *"We would not co-operate with just anyone. We are really for the best in a category and I think this was both true for Swarovski in terms of crystals and jewellery and it is definitely also true in case of Artemide for lighting. So in this kind of cross-branding we like to benefit from an established brand image of our partner."* (Reinhart Buchner, *Sharp*)

Thus, as far as strategic partner choices at *Sharp* are concerned, the image factor is very important. Another important criterion, according to Reinhart Buchner, is that the mutual product is innovative. A redesign of an existing product is not enough. *"It must be something very unique and very innovative, which has not existed in that form before."*[359] Reinhart Buchner mentions one more precondition potential partner must fulfil to co-operate with *Sharp*.

> *"Maybe, there are partners who are only known for stylish products, but not for their technological background. Sharp is a technology-driven company and we want to be recognized as a technology company. And so, [...] select partners where we actually can demonstrate our technical leadership."* (Reinhart Buchner, *Sharp*)

In general, Reinhart Buchner concludes, the aspired partnership should be a win-win relationship.[360] The benefit for *Sharp* is even higher, if the co-brand partner benefits equally.

5.3.3 Fashion and Design with Automobile Industry

5.3.3.1 BMW

Facts and Figures

The brand *BMW* (*Bayerische Motoren Werke*) has its origins in the foundation of the *BFW* (*Bayerische Flugzeugwerke*), which acquired the *Otto-Werke*, in 1916.[361] Today, *BMW* is one of the world's leading automobile and motorcycle manufacturers and the parent company of the *MINI* and *Rolls Royce* brands. With all of its brands, *BMW* directs its focus at the premium segments of the international automobile markets.[362] In 2007 the entire *BMW Group* achieved 56,018 million euros

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[358] Buchner (2008)
[359] Ibid
[360] Ibid
[361] BMW Group [Accessed on 2008-05-12]
[362] BMW Group Annual Report (2007)

fiscal revenues and 3,134 million euros net profit.[363] *Interbrand* estimated the *BMW* brand at 13,907 million euros,[364] ranking it 13th among the 100 best global brands in 2007.[365] In its mission statement for the entire *BMW Group* through the year 2020, the company aspired to be *"the world's leading provider of premium products and premium services for individual mobility."*[366]

Originally developed by the *Rover Group*, *BMW* re-launched a new design-oriented version of the *MINI* in 2001, out of which the sub-brand *BMW MINI* emerged. In 2007, *BMW* delivered 222,875 *MINI* cars to customers compared to 176,465 sold *MINIs* in 2003.[367] The *MINI* appeals to a very different target group than to *BMW's* traditional customers. The car is targeted at *modern performers*, defined as the young, unconventional and flexible performance elite with a distinct and exceptional consumption propensity.[368] Although the *BMW MINI* brand was the primary focus of this particular case study general co-branding related criteria of the *BMW Group* as a whole were also taken into consideration.

Activation through Co-Operation

Co-branding is one of many tools used to activate the *MINI* brand.[369] The marketing focus thereby is to provide the target audience with extraordinary experiences to activate the brand in a particularly intense way.[370] *MINI* is probably the brand that people associate most with guerrilla marketing and product placement, which can also be seen as a type of co-branding and which plays an important role in the *MINI* brand strategy.[371]

According to Uwe Dreher, International Brand Manager at *BMW MINI*, the marketing department has defined six goals that the company strives to achieve with its co-operations:[372]

1. *BMW MINI* aims to raise brand awareness outside of the automotive world. *"That's why we seek partners like Diesel, because they are in the fashion industry,"* Uwe Dreher comments.
2. *BMW MINI* aims to sharpen the brand profile by selecting suitable fields and partners in order to profit from image transfer.
3. *BMW MINI* aims to charge the *MINI* brand with emotion. Uwe Dreher stresses that *"this is very important for us, we have very emotional projects."*
4. *BMW MINI* aims to create news and PR value. *"In the fashion industry, they [...] launch two to six collections a year, but [...] we only have one MINI [...],"* Uwe Dreher observes, and

[363] BMW Group Annual Report (2007)
[364] 21,616 million dollars; conversion rate 2008-05-12
[365] Interbrand (2007)
[366] BMW Group Annual Report (2007)
[367] Ibid
[368] Serviceplan (2001)
[369] Dreher (2008)
[370] Ibid
[371] Ibid
[372] Ibid

adds *"that means we don't have that much news value to tell. So we have to create projects to keep the level of awareness high, and that's why we do co-operations."*

5. *BMW MINI* aims to iconize the *MINI* brand. *"We don't want to have MINI as a fashion industry trend, which rises very quickly and then falls down [...], but we want it to be very stable, iconized,"* Uwe Dreher explains.

6. *BMW MINI* aims to leverage the partner brand to optimize project spending. Or as Uwe Dreher puts it, *"when you join forces, it gets cheaper and easier to organise."*

In the field of co-operations, Uwe Dreher distinguishes between strategically planned and impulse-driven collaborations.[373] At the strategic level, the company has formed co-operations with *MTV, Diesel, Onitsuka Tiger* and *Sony Ericsson*.[374] Uwe Dreher describes the nature of these relationships as a constant giving and taking.

> *"We use the products of these companies whenever we need trousers, shoes or cell phones for an event, photo shooting or at car shows and they support us. [...] On the other hand, certainly, when they need cars, they use a MINI whenever they can, to show it in their brochures, advertisings etc."* (Uwe Dreher, *BMW MINI*)

The co-operations are continuous long-term agreements whereby *BMW MINI* regularly examines whether the partner is still relevant enough for the *BMW MINI* target audience.[375] To meet the expectations of the special *MINI* target group, described as *"very postmodern orientated trend setters and early adopters in the big cities of this world,"* *MINI* also employs surprising and rather short-term measures at the co-operative level.[376]

> *"We have to inspire the target audience of MINI again and again and again. That's why we not only have ongoing co-operations, but also two head partners where we show up with something like a fashion or a furniture show, and then we take it away after a few months already, after the press has eaten it up and written about it, and then we look for something new."* (Uwe Dreher, *BMW MINI*)

An outstanding example of a co-operation at this level, according to Uwe Dreher, is the one *MINI* formed with *Bisazza*, an Italian manufacturer of glass mosaics for interior and exterior decoration.[378] The aim of this co-operation was not readily apparent at first glance, but it exceeded all expectations, and the media response was tremendous. Uwe Dreher notes that the

Figure 19. *MINI* wears *Bisazza*[377]

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[373] Dreher (2008)
[374] Ibid
[375] Ibid
[376] Ibid
[377] BMW Group [Accessed on 2008-05-12]
[378] Bisazza [Accessed on 2008-05-12]

scope of the media coverage ranged from commercial business newspapers to special interest magazines.[379]

> *"We established the MINI brand pretty fine in the design and architecture sector [...] and when they* (sceptical people) *saw the product, everybody gave applause and said: 'This is beautiful'. So the audience was thrilled, the press was enthusiastic and were writing about it like crazy [...] and this is what I mean by successful."*
> (Uwe Dreher, *BMW MINI*)

On average, *BMW MINI* organises two co-operation campaigns per year, usually lasting approximately six months, to fill certain niches and to target specific audiences.[381] In addition to marketing collaborations, *BMW MINI* also launches product-based co-operations, for example, with *Apple*.[382] The primary purpose of this particular collaboration is to make electronics
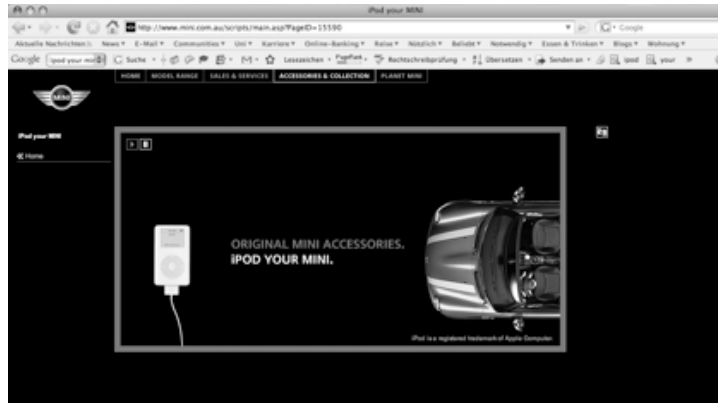

Figure 20. *MINI* with *Apple*[380]

devices compatible with the *MINI*. Consumers simply expect compatibility as a matter of course.[383] Uwe Dreher explains why the co-operation between *BMW MINI* and *Apple* is rather more rational and functional in nature.[384]

> *"We actually don't really have a marketing focussed co-operation with Apple, mostly because Apple is not into exclusivity. They cannot guarantee when they work with us on a project that they don't do this with any kind of other car manufacturer besides MINI. And this is not what we want. We want exclusivity. We want really a partnership, which is more of an exclusive co-operation than a brand that would go with any other car brand besides MINI. That's not sexy for us."* (Uwe Dreher, *BMW MINI*)

BMW MINI also engages in charity events such as the *Life Ball* in Vienna. In co-operation with its long-term partner *Diesel*, *BMW MINI* created a *Diesel MINI* with a convertible roof made of Diesel Denim material in 2007.[385] In 2008, a *Life Ball MINI* model was created in co-operation with *Agent Provocateur*, the English lingerie label.[386] Proceeds from the auction were donated to a good cause as part of the charity event.[387]

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[379] Dreher (2008)
[380] Mini [Accessed on 2008-05-12]
[381] Dreher (2008)
[382] Ibid
[383] Ibid
[384] Ibid
[385] Ibid
[386] Spiegel Online [Accessed on 2008-05-17]
[387] Dreher (2008)

Partner Selection

The *MINI* marketing department, as a strategic unit, has established a filter system that employs a three step method used to identify and evaluate potential co-branding partners.[388] First, the brand strength of the potential partner is assessed. Then, the brand's positioning is evaluated. Finally, its brand values are put to the test. Only if a brand possesses an adequate number of brand strengths, a premium positioning and enough brand value that overlaps with the *MINI* brand, is considered as a potential partner.[389] However, Uwe Dreher emphasizes that there must still be enough room for flexibility, to react to new trends and market situations. After all, this is what the target group expects, and what sets the *MINI* brand apart from other conventional car brands.[390]

> *"I would say like 80 per cent it's a strategic-driven process but we keep room like 20 per cent to be individual, to be fast, to react on the market. And if there's something interesting going on, MINI really needs to be the carrier of this trend, so we need to be fast enough to step on it."* (Uwe Dreher, *BMW MINI*)

Once the marketing team of *MINI* has a potential partner in mind, they look into the brand status more thoroughly. It is important that the partner brand has a clear personality and stands for similar values as does *MINI*, Uwe Dreher explains. He also stresses that the partner brand must be somewhat relevant for the *MINI* target group.[391]

> *"If you want to reach trend setters and you do a co-operation with 'Birkenstock,' perhaps you miss it. I mean, if you go with 'DSQUARED' they will say 'Yeah, good job MINI.' So this is the relevance for us."* (Uwe Dreher, *BMW MINI*)

Another criterion for partner evaluation at *BMW MINI* is consistency and whether the brand is able to influence opinion leaders. *"We need brands that influence the trendsetters,"* as Uwe Dreher points out, *"where they say, wow, this is an inspiring brand."*[392] In addition, the brand has to have substance. Uwe Dreher provides an example: *"That's why we like Diesel, for instance, because they make the best used denim ever; I mean, that is why people buy Diesel jeans for 150 euros each."*[393] Moreover, *BMW MINI* looks to partner with global players, simply given the fact that *MINI* is a global brand itself. Naturally, it is essential that the partners are profitable, also to avoid negative spill over.[394] Hedwig Taubert, Project Manager Corporate Identity at *BMW Group*, adds that there are certain industries and areas of society, which generally are not considered by the *BMW Group* when seeking potential partners, namely politics, religion, the military, the pharmaceutical industry as well as alcohol and cigarettes manufacturers.[395] Furthermore, *BMW* does not invest in individuals as brand representatives

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[388] Dreher (2008)
[389] Ibid
[390] Ibid
[391] Ibid
[392] Ibid
[393] Ibid
[394] Ibid
[395] Taubert (2008)

on account of the fact that the image of a personality figure can quickly change from positive to negative, which could harm the brand.[396]

To find the ideal co-branding partner, *MINI* carefully monitors the needs and desires of its target group. Uwe Dreher sees co-operations as a useful tool to communicate with the target group on a level they are interested in. It is important to select partners they have an affinity for, such as from the fashion and design sector.[397]

> *"For the co-operation it's really to be pretty unique and to conquer from outside the automotive world to completely go into the fashion industry, furniture, architecture and design because this is the interest of our target audience. They love architecture and arts and design and fashion."* (Uwe Dreher, *BMW MINI*)

Further elaborating on the point, Uwe Dreher points out that it is *MINI* who must bring the brand to the target group, not the other way round.[398] Thus, the efforts of the MINI marketing team are directed at presenting the brand in a context that is interesting for their target group, and selecting appropriate partners accordingly.[399]

> *"They* (target group) *don't come to a car dealer to see that. We have to go there where they spend their leisure time, like the furniture show in Milano or the 'Art Basel Miami Beach Show' in December in South Beach Miami."* (Uwe Dreher, *BMW MINI*)

Even if partner selection is a very strategic process, as the carefully planned co-branding framework established by the *MINI* marketing department clearly indicates, it must still leave room for a certain degree of flexibility to be creative and to inspire the target audience.[400]

5.3.3.2 Volkswagen

Facts and Figures

The *Volkswagen Group* is one of the world's largest automobile manufacturers and the leading car builder in Europe.[401] *Volkswagen's* roots go back to1938, and officially became the *Volkswagen AG* in 1985.[402] In 2007, sales revenues of the *Volkswagen Group* totalled 108,897 million euros sales with profits of 4,122 million euros profit after tax.[403] The group consists of the brands *Volkswagen*, *Audi*, *Bentley*, *Bugatti*, *Lamborghini*, *SEAT*, *Skoda* and *Volkswagen Commercial Vehicles*.[404] The focus of

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[396] Taubert (2008)
[397] Dreher (2008)
[398] Ibid
[399] Ibid
[400] Ibid
[401] Volkswagen Annual Report (2007)
[402] Ibid
[403] Ibid
[404] Ibid

this case study is directed at the *Volkswagen* brand, including *Volkswagen Commercial Vehicles*. The brand value of *Volkswagen* was calculated by *Interbrand* at a total 4,180 million euros[405] in 2007.[406]

Activation through Co-Operation

Both *Volkswagen* and *Volkswagen Commercial Vehicles* use co-branding as a tool for strategic brand activation.[407] In our telephone interview with Lutz Kothe, Head of Sponsoring, Events, International Co-Operations and International Motor Shows at *Volkswagen,* he offers these comments on the extend that co-branding activates the Volkswagen brand.[408]

> *"On the one hand [...] it is the brand which plays a role. On the other hand, the brand itself is the way to sell our product. And therefore, we are also activating our product and bring it to the relevant set of our customers through co-branding."*
> (Lutz Kothe, *Volkswagen*)

Stefan Pfeiffer, Director of Marketing Strategy *Volkswagen Commercial Vehicles,* underscores the fact that *Volkswagen* generally does not regard co-branding as an isolated campaign, but rather as an integral part of the overall marketing strategy.[409] According to Stefan Pfeiffer, the primary objectives *Volkswagen* wants to achieve with its co-branding related activities are increased awareness and image upgrade.[410] Further, elaborating on this issue, he makes the following distinction between brand status and brand perception.[411]

> *"If you are a newcomer, you may rather look [...] for brand awareness [...]. But this is, of course, not the problem of Volkswagen. [...] For us, it more of an image as to how to present our vehicles like the Caddy and Multivan, which are very leisure-oriented vehicles together with a leisure-oriented brand. So this is purely image for us. For other companies, it may be more awareness-driven. [...] Sometimes it may be directly sales-driven."* (Stefan Pfeiffer, *Volkswagen Commercial Vehicles*)

Lutz Kothe clearly puts the first priority on what Stefan Pfeiffer indicated in the end of his statement, namely sales, stressing that *"Our first aim is always to sell cars. That is what we are doing."*[412] He adds that *Volkswagen's* sponsoring and co-operation strategy has a clear focus on football, *"since it fits perfectly to the brand Volkswagen."*[413] *Volkswagen Commercial Vehicles* fosters brand co-operations with the German sportswear brand *Puma* as well as the American media conglomerate *Viacom*.[414] Both collaborations involve a reciprocity agreement, which Stefan Pfeiffer describes rather pragmatically as follows.

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[405] 6,511 million US dollars, conversion rate 2008-05-18
[406] Volkswagen Annual Report (2007)
[407] Pfeiffer (2008); Kothe (2008)
[408] Kothe (2008)
[409] Pfeiffer (2008)
[410] Ibid
[411] Ibid
[412] Kothe (2008)
[413] Ibid
[414] Pfeiffer (2008)

> *"Since Puma was not the official sponsor of the Championship in Germany, they tried to find some other way of promoting Puma around this event. And they were asking for appropriate vehicles. We gave them the vehicles, and they put their Puma stickers on them."* (Stefan Pfeiffer, *Volkswagen Commercial Vehicles*)

According to Stefan Pfeiffer, it was very appealing for *Volkswagen* to co-operate with *Puma*, since *"they* (Puma) *have had big, big success, especially in the more fashion-oriented sports clothing segment in recent years."*[415]

Volkswagen is also involved in events such as the German film festival *Berlinale* and in product placement.[416] In 2005, *Volkswagen* and *NBC Universal*, a leading media and entertainment company, announced the creation of a multi-year global marketing alliance. As part of the partnership agreement, *Universal* incorporates *Volkswagen* products and the brand, in its films, DVDs, theme parks around the world and other entertainment properties. In addition, *Volkswagen* supports media-and entertainment-related properties of *NBC Universal* through international marketing and promotional efforts. In a press release, Bernd Pischetsrieder, CEO of *Volkswagen*, states that the co-operation offers a highly attractive platform to promote the Volkswagen brand and to reach consumers on a global scale.[417]

> *"This will represent one of the largest and most comprehensive alliances in the entertainment industry and prepares the ground for new ways of reaching consumers on a global scale."* (Bernd Pischetsrieder, *Volkswagen*)

One immediate outcome of this particular co-branding relationship is the movie *Bourne Ultimatum*, for which *Volkswagen* provided the filmmakers with a *Volkswagen Golf GT*.[418]

Moreover, Lutz Kothe adds, that *Volkswagen* also actively pursues co-operations in the area of fashion and design.[420] In terms of activating the more dynamic aspects of the brand, for example, *Volkswagen,* together with the sports brand *Nike,* jointly organised and initiated the *Volkswagen United Masters*, Germany's largest indoor soccer tournament.[421] All depending on the product, co-branding partners can be quite different, as Lutz Kothe explains. Case in point: the current *Volkswagen* co-operation with *Germany's Next Topmodel*. *Volkswagen* launched the co-operation to promote its new model *Scirocco*, a vehicle, which is positioned as a

Figure 21. *Volkswagen United Masters*[419]

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[415] Pfeiffer (2008)
[416] Volkswagen [Accessed on 2008-05-18]
[417] VW Media [Accessed on 2008-05-18]
[418] Volkswagen [Accessed on 2008-05-18]
[419] Volkswagen United Masters [Accessed on 2008-05-10]
[420] Kothe (2008)
[421] Ibid

Figure 22. *Germany's Next Topmodel*[423]

fashionable car. *Germany's Next Topmodel* was seen as an appropriate platform to emphasize this aspect. *Volkswagen* sponsors the TV show. The car is also integrated into the show, for example, in photo shootings with the newcomer models.[422]

Lutz Kothe tells us that it is *Volkswagen's* vision to become the most innovative brand in the world. *"We are constantly working on low-emission vehicles or on zero-emission vehicles,"* says Lutz Kothe *"This is the future of cars to be built."*[424] Volkswagen is constantly working to develop new technologies, which are then communicated to the publicity. Together with innovative partners, communicating and implementing those advancements can be accomplished even more effectively.[425]

Partner Selection

Volkswagen has a strategic department that constantly screens potential co-branding partners.[426] The company introduced a tool to determine whether a brand forms a good fit with *Volkswagen* or not. This instrument is designed to evaluate possible co-operations and sponsoring projects in terms of their appropriateness.[427] *"Each co-operation or sponsorship has to undergo the scrutiny of this tool,"* as Lutz Kothe points out, stressing that the potential partner brand has to match up well with the *Volkswagen* brand assets. According to Lutz Kothe, clear brand guidelines must be fulfilled by the potential partner brand, in particular, specific requirements such as broad visibility within the market as well as activation possibilities.[428] He sums the preconditions up as follows.

> *"What we are doing, in general, [...] is comparing [...] our brand core assets with the brand we want to co-operate with. If we have a fit, there is a decent chance to do it."* (Lutz Kothe, *Volkswagen*)

In the case of *Puma*, this was exactly the case, as Stefan Pfeiffer illustrates: *"Puma is not Louis Vuitton [...] it is a modern and lifestyle-oriented brand, also with a high-quality image and therefore, it fits perfectly to Volkswagen."*[429] Lutz Kothe confirms the same fact for *Nike*.[430]

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[422] Kothe (2008)
[423] Ibid
[424] Ibid
[425] Ibid
[426] Ibid
[427] Ibid
[428] Ibid
[429] Pfeiffer (2008)
[430] Kothe (2008)

As a general rule, *Volkswagen* does not associate itself with politics and religion, as the *Volkswagen* brand is *"a very broad brand that builds cars for each and everybody."*[431] Therefore, *Volkswagen* does not attempt to fill niches.[432] Accordingly, as Stefan Pfeiffer adds, it makes sense to co-operate with a partner that only compensates your own brand's weaknesses.[433]

According to Lutz Kothe, key questions such as the following need to be answered as part of the partner selection process at *Volkswagen*. What image does the brand have? How can an image transfer be implemented? What products does the co-operation partner sell, and do they fit with those of *Volkswagen*? Are there similarities in the markets? And most importantly: Does a co-operation make sense from the consumer's point of view?[434] If the latter can be answered with a "yes," the partnership has promising potential.

5.4 The Relevance of Co-Branding in the Fashion and Design Sector

Tungate compares collaborations between fashion brands and other product categories as relationships between celebrities and normal citizens: they are aware of one another's existence, they occasionally share the same space, but they rarely mingle.[435] However, as mentioned, an increase of these unlikely co-branding activities can be observed in the fashion and design industry within recent years. The experts interviewed for this study largely confirmed this development. Lutz Kothe, for example, says *"I think that the fashion industry, they are lining up with more partners than others."*[436] Evidence of this growing trend in the fashion and design industry can also be found in the secondary sources. Bürdek, for instance, argues that *"European companies noticeably increased their design activities, even promoting them to the status of strategic instruments, as is especially evident in the automobile industry."*[437] A major reason for this particular development, as compared to other industries, can be assumed in the fact that fashion and design brands are relatively easy to combine both with other fashion items as well as with products of other industries. Tungate argues that the days when consumers were loyal to brands are long gone.[438] Today, people already mix different fashion and apparel brands, combining both mass market and luxury items.[439] Christina Käßhöfer concedes that the aspect of mixing styles and fashion brands made the decision for *Diesel* easier to enter a collaboration with *adidas*:[440]

> *"With adidas we have seen that both target groups are so close that people already combine adidas and Diesel products."* (Christina Käßhöfer, *Diesel*)

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[431] Kothe (2008)
[432] Ibid
[433] Pfeiffer (2008)
[434] Kothe (2008)
[435] Tungate (2005), p. 91
[436] Kothe (2008)
[437] Bürdek (2005), p. 346
[438] Tungate (2005)
[439] Ibid
[440] Käßhöfer (2008)

When asked about the most appropriate industries for co-branding, practically all of our respondents agreed that the fashion and design sector ranks among the industries most frequently approached by potential partners. By forming co-operations with lifestyle-oriented brands, mutual brand extensions can serve as useful strategies for image transfer and for creating innovative product categories to successfully activate brands. Christopher Wünsche, Managing Director *Interbrand* Munich, confirms that image transfer is one of the most important drivers for partnerships, and a major reason for why brands seek out strong co-brands.

> *"I think luxury and fashion brands [...] are the most desired partners because they enjoy a very high level and valuable brand status and of course a core criteria or a core motivation for a brand partnership is to transfer images."* (Christopher Wünsche, *Interbrand*)

Susanne Becker stresses the fast changing environment of the fashion and design industry as a major contributing factor to enter into co-operations with brands from other sectors. It is also, what makes fashion and design companies desirable partners for others. According to Tungate, fashion consumers are the most sophisticated consumers and, together with stylists and trendsetters lead the drive for more choice and a faster turnover of products.[441] As a result, fabrics and designs are becoming more and more innovative.[442] Susanne Becker points out that competitive and fast moving industries, such as retail fashion, will always look for additional differentiation potential, using marketing co-operations as one instrument to achieve better brand distinction.

> *"Retail fashion chains need to constantly differentiate themselves from competitors, have to provide incentives and occasions to draw customers to its shop floors. [...] therefore, retail fashion chains introduce new items not only on a seasonal, or almost weekly basis, but in addition they collaborate with designers or celebrities or brands to provide additional product lines that are very attractive, to increase store traffic and eventually generate sales."* (Susanne Becker, *Noshokaty, Döring & Thun*)

As this statement clearly indicates, fashion and design brands are under great pressure. The industry has to continuously come up with innovations and up-to-date products in order to remain successful and at the top of consumers' minds. Fashion and design brands require non-stop activation to survive. Co-operations with brands from other sectors are a useful tool for achieving greater brand differentiation as well as appeal, as the respondents for this study, such as Susanne Becker, confirm.[443]

> *"I think because of the high competition and because it is a fast moving industry, co-operations provide a really great potential in the fashion industry. Companies have to differentiate each other on a daily basis and co-operations are one really important means to do so."* (Susanne Becker, *Noshokaty, Döring & Thun*)

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[441] Tunate (2005)
[442] Tungate (2005), p. 229
[443] Becker (2008)

The findings of the cases reviewed in this study indicate that, for the automobile and technology sector, collaborations with fashion and design brands offer innovative ways to keep the brand and its products attractive. One of the reasons for this is that *"fashion is a factory that manufactures desire,"*[444] one that transforms itself again and again. Reinhart Buchner adds that *"design is a very competitive factor nowadays."*[445] In technology-oriented sectors, there is a continuously growing necessity for a more innovative style and modern appearance. A partnership with a fashion brand is a good option to keep a brand active by giving it a new appearance of a different sort, despite the fact that the brand may not have many new technological advancements worth noting, as indicated by Klaus Petri.

> *"If you look at consumer electronics, […] there are not so many innovations coming […] anymore. So it is difficult to compete with other brands. […] But we can additionally charge our brand if we have partners who already have a good brand reputation in a special area, which is the fashion area."* (Klaus Petri, *Philips*)

Gobé points to a more emotional aspect that is also included in fashion and design brands. *"Branding is not only about ubiquity, visibility, and functions; it is about bonding emotionally with people in their daily life."*[446] In our approach to co-branding we investigate the bonding between two brands and hence, explore in what emotional or rational relationship they are involved. The fashion and design brands examined in the case studies of this paper were all, to some degree, selected for the emotional, lifestyle-oriented image they project. A large number of the interviewees are convinced that a strong co-partner from a lifestyle-oriented industry can compensate the weaknesses of a partner brand that is traditionally not as innovative or exciting in appearance, helping to leverage its image position within the market. *"It must be the partner who fits perfectly to these, let's say, weaknesses or the parts that are not as well known as others,"*[447] says Stefan Pfeiffer. The fashion and lifestyle brands in turn profit from other factors such as heightened media presence and image transfer, as was shown in the cases discussed above. Tobias Stöver, Assistant Marketing Manager Europe at *Opel*, describes the particular desirability and attractiveness of lifestyle and fashion partners as follows: *"A co-branding partner should have some kind of sex appeal to be considered for a co-branding activity."*[448]

While examining various traditional industry- and technology-based brands that have formed co-operations with fashion and design brands, a growing popularity among the former brands that represent a lifestyle, exhibit a certain uniqueness or display particular emotional qualities, was all too evident. As Gray points out on this topic, the lifestyle marketing trend, which experienced its major breakthrough in the 1990s, continues to generate increased accessories sales.[449] Not surprisingly, companies such as *Philips* embraced this trend early in an effort to also appeal fashionable by

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[444] Tungate (2005), p. 7
[445] Buchner (2008)
[446] Gobé (2001) p. xiii
[447] Pfeiffer (2008)
[448] Stöver (2008)
[449] Gray (2006)

co-operating with stylish fashion or design brands. When scientists began experimenting with ways of bringing computers closer to the human body in the 1990s, for example, *Philips* and the denim fashion brand *Levi's* launched a joint project of wearable electronics, whereby the technology became an integral part of the clothing.[450] Today, cell phones, USB-sticks, even cars are just as much fashion items as they are high-tech devices.[451] Dave Graveline, host and executive producer for *"Into Tomorrow"*, the only international show covering consumer electronics exclusively, has been observing this trend for a long period of time.

> *"Products like the LG Prada phone, the Ferrari Acer Laptop, Philips and their jewellery partner and even Technology Enabled Clothing, like Scott eVest are just a few good examples of co-branding of consumer electronics and fashion. It appears to benefit both industries to work together as they strengthen both of their images and markets, especially with many of the younger demographics."* (Dave Graveline, Into Tomorrow)

These co-operations demonstrate how successful industry- and technology-based brands have been in enhancing their image to appeal to new target groups.[452] In recent literature, there is frequent mention of so-called *lovemarks,*[453] which are described as emotionally loaded brands that are highly appreciated by consumers. Holt associates emotional branding particularly with the process of iconizing a brand,[454] which is also mentioned by some of our interviewees. He says that emotionally charged brands are more iconic and, paired with cultural credibility and that these brands are able to stay vital and extend their myths for many years.[455] Thus, to systematically build iconic brands, companies must reinvent their marketing functions.[456] This is particularly interesting on a co-branding level in the desire evoking fashion and design industry, as value loaded and story telling brands sell products. They help to make other brands more respected and treasured.[457] A co-operation with a well-known fashion and design brand can enable a lesser appealing brand to reach new target groups and generate sales. Ideally, it can lead to a transfer of emotional attributes from one brand to the other. Therefore, selecting the right partner both in general and especially in the fashion and design sector can be critical.

5.5 Future Role of Co-Branding

As the future of many companies lies in brands,[458] the future role of co-branding became an important aspect in our empirical research. The expectations of our interviewees for the future development of co-branding in general are optimistic. Except for one rather conservative opinion, all respondents ex-

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[450] Bürdek (2005), p. 427
[451] Gray (2006)
[452] Gray (2006)
[453] Roberts (2008)
[454] Holt (2004)
[455] Ibid
[456] Holt (2004), p. 209
[457] Roberts (2005)
[458] Urde (1994)

pressed confidence that the presence of co-branding will increase, along with its success. Reinhart Buchner, for example, observes other industries regularly, feels that co-branding has a great future.[459]

> *"I do think that we are just at the beginning of those co-operations. Because not all industries can cover all fields, but there is [...] a high demand from consumers to bring together various industries in one product. To have the best from both, and therefore, I think there will be much more in the future."* (Reinhart Buchner, *Sharp*)

Christopher Wünsche shares this view, claiming that brand collaborations will continue to gain in value and become more important to brands. [460] Especially on a global level, where branding is becoming more and more expensive, co-branding offers the possibility to share costs and increase efficiency. Marketing has to create and raise brand value. Brand co-operations, according to Wünsche, are a good way to reach targets that could otherwise not be achieved.[461] However, there are preconditions that need to be met for co-operations to be successful, as he points out.

> *"They* (co-operations) *are not an automatic tool to gain more success. They have to be rigidly analysed, [...] sincerely planned and they have to be profoundly managed over time in order to be able to achieve the targets. And then, it can be a valuable tool in the marketing and brand strategy of a company."* (Christopher Wünsche, *Interbrand*)

Uwe Dreher supports this view, predicting that co-branding, in general, will become more important, because the image transfers of global brands are very important.[462]

> *"Where we are not strong, we can profit from a position of a partner within in a market which is already strong; and the other way around as well. Therefore, I expect that there are more co-operations going on in the future, and we will participate in this."* (Uwe Dreher, *BMW MINI*)

Also, the majority of our respondents confirmed future co-branding plans in their companies. Klaus Petri, for instance, tells us that *Philips* has had many positive experiences with co-branding ventures that future co-operations are not out of the scope.[463]

> *"If it* (co-branding) *fits, it is a good idea. Co-branding is really something we have used in the past and we will use in the future."* (Klaus Petri, *Philips*)

Tobias Stöver also shares this view when looking to the future. *"I am sure Opel will be involved in further co-branding activities,"*[464] he says, arguing that co-branding should always be considered where appropriate in order to activate the brand.[465] According to Stöver, co-branding will always be

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[459] Buchner (2008)
[460] Wünsche (2008)
[461] Ibid
[462] Dreher (2008)
[463] Petri (2008)
[464] Stöver (2008)
[465] Ibid

part of brand and product life-cycle management activities, especially for niche products, which sometimes do not get the necessary public attention after they have been launched.[466]

> *"I think within the life cycle of a product there are phases where co-branding activities make a lot of sense [...] especially in the second half of a product life cycle, it is important to generate some news and some buzz, and this definitely can be very nicely done with co-branding activities."* (Tobias Stöver, *Opel*)

Anni Oppermann also holds that co-branding is and will always be an interesting option, because it brings a certain newness to the market, is beneficial and brings uniqueness to the brand in a very special way.[467] What is more, she emphasizes the leveraging power of co-branding as a brand activation tool for the future, and supports our view that partner selection is a fundamental step of the approach.

> *"This* (co-branding) *is [...] definitely a strategic kind of approach in terms of launching brand extensions or finding another way of constantly renewing the USP of a brand. So, I definitely think it is a strategic step that will be going on many more times. I don't think it's easy to find the right partner; it's a surprise in a good way with a new collaboration."* (Anni Oppermann, *adidas*)

Christina Käßhöfer sees the future of co-branding similarly, stressing the fact that co-branding can strengthen the brand appeal. She particularly dwells on the co-branding future of iconic and well-known brands, which we focus on in our thesis.

> *"I think in the future, [...] strong brands will always work together. But they will not choose 50 different brands, but maybe just one strategic partner in a period of time [...]."* (Christina Käßhöfer, *Diesel*)

Compared with real life, this points out a particularly interesting correlation to the fact that today highly qualified persons more and more look for superior partners with a higher status.[468] According to recent research projects conducted by the sociologist Hans-Peter Blossfeld, who examined the criteria for partner selection of well-educated and powerful people, academic and skilled individuals are more critical when it comes to their definition of the ideal partner.[469] A current research project of Blossfeld shows that online-partner dating proves that partner choice across the board is very demanding.[470] Anna Kalisch from the dating agency *Elite Partners* confirms this development, and notes about the future prognosis of partner selection in real life.[471]

> *"It* (partner selection) *is an interesting topic, since there are more and more women receiving a higher education. For them, it is becoming harder to find an ideal partner."* (Anna Kalisch, *Elite Partner*)

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[466] Stöver (2008)
[467] Oppermann (2008)
[468] Spiegel Online [Accessed on 2008-03-31]
[469] Ibid
[470] Ibid
[471] Kalisch (2008)

Transferring this observation to the partner selection of brands, it can be assumed that the more successful or iconic a brand is, the harder it will be to find a partner that ideally matches the set demands. Finding an average partner is easier, but does not bring the expected gain. However, according to our findings, the future for co-branding seems to be secured. Partner selection for optimal brand activation will become even more crucial and different methods will need to be considered to locate the ideal partner for the stated goals.

5.5.1 Lifestyle Collaborations as Strategic Brand Management Tool

Some of the very best and most successful co-branding ventures have considerably enhanced the reputation of the brands involved.[472] Therefore, partner selection, especially image-specific co-operations, need to be planned with care. It is necessary to identify and analyse the brand values of potential partners.[473] During the telephone interviews conducted for this study, both lifestyle as well as emotional values were frequently cited as playing an increasingly important role in the field of co-branding. Christina Käßhöfer and Klaus Petri, for instance, both felt that industries will co-operate more frequently with lifestyle-oriented brands.[474] According to Stefan Pfeiffer, the lifestyle factor is already a major criterion for *Volkswagen* when choosing a partner brand. *"Puma is [...] a modern and lifestyle-oriented brand, also with a high quality image and, therefore, it fit perfectly to Volkswagen."*[475] Anni Oppermann concurs that, in the partner selection and planning process for co-branding activities at *adidas*, lifestyle values are always considered.[476]

> *"You have people here thinking about the next big thing, [...], really going into thoughts of what [...] could be the next thing that you can offer, observing the markets and seeing the needs in the mass of our lifestyle consumers."*(Anni Oppermann, *adidas*)

Commenting on the future of co-banding, the lifestyle factor and the wishes of consumers combined, Klaus Petri observes: *"Consumer lifestyle - the name already says where it* (co-branding) *should go."*[477] Lutz Kothe shares this view, however, also noting the importance of emotions for co-branding today and in the future.[478] In Kothe's opinion, classical advertising will decrease in importance, while below-the-line activities will increase.[479]

> *"For customers, it is becoming more and more important to experience brand and product and to breathe the brand. Therefore, events, for example, with partners are becoming more and more important, because [...] the brand comes alive and [...]*

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[472] Blackett and Boad (1999), p. 117
[473] Blackett and Boad (1999)
[474] Käßhöfer (2008) and Petri (2008)
[475] Pfeiffer (2008)
[476] Oppermann (2008)
[477] Petri (2008)
[478] Kothe (2008)
[479] Ibid

> *gets to the hearts of the customers. And therefore, I think it* (emotions in co-brand-
> ing) *are going to be more important in the future."* (Lutz Kothe, *Volkswagen*)

These developments along with the increasing consumer demands and the lifestyle image factor indi-
cate that emotionally laden values are absolutely imperative as part of the partner choice process. As
was described in 5.4, co-operating with fashion and design brands offers an excellent solution.

5.5.2 Measuring the Success of Co-Branding

Measuring the success of marketing activities is very important in order to determine whether expec-
tations and forecasts have been met, and whether it makes sense to continue down the same or slightly
modified course with the selected strategy and partner. While it is rather easy to measure the success
of pricing or distribution channel decisions, it is more complex to measure the success of brands.[480]
Measuring the return on relationships is still in its infancy.[481] In this chapter, we developed an over-
view on how the individuals we interviewed go about measuring the success of their co-branding ac-
tivities. The chapter does not include measurement discussions about partner evaluation. Further, it
does not describe the detailed process of co-branding measurement and evaluation.

All of the respondents stated that they measure whether the co-branding venture has paid off for them
or not. Depending on the type of co-operation or activity, various measuring or assessment approaches
are applied. According to Christopher Wünsche, measuring the success of a partnership first involves
determining and defining the criteria to be measured.[482] *"If you don't know what to reach or what to
achieve, then you can't measure it,"*[483] he says. Stated objectives, for example, can include raising
awareness for the brand, creating a reputation, entering new markets, etc. The second step, Wünsche
continues, involves measuring the defined criteria according to the stated objectives.[484] *"You can
measure them via market research,"* he explains.[485] Klaus Petri tells us that *Philips* also applies this
approach to measure its total brand value.

> *"Philips invested a lot in these* (measuring methods) *[...]. We receive the Interbrand
> study on our brand [...] year after year. So, at the end, there is a progress in the
> brand value and how we appear. [...] But we can't break it down* (the measurement)
> *to a single Swarovski co-operation. It is too detailed."* (Klaus Petri, *Philips*)

Stefan Pfeiffer describes a method for measuring the success of a single co-operation in direct
marketing. One can thereby immediately measure the effects.[486] Lutz Kothe points out that

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[480] Kotler and Poertsch (2006)
[481] For further information see Gummesson (2002), chapter 6
[482] Wünsche (2008)
[483] Ibid
[484] Wünsche (2008)
[485] Ibid
[486] Pfeiffer (2008)

Volkswagen has a lot of direct feedback on its activities, for example, from staff working at co-branding events.[487]

> *"We had about 106 events in Germany lately. And we are creating spill-over effects to Switzerland and to Austria as well [...]. Additionally, if you calculate it this way: 106 events, and we always have dealers involved presenting cars and generating test drives."* (Lutz Kothe, *Volkswagen*)

Both Uwe Dreher and Reinhart Buchner point to the well-established methods for measuring success via advertising value, by counting and analyzing figures and the number of articles of publications in magazines.[488] According to Christina Käßhöfer, press coverage allows you to gain a clear overview of the investment versus return ratio.[489]

> *"We do like press clipping reports, screening the media online and print and [...] make [...] copies. So, whenever the press or media is reporting, then you can transfer it into value, like media value in euros."* (Uwe Dreher, *BMW MINI*)

Christina Käßhöfer, Kristina Stenvinkel and Anni Oppermann, who are all involved in the fashion retail business, also stress sales figures as an appropriate measurement tool. With respect to achieving the best possible measurement outcomes, Anni Oppermann from *adidas* comments:

> *"You have obviously sales figures [...] but in the end it's more than that. [...] It's also an image benefit in terms of the right positioning. So it's both, sales and image. If you have positive facts on both sides, that's the best you can basically arrange and achieve. [...] Once you launch something, it's then to observe how all the involved parties such as the shareholders, the consumers and the media react."* (Anni Oppermann, *adidas*)

As shown, there are numerous evaluation options for measuring the success and efficiency of a co-branding activity. Obviously, the longer the duration of the co-operation or relationship, the better one can make comparisons and measure the real success of the co-branding venture. In the fashion and design industry, one can, for instance, compare the sales and press reports season by season to gain a good overview of the kinds of collections and activities that have been particularly successful. Measuring short-term collaborations only provides a few indicators. These can be compared to similar activities with other partners, but measurements of short-term partnerships remain difficult.

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[487] Kothe (2008)
[488] Dreher (2008) and Buchner (2008)
[489] Käßhöfer (2008)

6. FINDINGS

6.1 Theoretical Contribution

Based on Fournier's typology of consumer-brand relationships, we adapted the analogy to real-life examples, transferring and extending the existing theory to B2B marketing. From the research findings, we then developed a typology of brand-brand relationships. However, as, Mats Urde points out, *"there is a difference between a brand and a person: the brand can live forever."*[490] Some of Fournier's categories were very compatible with the cases we set out to examine for this study. We therefore advanced her thoughts at the brand level while also supplementing new forms of relationships with human characteristics by conducting a cross-case analysis of our examples. The idea behind this procedure is to develop theory, which portrays the examined brands as persons. We selected this particular procedure to develop a theory that would enable us to portray the examined brands as persons. As a result, we were able to distinguish between the duration and the level of involvement as well as determine which type of relationship has the potential to grow or to connect brands in a particularly unique way.

6.1.1 Brand-Brand Relationships

When comparing brand-brand relationships to real life, it becomes apparent that brands are both socially and emotionally involved. As will be shown, brands – similar to human beings – can have different personalities. Some are more social than others and therefore, have more partners – just as in real life. In our research, we identified 16 different brand-brand relationships. They differ in various ways, in the overall quality of the relationship, in their intensity as well as strengths, given the fact that some brand relationships last longer and are more intimate than others. However, the duration of the relationship does not necessarily speak for the emotive involvement of the parties.

6.1.1.1 Typology of Brand-Brand Relationships

It is important to stress that the typology of anthropomorphized co-branding relationships we developed only includes the collaborations we examined in our case studies. There may be other relationships not considered by the typology, including local and national co-operations and collaborations between less iconic brands. Also, all of the relationships considered for this study, are high-profile public collaborations. However, there are also numerous private relationships, which are often kept secret, as it can be in the case of consumer-brand relationships.[491]

The following table provides an overview of the various types of brand-brand relationships developed from the findings of our analysis. The metaphorical descriptions are arranged according to their degree

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[490] Urde (2008)
[491] See Appendix C.

of intensity and duration, starting with the most intense forms of relationships. Corresponding case examples are correlated with the theoretical description of the particular relationship form.

Relationship Type	Definition	Case Examples
Family	Two or more brands that share common goals and values and have a long-term commitment to one another. The affinity group of brands is affiliated by similarities and usually resides in the same dwelling or place.	*adidas* and its partners share a type of family relationship. Anni Oppermann describes the brand co-residence at its German headquarters in Herzogenaurach as a kind of consolidated togetherness: *"We're becoming a little bit like a brand village."*[492]
Marriage	Marriage is a long-term union between brands. The intimate relationship often involves a special contract according to legal concepts. A marital relationship changes the status of the brands in the eyes of the law and society. Both brands either create a new common brand name, or remain independent.	*Volkswagen* and *NBC Universal* as well as *adidas,* both with *Stella McCartney (adidas by Stella McCartney)* and *Yohji Yamaoto* (*Y3*), offer good examples of this type of relationship.
Marriages of Convenience[493]	Long-term, commitments relationship precipitated by environmental influences versus deliberate choice, and governed by satisfying rules.[494] The main reasons for brands to get married are not emotional in nature, but rather serve a strategic purpose.	Case in point: the long-term relationship between *Philips* and *Swarovski*, which is strongly driven by financial interests and new distribution channels.
Committed Partnerships[495]	Long-term voluntary, socially supported unions with a high degree of love, intimacy, trust and a commitment to stay together despite adverse circumstances. Also characteristic: an expectancy to adhere to exclusivity rules.[496]	The co-operation between *adidas* and *Missy Elliot* offers the former a connection to street-wise fashion that is authentic and unique. It appropriately fits this category due to the long-term nature, exclusivity and shared values of the relationship.
Platonic Love	Platonic love describes an affectionate relationship into which intimate elements do not enter, although this might be expected. It is a deep, often spiritual relationship, usually between brands that are also connected through a true friendship.	Both the relationships between *adidas* and *Muhammad Ali* as well as *Sharp* and *Artemide* or *Swarovski* can be seen as examples of platonic love. Reinhart Buchner confirms that closeness is an important aspect for this kind of partnership.[497]
Buddies[498]	A casual friendship is low in intimacy and affect; it can be characterised by occasional engagements, such as a dance partnership, and usually holds few expectations for reciprocity or reward.[499] Buddies like and respect each other, engage in mutual projects or pursue common interests once in while, and spend a good deal of time together.	*BMW MINI* 's collaborations with *Diesel, MTV, Onitsuka Tiger* and *Sony Ericsson* as well as *Volkswagen's* co-operation with *Germany's Next Topmodel* are representative for this category. They have a common focus, have experienced good times together on several occasions and are open to future projects.
Romance	Romance describes an intimate relationship between two brands. It is a decorated expression of love and refers to emotions of excitement associated with love. Ro-	The partnership between *BMW MINI* and *Bisazza* can be described as romantic in many respects. When the collaboration was sealed, Uwe Dreher commented:

[492] Oppermann (2008)
[493] Fournier (1998)
[494] Fournier (2008), p. 362
[495] Fournier (1998)
[496] Fournier (1998), p. 362
[497] Buchner (2008)
[498] Fournier (1998)
[499] Ibid

	mance can be viewed as an expressionistic or artful relationship form, which usually implies an expression of deep emotional desires connected with another brand. Romance can therefore be defined as affection, attraction or enthusiasm for the partner.	*"Everybody gave applause and said: 'This is beautiful.' So the audience was thrilled and the press was enthusiastic."*
Soulmates	Soulmates describes a voluntary union based on a reciprocity principle that is similar to being best friends. Endurance is ensured through continued provision of positive rewards. It is characterised by revelation of one's true self, honesty and intimacy. Congruity in partner images and personal interests are common,[500] also a sharing spiritual compatibility.	*adidas* and *Diesel* share a strong natural affinity and spirituality characterised by deep feelings for the partner and supportive behaviour. Christina Käßhöfer also emphasizes the importance of trust and honesty.[501]
Affair	An affair is a rather short-term form of relationship, usually an intense involvement with implied bonds of affection. It can also include a general sense of convenience, which can be the involvement of both brands in public representativeness. An affair between brands is handled professionally but without getting involved with high emotional feelings.	According to Susanne Becker, we consider the relationship between *Opel* and *Mango* as an affair. *"I would say it is an affair, because it is not a particularly long-term collaboration project."*[502] Further, this cooperation was based on a pure representative communication level. Tobias Stöver describes it as a *"very rational partnership. Friendly, but [...] if you do cobranding both partners typically don't fall in love with each other. Friendly but it is not a love story it is definitely not a life time marriage. It is a partner for a limited period of time."*[503]
Compartmentalized Friendships[504]	Compartmentalized friendships are highly specialized, situation-specific and confined friendships characterised by lower intimacy than other friendship forms. While they provide higher socioemotional rewards, they also involve a greater degree of interdependence. They generally allow for easy entry and exit.[505]	*Volkswagen* and *Nike* fit into this category, due to their highly specialised yet rather independent relationship. According to Lutz Kothe *"It is a fruitful partnership. It is not a marriage. [...] If there is [...] a different partner who fits better to us, then we have the possibility [...] to change."*[506] *BMW MINI* and *Agent Provocateur* are another example who have only collaborated on one special project confined to one situation, namely the *Life Ball*.
Flings[507]	Flings are short-term, time-bound engagements of high emotional reward, but devoid of commitment and reciprocity demands.[508] They can also be compared to brief yet intense and romantic love affairs.	*H&M* and its seasonal collaborations with changing designers and celebrities are examples of this time-limited type of relationship. Kristina Stenvinkel also compared this relationship to a short-term marriage.[509]
One-Night Stand[510]	This metaphor describes the condition where there is only little committed between on brand and the other. Both parties	The short relationship between *Volkswagen* and *Puma* matches this category, which Stefan Pfeiffer describes as *"a pro-*

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[500] Fournier, p. 362
[501] Käßhöfer (2008)
[502] Becker (2008)
[503] Stöver (2008)
[504] Fournier (1998)
[505] Ibid
[506] Kothe (2008)
[507] Fournier (1998)
[508] Fournier (1998), p. 362
[509] Stenvinkel (2008)
[510] Ji (2002)

	intensively pursue the same objective for a short period of time, and then quickly break up again. Emotions do not play a major role in achieving the aim.	*ject partnership for one project. But it was not a strategic partnership. [...] we had a common interest for a specific project, so we came together.*[511]
Promiscuous Passion	Dangerous passion holds the risk of suffering or developing very strong emotional feelings about a brand. Passion is an intense and compelling enthusiasm or desire for something and often prompts impulsive action. It expresses itself as a lively or eager interest in admiration for a proposal, cause, activity or love.	If continuing and exhausting its concept of co-branding too extensively, *H&M* runs into the risk of becoming dependent on the idea of having new partners again and again. Thus, the strategy can be rather confusing for consumers instead of surprising them.
Partner Sharing	A type of polyamory, meaning the desire, practice or acceptance of having more than one intimate partner at a time, with the full knowledge and consent of every party involved. The relationship is characterised by trust, choice and equality of free will.	Both adidas and *BMW MINI* share *Diesel* as a partner. They cultivate an open yet trustful relationship, whereby each party knows about the other's relationship and accepts it.
Forced Marriage	Metaphorically, this relationship can be compared to Fournier's category of enslavement, which is a non-voluntary union governed entirely by desires of the relationship partner.[512] The relationship usually does not involve affection or emotions, and persists because one of the brands is obliged, due to environmental or other market circumstances, to enter into the bond.	To fulfil the demands of the target group and stay competitive, *BMW MINI* had to enter into a collaboration with *Apple*. The co-operation is purely product-based, mainly financially driven, strictly functional in nature and designed for the long term.
Avoidance-Driven Relationships	A general metaphor for brand-brand relationships that are based on the practice of choosing monogamic and loyal partners. Finding an exclusive partner brand offers an immense competitive advantage. This category also includes an element of pride and jealousy, because the brand does not accept sharing its values with other equals.	Especially in its event sponsoring co-operations, the *BMW Group* pays great attention to being the only partner or sponsor in its sector. In general, the *BMW Group* prefers exclusive co-operations with partners exercising the principle of competitive exclusion to gain maximum awareness.

Table 3. Typology of Brand-Brand Relationships[513]

6.1.1.2 Matrix Brand-Brand Relationships

To be able to identify the different positions of the relationships described in our typology, we allocated them within a matrix. The following diagram provides an overview based on the duration and level of involvement of the relationship. These two variables proved the most relevant components for compiling the empirical data of our particular study. The allocation was conducted according to metaphorical stereotypes of these relationships. Consequently, variances are possible, in some instances even likely. For example, a marriage is usually supposed to be long-term compared to an affair, but the married brands can get divorced after a short period of time and, on the other hand, an affair may last for years.

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[511] Pfeiffer (2008)
[512] Fournier (1998), p. 362
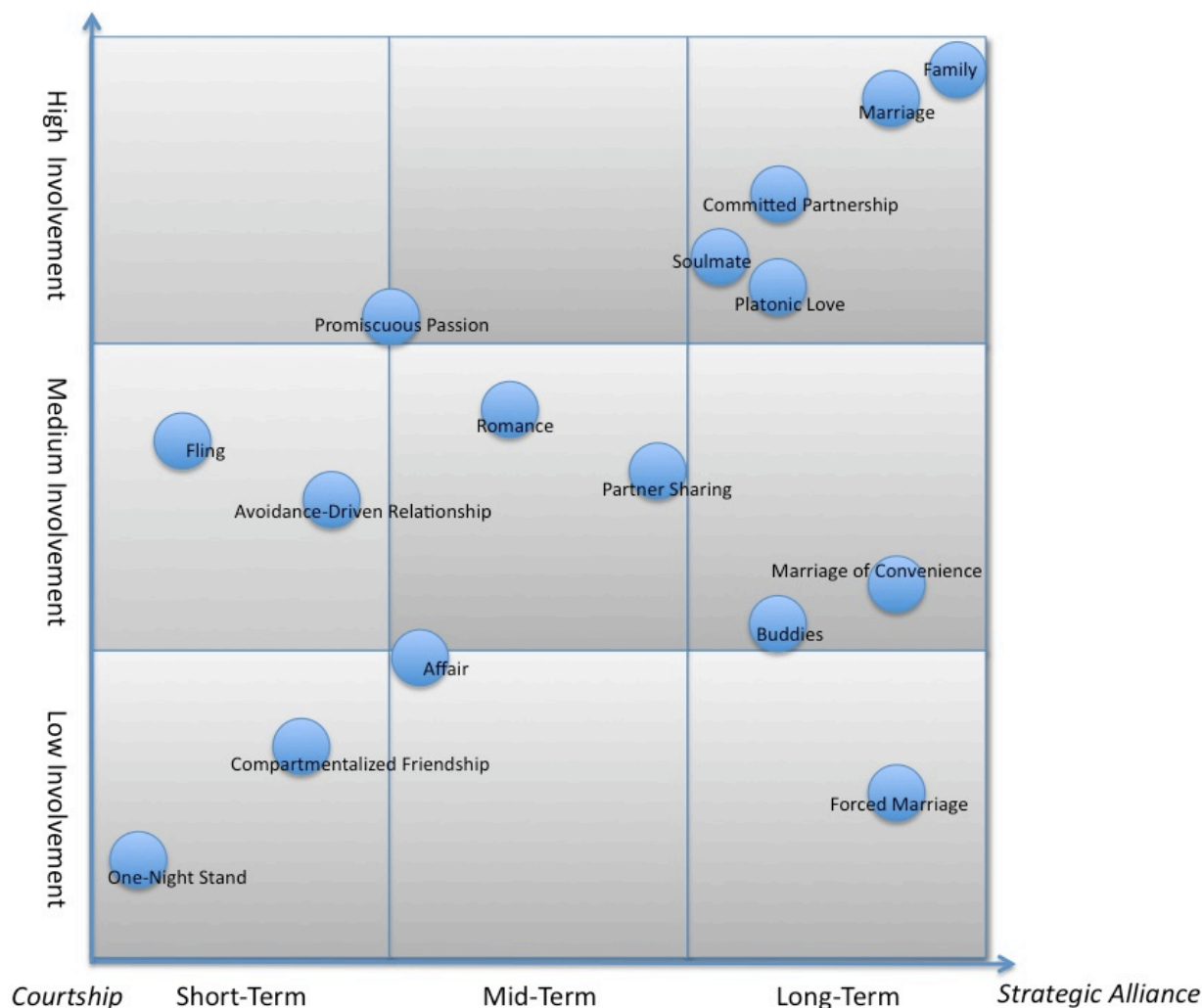[513] Provided by the authors of this thesis

Figure 23. Matrix Brand-Brand Typologies[514]

As can be seen in the matrix, we have implemented a phase of contact building and getting to know each other, which we consider being courtship, when comparing it to real life. Further, as indicated in chapters 2.3 and 4.2.4.2, a long-term relationship can turn into a strategic alliance at some point, as also illustrated in the figure above.

6.1.2 Framework of Strategic Brand Activation through Co-Branding

Based on our findings and typology of brand-brand relationships, we have generated a framework that describes how a brand can be strategically activated through co-branding. The framework also illustrates how partner selection is influenced by different co-branding objectives as well as the decisive role that the partner choice plays for the success of the mutual venture, given the fact that all of the following steps influenced by this particular decision. The diagram below integrates the brand-brand typology outlined in chapter 6.1.1.1 in a theoretical way, and shows the different types of

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[514] Developed by the authors of this thesis

relationships that result out of the selected activation strategy and partner selection. The graphical overview provides a summary of our findings.
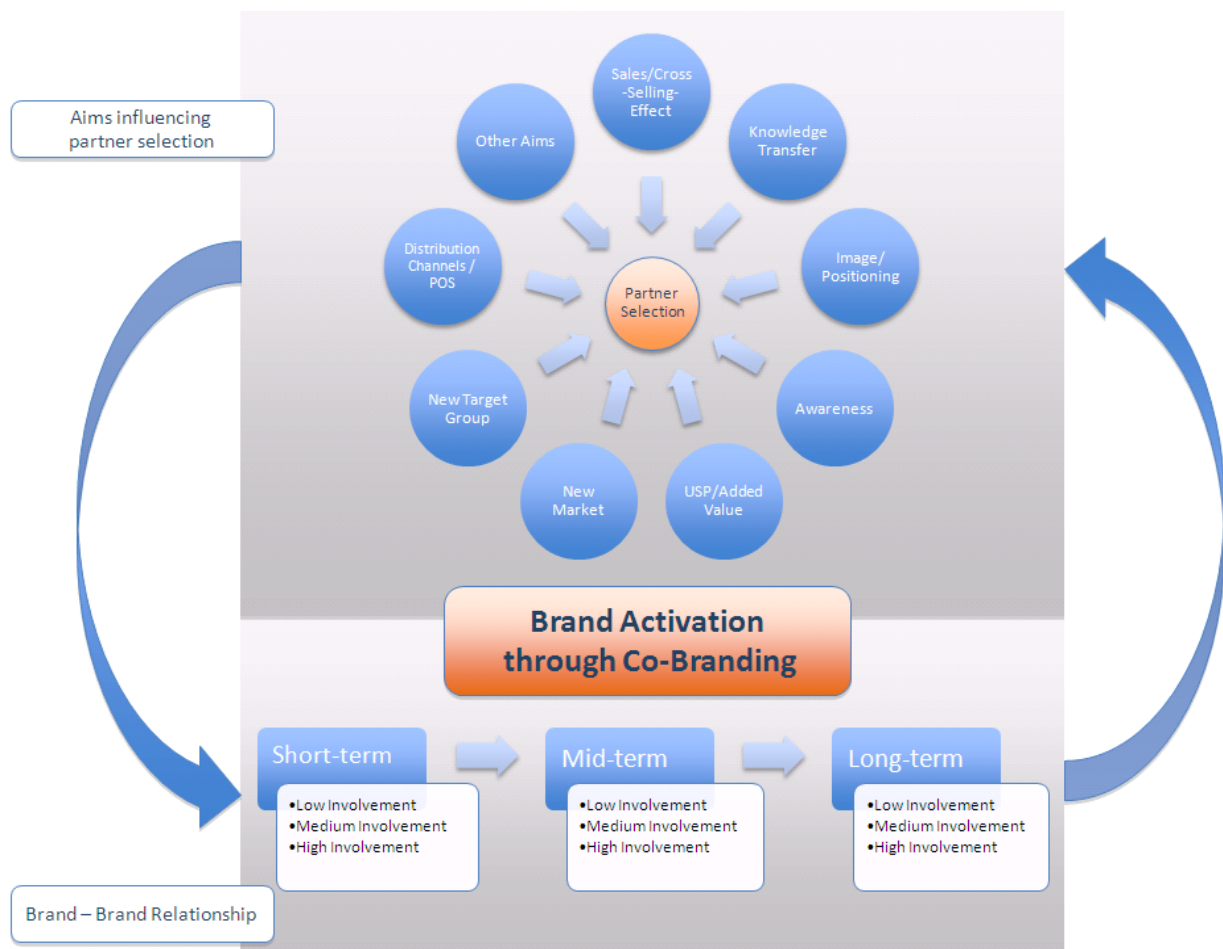
Figure 24. Framework of Strategic Brand Activation through Co-Branding [515]

Our interviewees provided a variety of aims to be considered when entering brand collaborations. Considerations ranged from pure sales-driven activities to image transfer objectives. The diagram above summarizes the various brand-related aims we ascertained in our analysis. The list is by no means comprehensive, nor does the study claim to have considered all of the possible aims for co-branding collaborations. In the cases examined for this study, the defined aims directly impacted partner selection. Co-branding thereby proved an effective means of brand activation in achieving these objectives. Virtually all brand-brand partnerships are different in nature, distinguishing themselves from one another both in duration as well as in the level of involvement.

The theoretical contributions of this study help to expand the understanding of co-branding in the secondary literature, particularly with respect to the various types of brand-brand relationships delineated in chapter 6.1.1, the corresponding matrix in chapter 6.1.1.2 as well as the strategic brand

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[515] Developed by the authors of this thesis

activation framework through co-branding offered in chapter 6.1.2. These insights require additional verification through other cases and over the long-term to be validated as consolidated findings. However, they do provide a solid basis and starting point for future discussions and marketing research on the topic of co-brandings. In addition, chapter 2.4 of the study offers a detailed overview of the opportunities and threats co-branding holds. An equally thorough summary is not available as yet in the secondary literature. Moreover, we have developed a fit analysis in chapter 6.2 that provides a summary of the critical criteria to look for before entering a brand-brand relationship. A similar theoretical overview has not been attempted in academic studies to our knowledge.

6.2. Practical Contribution

The above-mentioned theoretical contributions provide important insights for practitioners in several respects. First, relationship categories make it possible for managers to develop the personalities of their brands, and to compare their brand co-operations to those of their competitors. Second, practitioners can better estimate both the requirements of their brand and their partner brand in terms of the objectives they want to achieve with their partnerships. Third, a broader overview of brand relationships can help to better assess and evaluate the precise development of one's own partnerships, as well as the success and failures of competitor co-operations within the market. Finally, a clear understanding of the various types of relationships can facilitate the partner selection process for planned co-branding ventures and brand activation measures.

Fit-Analysis: Success Factors for the Perfect Match

As indicated in the general framework for strategic brand activation through co-branding outlined above, selection of the ideal co-branding partner for brand activation is largely contingent upon the objectives that a company wants to achieve. While there are general criteria, that both partners must fulfil, there can be decisive differences on the primary objective of the co-operation between the two parties. Accordingly, Anna Kalisch, Manager PR & Editor of the partner agency *ElitePartner,* observes that the principle of partner selection in reality is often based on a scholarly formula of fortune, as evidenced by psychological studies: *"Relationships are always particularly prosperous, when both partners have common ideals and values, interests and aims."*[516] When comparing these principles to the partner selection process in marketing similarities are immediately evident. Thus, there is no golden fault-free formula for finding and choosing the ideal co-branding partner, given the fact that all brand-brand relationship are somehow unique and different. Nevertheless, there are general criteria that a partner brand must fulfil for a successful brand-brand fit. In the following fit-analysis, we have summarized the key indicators needing to be considered for establishing a promising co-branding relationship and brand activation based on the literature review and our interview results.

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[516] Kalisch (2008)

1. *Objectives fit.* Both partners should agree on a common marketing objective. If both parties have a different idea of the outcome, successful mutual implementation of the co-branding product or project becomes impossible. However, if there is consent on the objective, the likelihood of a mutually beneficial brand development is greatly increased.

2. *Value fit.* The more the brand values and ideals of both parties match, the higher the authenticity of the mutual project. Here, the individual visions of the brand partners play a dominant role. According to Gobé, the vision is the ultimate factor of a brand's long-term success.[517] How the companies perceive the attitudes of their brand, defines the brand's character, identity and brand personality. Sharing similar values can therefore facilitate co-branding and PR activities, thereby strengthening each other's position in the market.

3. *Image fit.* A positively established image offers possibilities for image transfer, whereas partnering with a brand that has an unstable image is risky. Thus, a brand's equity and brand associations made by consumers need to be carefully studied before entering into a partnership. The images of both brands should either strengthen, or at least compensate, one another's weaknesses to achieve brand activation. Unemotional brands can, for instance, enhance their image by co-operating with lifestyle-oriented brands.

4. *Status fit.* According to our analysis, it is advisable to co-operate with brands of the same status. Co-operating with a less successful brand usually only stimulates the brand awareness of the less well-known brand. The stronger brand does not benefit much from the partnership. The general price category of the individual brands is not decisive, as was shown, for example, in the successful partnership between the mass market brand *H&M* and the luxury designer brand *Karl Lagerfeld*.

5. *Market fit.* When entering an international or global collaboration, brand activation is more easily achieved of both brands have already established themselves in the same, or at least, similar markets. Co-branding ventures in completely different markets makes both logistics and advertising difficult. However, market differences also offer great opportunities for gaining access to new markets, and thus to broaden the scope of the individual brand.

6. *Target group fit.* These factors complement the general criteria of market fit.[518] Similar target groups increase and facilitate the likelihood of the market acceptance of the co-operation, whereas slightly different target groups offer additional opportunities for gaining access to new customer bases and brand activation on a broader scale. Completely dissimilar target

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[517] Gobé (2001)
[518] Östlund and af Sandeberg (2003)

audiences, however, often prove problematic given the individual interests and buying behaviours of the consumers of the respective brands.

7. *Social competence fit.* A good interpersonal understanding and spirit of mutual support between the marketers of the two respective brands plays a crucial role. An atmosphere of mutual trust, respect and esteem are the basis for a good working relationship, especially for a long-term collaboration. A positive dialogue and open internal communications between the co-branding parties help to facilitate the daily working process. After all, any relationship is a form of acknowledgement.[519] Moreover, the success of the internal relationship directly influences the success of external relationships.

Based on the findings of the analysis, these criteria are frequently used as key indicators for assessing and evaluating the competences of a potential partner brand. Generally speaking, the more the two brands complement on another, the greater the positive outcome of the relationship and brand activation.

However, even with an ideal partner, unexpected situations and differences of opinion can arise. It is therefore all the more important that there is good communication between the partners, as Klaus Petri stresses.

> *"I think it is really like in real life. If you have a problem with your partner, you have to talk about it, because otherwise you end up in a divorce. [...] It is like a marriage. You have to talk, you have to keep it active, otherwise the divorce is pre-programmed."* (Klaus Petri, *Philips*)

The wrong partner choice can have severe consequences. Brand managers should therefore carefully evaluate potentials benefits and drawbacks, rather than co-operate with a partner that does not adequately fulfil the expectations. According to Christina Käßhöfer, it is often better to focus on one's owns abilities, instead of entering a partnership that lacks the ingredients crucial for success.

> *"We are very careful in selecting who we work with, and we would rather do lots of things on our own if we don't find the perfect match. So a collaboration is more of a nice add on but it's not core to our business."* (Christina Käßhöfer, *Diesel*)

In order to avoid pitfalls in the partner selection and keep the risk of failure and inefficiency to a minimum, the selection criteria and framework for strategic brand activation through co-branding outlined in this paper can serve as a basis for managerial decision-making.

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[519] Gobé (2001)

7. CONCLUSION

The purpose of our study was directed at examining the processes and key factors of how companies efficiently go about finding the ideal partner for co-branding ventures. Closely related to this focus, we set out to explore what characterises the different relationships based on the various underlying marketing approaches, objectives and strategies. The fashion and design industry proved an especially insightful sector in finding answers to these questions.

In the theoretical section of the paper, we briefly outlined key data and research models available in the secondary literature on brand building and activation as well as relationship marketing, including strategic alliances and the different approaches used in affinity partnering and co-branding. We make reference to Fournier's consumer-brand relationships, which inspired us to develop a typology of brand-brand relationships. These theoretical underpinnings served as the basis for our analytical research. The multiple case studies approach and telephone interview data collection approach enabled us to find answers to the key questions we set out to explore in this study. It gave us access to meaningful empirical data, which we then collated with the theoretical data derived from the secondary literature, press releases and the official websites of the selected cases.

The analytical part of our study elucidates the challenges involved in finding the ideal partner, both in real life as well as in the world of brand marketing. However, as the selected case studies clearly indicate, co-branding ventures are worthwhile investments. The overall success of the brands reviewed in this study, and that of their partners, underscores the effectiveness of co-branding. It can be used as an efficient tool for strategic brand activation, and offers many opportunities to raise awareness for and to better position a brand. Whether partner selection occurs rather more by coincidence, for example, through personal contacts or preferences, as in the case of *adidas* and *Diesel*, or is meticulously planned, for example, through the use of industry screening or internally developed asset evaluation tools, as in the case of *Volkswagen*, the key to success is the mutually defined goal of both brands. It is one very important criterion critical for success or failure of the relationship.

For everything from short-term, purely sales-driven objectives to long-term image co-operations, co-branding can serve a broad variety of objectives. According to our findings, the defined aims also determine the criteria for partner selection decisively, which in turn results in a variety of different types of relationships. As indicated in the case studies typology for the various brand-brand relationships, virtually every type of co-branding-related relationship can be successful, provided that both partners have innovative and unique ideas, and both fully commit themselves to the same objectives in achieving a successful venture. The brand-brand typology developed for this study is designed to provide a basis for practitioners as well as researchers with a clear overview of the

different relationship types and underlying strategic approaches. In addition, we defined criteria for successfully determining the degree to which a prospective partner is a good fit or not. We thereby defined the following evaluation categories: value fit, image fit, status fit, market fit, target group fit and social competence fit. Even if there is no formula or recipe for the guaranteed success of a co-branding collaboration, these factors help to indicate whether an anticipated relationship promises to be fruitful or not. The more similarities with respect to mutual assets between the two partners that are provided, the greater the likelihood for brand-brand compatibility.

Based on the findings of the analysis, it is safe to say that co-branding is an appropriate tool for leveraging, strengthening and vitalizing a brand. Fashion and design brands are especially effective partner brands in this respect given the fact that they develop new trends on a regular basis, as consumers are constantly demanding more choice and faster product turnovers. Thus, these particular brands offer less innovative brands and industries a way to acquire a more unique and inventive image through partnership co-operations, one in which both parties stand to profit from the mutually creative venture. All of the interviewees participating in this study agreed that, especially in the fashion and design sector, they expect brand collaborations to play an increasingly important role in the future based on the factors discussed above, as well as the general saturation of many markets. Particularly the *lifestyle generation* is tired of classical forms of market communication. Consequently, as we see classical advertising measures decreasing in importance, opportunities for new forms of communication such as co-branding are rapidly multiplying for a variety of creative marketing strategies.

Although certainly not comprehensive and long-term in its scope, the study provides valuable and meaningful contributions, both of theoretical and practical nature, in enhancing the knowledge on the phenomenon of co-branding. The typology of brand-brand relationships developed from the findings of the case studies offer a point of orientation for future research studies on the topic.

In closing, it should once again be stressed that even the most ideal brand partner offers no guarantees for success. Despite the fact that both partners may be a perfect match, are fully committed to the common objective and have innovative and unique strategic ideas for effectively marketing the mutual brand product or project, environmental and social circumstances can lead to unexpected drawbacks and barriers. That is to say, there is no guaranteed formula for the success of a co-branding venture – even with the ideal partner. However, by laying down a solid foundation for a successful collaboration, namely through careful and thorough partner screening with respect to the criteria defined above, co-branding offers tremendous potential and a variety of opportunities for strategic brand activation.

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APPENDIX

Appendix A. Profiles of Respondents

Brand Representatives

Name	**Reinhart Buchner**
Company	*Sharp Electronics Europe GmbH*, Hamburg (Germany)
Position	Design Manager Sharp Europe
Contact	Through personal contact of Natalia Dorozala
Interview Date	2008-04-30

Name	**Uwe Dreher**
Company	*BMW AG*, Munich (Germany)
Position	International Brand Manager, Global Co-Operations, Sponsoring and Product Placement
Contact	Contact through Prof. Jörg Schweizer (interviewee from prior project)
Interview Date	2008-04-23

Name	**Christina Käßhöfer**
Company	*Diesel S.p.A.*, Düsseldorf (Germany)
Position	Head of Marketing Germany
Contact	Through recommendation of interviewee Uwe Dreher
Interview Date	2008-05-07

Name	**Lutz Kothe**
Institution	*Volkswagen AG*, Wolfsburg (Germany)
Position	Head of Sponsoring, Events, International Co-Operations and International Motor Shows
Contact	Internet research, contacted through Antonia Kohlbrenner
Interview Date	2008-05-05

Name	**Anni Oppermann**
Institution	*adidas AG*, Herzogenaurach (Germany)
Position	Senior Global PR Manager, adidas Originals - Brand Marketing Sport Style
Contact	Contact with adidas press office through Antonia Kohlbrenner
Interview Date	2008-04-28

Name	**Klaus Petri**
Company	*Koninklijke Philips Electronics N.V.,* Hamburg (Germany)
Position	Director of Communications for Germany, Austria and Switzerland
Contact	Personal contact of Natalia Dorozala
Interview Date	2008-04-14

Name	**Tobias Stöver**
Company	*Adam Opel GmbH*, Rüsselsheim (Germany)
Position	Assistant Marketing Manager Europe – Mid, Large & SUV
Contact	Through personal contact of Natalia Dorozala
Interview Date	2008-05-06

Name	**Dr. rer. pol. Stefan Pfeiffer**
Institution	*Volkswagen AG*, Hannover (Germany)
Position	Director of Marketing Strategy Volkswagen Commercial Vehicles
Contact	Through personal contact of Natalia Dorozala
Interview Date	2008-04-15

Name	**Kristina Stenvinkel**
Company	*H&M Hennes & Mauritz B.V. & Co. KG*, Stockholm (Sweden)
Position	Head of Communications
Contact	Internet research, contacted through Antonia Kohlbrenner
Interview Date	2008-04-16

Name	**Hedwig Taubert**
Company	*BMW AG*, Munich (Germany)
Position	Project Manager Corporate Identity, Central Marketing
Contact	Through personal contact of Natalia Dorozala
Interview Date	2008-04-28

Consultants

Name	**Susanne Becker**
Company	*Noshokaty, Döring &Thun GmbH*, Berlin (Germany)
Position	Co-Operation Manager
Contact	Internet research, contacted via XING through Antonia Kohlbrenner
Interview Date	2008-04-16

Name	**Dave Graveline**
Company	*Into Tomorrow*, Miami (USA)
Position	Broadcaster, Chief Editor and Producer for the Radio Show 'Into Tomorrow'
Contact	Personal contact of Natalia Dorozala
Questionnaire Return	

Name	**Anna Kalisch**
Institution	*EliteMedianet GmbH*, Hamburg (Germany)
Position	Manager PR & Editor
Contact	Internet research, contacted through Natalia Dorozala
Questionnaire Return	2008-04-16

Name	**Christopher Wünsche**
Institution	*Interbrand Zintzmeyer & Lux GmbH*, Munich (Germany)
Position	Managing Director Interbrand Munich and Member of the Group Management Committee Interbrand for Germany, Switzerland and Austria
Contact	Internet research, contacted via XING through Antonia Kohlbrenner
Interview Date	2008-04-23

Appendix B. Interview Outlines

characterise the perfect partner and what kind of partner would you never consider? From your experience, do companies plan co-operations strategically (e.g. through industry screening or analysis) or do collaborations rather 'happen' by coincidence (e.g. through personal contacts or preferences)?

6	What are the success factors respectively the reasons for failure in co-branding? In other words: what are the do's and don'ts? How can a well-balanced relationship be ensured? How can you avoid that one partner (brand) dominates the relationship?
7	Does co-branding pay? Is the success measurable and if yes, how?
8	What expectations do you have concerning the future development of co-branding in general and specifically in the fashion and design industry? Do you think that certain industries are more eligible to apply co-branding strategies than others?

Partner Agency

1	Could you please shortly introduce yourself and describe your position and responsibilities within your company?
2	Could you please describe the process and the single steps from the first contact to the final matchmaking at your company?
3	What would you consider being the major motives for turning to dating agencies nowadays? Do you see any difference in criteria of partner selection for extremely successful people?
4	What different types of partnerships do you distinguish and how would you characterise them? Please give examples, e.g. friendship, secret love affair, marriage.
5	What are the crucial criteria when it comes to the question of partner selection? (e.g. common interests/goals, same level/wavelength, profit from the relationship)
6	What are the success factors respectively the reasons for failure in matchmaking? In other words: Do you see any Do's and Don'ts when selecting the ideal partner? Can you give us examples?
7	What expectations do you have concerning the future development of partner selection (e.g. will the personal 'criteria framework' dominate the process (vs. acting on instinct)? Will it become more difficult for higher educated partners to find an ideal partner?)

Appendix C. Fournier's Consumer-Brand Relationship Typology

Relationship form	Definition
Arranged marriages	Non-voluntary union imposed by preferences of third party. Intended for long-term, exclusive commitment, although at low levels of affective attachment.
Casual friends/buddies	Friendship low in affect and intimacy, characterised by infrequent or sporadic engagement, and few expectations for reciprocity or reward.
Marriages of convenience	Long-term, commitment relationship precipitated by environmental influence versus deliberate choice, and governed by satisfying rules.
Committed partnerships	Long-term, voluntary imposed, socially supported union high in love, intimacy, trust, and a commitment to stay together despite adverse circumstances. Adherence to exclusivity rules expected.
Best friendships	Voluntary union based on reciprocity principle, the endurance of which is ensured through continued provision of positive rewards. Characterised by revelation of true self, honesty, and intimacy. Congruity in partner images and personal interests common.
Compartmentalized friendships	Highly specialized, situationally confined, enduring friendships characterised by lower intimacy than other friendship forms but higher socioemotional rewards and interdependence. Easy entry and exit attained.
Kinships	Non-voluntary union with lineage ties.
Rebounds/avoidance-driven relationships	Union precipitated by desire to move away from prior or available partner, as opposed to attraction to chosen partner per se.
Childhood friendships	Infrequently engaged, affectively laden relation reminiscent of earlier times. Yields comfort and security of past self.
Courtships	Interim relationship state on the road to committed partnership contract.
Dependencies	Obsessive, highly emotional, selfish attractions cemented by feeling that the other is irreplaceable. Separation from other yields anxiety. High tolerance of other's transgressions results.
Flings	Short-term, time-bounded engagements of high emotional reward, but devoid of commitment and reciprocity demands.
Enmities	Intensely involving relationship characterised by negative affect and desire to avoid or inflict pain on the other.
Secret affairs	Highly emotive, privately held relationship considered risky if exposed to others.
Enslavements	Non-voluntary union governed entirely by desires of the relationship partner. Involves negative feelings but persists because of circumstances.