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STRATEGIC BRAND MANAGEMENT:  
MASTER PAPERS

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STRATEGIC BRAND MANAGEMENT

MASTER PAPERS

Seventh Edition

Student Papers

2021

September - October

## **Strategic Brand Management: Master Paper**

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# **The struggle of staying young: How heritage brands can utilize co-branding as a way to rejuvenate.**

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## **Abstract**

**Purpose:** The purpose of this paper is to investigate how co-branding can be utilized by heritage brands to rejuvenate. The aim is to develop the current understanding of how heritage brands engage in co-branding and the motives for rejuvenating the brand.

**Design/Methodology/Approach:** This conceptual paper adopts a theory about the five elements to identify heritage brands as first introduced by Urde, Balmer & Greyser (2007), and relates it to the brand rejuvenation process through co-branding. Additionally, this paper takes on a multiple case studies design as well as an inductive approach to clarify and contextualize the theoretical framework into four co-branding cases.

**Findings:** The findings of this paper explain how and why heritage brands engage in co-branded activities with certain brands without a heritage, so-called novelty brands in order to rejuvenate. The analysis shows that brand heritage serves as a key factor in promoting engagement from customers and thus enhances the implications of co-branding. The findings also identify how co-branding as a rejuvenation activity for heritage brands potentially involve inconsistency with certain elements in their Heritage Quota.

**Practical implications:** The practical implications of this paper are threefold. First, the suggested co-branding framework in this paper can support heritage brands by accurately evaluating co-branding as a strategic decision to rejuvenate. Secondly, as this research has taken on the perspective of heritage brands, it also helps heritage brands to identify suitable novelty brands to engage in co-branded activities with - hence supporting managers in their strategic decision making to maximize the outcome of such collaborations. Third and lastly, by enabling heritage brands to understand how and why to engage in co-branding, the potential outcomes can be enhanced as well as identifying the involved risks and avoiding potential negative responses.

**Originality/Value:** Taking the perspective of heritage brands, this conceptual paper is the first to investigate how brands can rejuvenate their brand identity through co-branding. Furthermore, by identifying heritage brands within multiple industries, this paper creates a deeper understanding into why true heritage brands use co-branding as a strategic decision for rejuvenation.

**Keywords:** Brand Heritage, Heritage Brands, Rejuvenation, Co-branding, Brand Stewardship, Novelty Brands

## Introduction

Change is an inevitable element in our world and society that must be considered. This holds true for brands as well since organizations cannot expect to grow and prosper if they do not invest in new markets and segments. Technological developments and changes in consumers' preferences consequently lead to new emerging trends – hence one of the biggest challenges for brands in our modern society is to stay relevant and up to date with these changes (Kapferer, 2012). A brand's identity and its ability to adapt to change are two familiar concepts in previous brand management literature where scholars have stressed that brands need to be both timeless, yet innovative (See e.g., Kapferer, 2012; Cooper et al., 2015). Additionally, brands must stay ahead of consumer trends and create desirable product offerings that meet consumer needs even through change. However, in pursuit of adaptation and innovation, brands are faced with a major challenge in staying consistent with their identity. Even more so when a brand has a strong and persistent identity as it can easily lose grasp to the very core of their competitive advantage (Kapferer, 2012).

This can especially be the case for heritage brands. Urde, Balmer & Greyser (2007) emphasize that heritage brands are not simply brands with a heritage or a history. True heritage brands instead identify themselves with their heritage and create value from it as an intangible asset. Furthermore, heritage brands are persistent with their values and ensure consistency in what they represent over time. Brands in many cases utilize their heritage to create a point of dominance over other competitors, as heritage reflects a valuable asset (Urde, Balmer & Greyser, 2007). Through brand heritage, organizations can experience an increase in consumption growth, a higher level of trust, and can become more successful in expressing their brand identity (Rose et al., 2016). Brand heritage can in

many cases be understood as leverage for companies to use to attract consumers. However, some organizations experience difficulties in finding the right balance between brand heritage and rejuvenation (Urde, Balmer & Greyser, 2007; Rose et al., 2016). To some, brand heritage and brand rejuvenation are falsely understood as competing concepts rather than a potential interrelationship, causing failure to the revitalization of the brand. Therefore, companies may fail or miss out on the opportunity to rejuvenate due to fear or lack of knowledge about the potential value that brand heritage can contain (Urde, Balmer & Greyser, 2007; Rose et al., 2016). Rejuvenating a brand can be a risky business, but there are ways in which brands can rejuvenate without taking on the full risk themselves. Whether it is to create a new product extension, implement a new strategy or reach new target groups, brands can seek support in collaboration with another brand (Kapferer, 2012).

Whilst brand heritage and rejuvenation has been of interest by previous scholars, relatively few heritage brands have been studied across different industries. For instance, Orth et al. (2019) have focused on heritage brands' packaging in relation to rejuvenation. Other scholars, like Netek and Carbone (2020) have investigated the rejuvenation process of luxury heritage brands in the fashion industry. Hence, a prominent gap in brand management literature exists in how co-branding can serve as a tool to rejuvenate the brand heritage in such organizations. Therefore, the authors of this paper build on the current literature by investigating how co-branded activities can be utilized by heritage brands to rejuvenate their brand identity as visualized in figure 1. Hence, the purpose of this paper is to understand how heritage brands are using co-branding to rejuvenate and further to identify the potential reasons for why heritage brands engage in co-branding. Consequently, two research questions have been formulated to guide the subsequent parts in this paper: (1) how do heritage brands rejuvenate through co-

branding? And (2) why do heritage brands want to rejuvenate? Next, a literature review will build on the introduction of the three concepts presented above followed by the method and design of this research. The empirical data will then be presented as well as the conducted analysis. Lastly, a concluding discussion will cover the implications of this study as well as prospects for future research.

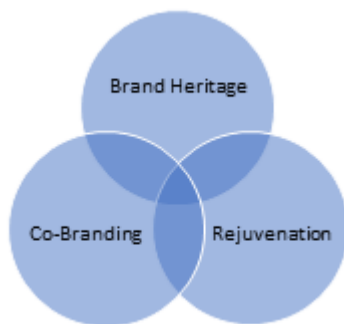


Figure 1: The three dimensions of this paper and visualization of research topic

## Literature Review

### *Brand heritage*

Brand building is a time-consuming process especially if the brand is to gain a strong identity and position in the market. A strong brand is suggested by Kapferer (2012) to be achieved in one of two ways: (1) from product innovation to associated values, or (2) from creating intangible values into a competitive product. The former implies that a great product idea or innovation can develop over time and strengthen its competitiveness with the addition of associated intangible values – thus strengthening the benefits of the value proposition towards its customers. The latter instead takes a reverse route in the brand-building process by creating a set of values that needs to be encapsulated into a great product offering to provide a functional and tangible element for the brand identity to be perceived with (Kapferer, 2012).

In this process, brand heritage serves as a relatively intangible asset that involves the history and roots of the brand (Kapferer, 2012). However, whilst all brands can have a history, not all brands possess a heritage and even fewer do communicate it as a valuable asset (Urde, Balmer & Greyser, 2007). Brand heritage can therefore be a potential way of highlighting the past and present to strengthen the future of a brand (Urde, Balmer & Greyser, 2007; Orth et al., 2019). A value proposition and position based on these elements – the heritage of a brand – can therefore be called a heritage brand. It should be emphasized however, that a brand does not need a strong brand heritage to be successful but merely an added value to the brand identity. Similarly, brands with a heritage can choose not to communicate it which implies that brand heritage is not only an intangible asset for the brand but also becomes a strategic decision whether to activate or not in the communication (Urde, Balmer & Greyser, 2007).

Despite its great potential as an asset for enhancing the brand equity of a brand, brand heritage is also at risk of hindering innovation by restricting the freedom of action for the brand in terms of the propositions they offer to the market. Hence, a heritage brand may not be able to offer an adapted product that meets the needs of the market in favour of staying consistent with its brand identity (Kapferer, 2012).

### *Brand stewardship (HQ)*

To separate brands with a history with true heritage brands, it is crucial to understand the elements affecting the heritage, let alone, understand how to unlock these values. Urde, Balmer & Greyser (2007) propose a model for defining and measuring the contributing elements and assist in evaluating the role of heritage for the brand identity. Furthermore, brand heritage be a specific dimension of the brand identity which consist of five elements: track record, longevity, core values, the usage of symbols

as well as a brand's beliefs. The five elements are evaluated in relation to its individual importance to the brand and determine what the authors call Heritage Quotient (HQ). The more these elements are present in a brand, the more important is the heritage to the brand from both an internal and external perspective (Urde, Balmer & Greyser, 2007). In other words, the higher the HQ is, the greater value is derived from the brand heritage in the value proposition. The five elements of brand HQ as shown in Figure 2 is described as follows:

#### 1. *Track record*

This characteristic analyses the brand's ability to deliver value and to fulfil the promises made over a time period. This characteristic allows for a build of trust and credibility if the company continuously meets the expectations of their consumers, created by the company (Urde, Balmer & Greyser, 2007).

#### 2. *Longevity*

It is one of the key elements within heritage quotient as it can be used to assess the performance of the other elements present (Urde, Greyser and Balmer, 2007). It is the element that reflects a coherence of the heritage brand over the time period of its existence. Even though a heritage brand has been present for an extensive time, it is required of it to reflect other aspects of it (Urde, Balmer & Greyser, 2007).

#### 3. *Core values*

The core values of a company are essential to the identity and in defining the brand heritage. Core values of a heritage brand can be seen as the guidance points for the company and what is to be expected of the brand. If the company succeeds in fulfilling the core values, the brand identity will be built upon further and brand loyalty will increase (Urde, Balmer & Greyser, 2007).

#### 4. *Use of symbols*

Through the usage of symbols, heritage brands can express their identity, but it also creates a connection between the consumer and the brand. The symbols become cues

for the consumers allowing them to recall and recognize the brand. In addition, the symbols are a representation of the brand itself and can be used to express the core values. When a heritage brand has a symbol that is deeply connected to it, it acquires meaning (Urde, Balmer & Greyser, 2007).

#### 5. *History important to its identity*

Companies can either have their history present internally and/or externally depending on what they want to communicate. The history in itself can help decipher what a brand is and who the brand is. If a company communicates the history of the brand externally, it can be done through emphasizing the year the company was founded or advertising products as something to be passed on for generations. In addition, if a company emphasizes their history internally, it is used to build upon the brand further and seen as variable in the decision-making process (Urde, Balmer & Greyser, 2007).

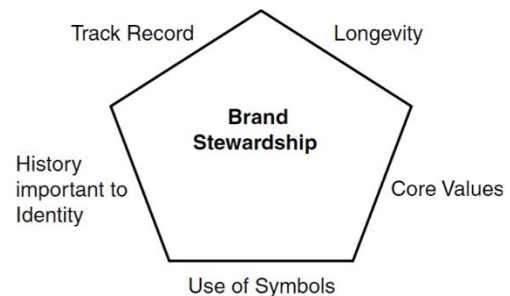


Figure 2: Brand Stewardship (HQ) by Urde, Balmer & Greyser, (2007)

#### *Ageing and Rejuvenation of Brands*

Brands and their identity, with time, grow older and can be perceived as ageing by several stakeholders, for example, customers, suppliers, dealers, or the employees (Kapferer, 2012). This can be viewed from two angles: either the brand itself is collecting dust over a longer period, as it is not impacting the market as it used to and is therefore perceived as less up to date; or the average customer that has an interest in the brand grows older and the brand's image, therefore, is perceived as older too (Kapferer, 2012). If a brand grows old, it can be revitalized through several



measures like reinventing the essence of the brand, segmentation of product lines, a new business model, or innovative products (Kapferer, 2012). Ideally, the brand should however not need these measures by staying relevant and not aging. Therefore, it is important for managers and companies to know when signs are presenting a decline in the brand or that it is moving towards an aging outlook. The companies can assess the brand knowledge, how the customers are viewing the brand and how the brand is differing from the competitors within the market (Thomas and Kohli, 2009).

To prevent the brand from becoming less relevant when it grows older, i.e., growing older but not ageing, Kapferer (2012) suggests that a brand needs to make use of facelifting, reinventing, and innovating its products. Especially when innovating, the brand needs to show that it understands the current trends and wishes that younger consumers have. Furthermore, companies should constantly engage themselves in the process of analysing their brand and the modern perception of it. Depending on the perception of modernity, companies should then act accordingly and reinvent aspects of it, either through updating internal strategies, changing the outward appearance of logos, advertisements or through other strategies (Müller et al., 2013).

Consumers today want renewed offers through innovative products or services from brands more than ever. And brands should always keep their customers at the core of their actions and try to deliver satisfaction and joy with their offers to the consumer (Kapferer, 2012). This makes innovation more crucial than ever before for brands to stay relevant (Kapferer, 2012). When looking past consumer satisfaction, innovation contributes in many other factors to the success of an organization. Kapferer (2012) argues that brands can benefit from innovation as it helps them to progress forward by continuously setting new targets internally, by creating change regarding leadership, or by forcing them to

stay competitive by bringing additional value to their products and services. Furthermore, innovation is a factor that influences the brand value of a company, as well as having an effect on the economy (Janošková et al., 2018). To stay relevant for a company, innovation, therefore, is of utmost importance and should be a priority within the company. Innovation and brand are two concepts that have an interrelationship (Brexendorf et al., 2015). However, these innovations do not have to be ground-breaking or disruptive all the time (Kapferer, 2012). Innovation can be incremental as long as it brings a relevant improvement, even if only in a small detail of the product or service, for the consumer (Kapferer, 2012).

### *Co-branding*

According to Kenton (2020), "Co-branding is a marketing strategy that utilizes multiple brand names on a good or service as part of a strategic alliance." On one hand, this strategy, also known as a brand partnership, involves a minimum of two companies each eager to create their own identity with a view to a newly merged brand. The advantage of co-branding is that it can be a win-win for the associated brands since it can allow them to increase their respective notoriety, profitability, the market shares of the different parties, and customer loyalty. On the other hand, this marketing strategy also makes it possible to improve or restore the brand image, the perceived value of the products or services offered as well as attracting both new consumers and the partner company's pre-existing customers. Furthermore, the association of several brands wishes to adopt such a strategy to make the product or service resulting from their partnership less likely to be imitated by the competition. Finally, co-branding can be broken down into four different strategies: market penetration, global branding, brand building, and brand extension strategy (Kenton, 2020).

According to Kapferer (2012), different typical situations lead to co-branding:

- Co-branding is necessary to increase the chances of success for a brand's extension beyond the original market.
- Co-branding is necessary when the brand's image makes it difficult to communicate with a particular target.
- Co-branding makes it possible to develop a product line that is often sold in a separate distribution channel.
- Co-branding makes it possible to move up a level in product quality/image.
- Ingredient brands are a way to send a message about the product's superior quality and to lift it above the more ordinary copies.
- Co-branding is also a response to the fragmentation of the market and the emergence of communities (also on the internet).
- Co-branding as licenses to boost sales for car models at the end of their life cycle when the product itself no longer has the value of technical novelty.
- Co-branding aims to provide a buzz around the brand among opinion leaders to create an image.
- Co-branding is the visible – confidence-inspiring – sign of a brand union

## Methodology

In this study, a literature review presents the relevant theories explaining brand heritage, brand stewardship framework, brand rejuvenation, and co-branding, covering the different aspects of each concept. In addition, a case study design was applied to accurately answer the research aim, using

four cases regarding heritage brands co-branding, IKEA x Virgil Abloh (Off-White), Barbour x Noah, Goldman Sachs x Apple, Louis Vuitton x Supreme, which is a collective case study. The investigated cases were identified using the Brand Stewardship model (Urde et al., 2007) where one of the involved brands in the co-branding have been evaluated through the model's five elements of heritage brands - hence identifying one true heritage brand in each of the collaborations. Furthermore, as co-branding is not a new concept, a greater number of co-branding cases did match these criteria. This paper therefore added another criteria in selecting as diverse a sample of cases as possible given the time frame and available information. Hence, this paper has identified four cases where exactly one in each collaboration is considered a heritage brand as well as covering three industries: Fashion (Louis Vuitton), Home furnishings (IKEA) and banking (Goldman Sachs). This enables the paper's analysis to cover a greater variety of examples to contextualize theories on.

Case studies is furthermore an appropriate approach for our cause for multiple reasons. Firstly, the presented literature review has shown that brand heritage is considered an intangible and complex phenomenon within the brand-building process (Urde, Balmer & Greyser, 2007; Kapferer, 2012). To explore complex and dynamic phenomena, Bryman and Bell (2012) suggest that case studies can be a useful tool to concretize and contextualize theories onto live cases - thus creating a deeper understanding of the phenomena. It allows the researchers to obtain information on how co-branding affected the rejuvenation of heritage brands. Secondly, relatively few scholars have previously investigated the direct role of co-branding and heritage brands in relation to rejuvenation. There is previous research analysing the effect of rejuvenation and heritage brands packaging (Orth et al., 2019) and brand rejuvenation on luxury fashion brands (Netek and Carbone, 2020). However, there is no research covering the



topic of heritage brands and the reason for rejuvenation, through co-branding.

The empirical information was gathered from secondary sources; hence, evaluation of each source is important. Therefore, the researchers would look at the author of the source, the year of publication and the credibility of the sources used (Bryman and Bell, 2011).

## Empirical Study

### *Cases*

#### *Goldman Sachs x Apple - the Apple Card*

Goldman-Sachs was founded in 1869 and has a rich heritage as one of the top global financial institutions. Goldman-Sachs delivers a wide range of financial services in investment banking, securities, investment management, and recently consumer banking. Its customer base includes corporations, financial institutions, governments, and individuals (Goldman Sachs, 2021).

In 2019 Goldman Sachs and Apple, together with Mastercard, launched the Apple Card in the United States (Apple, 2019). To create a credit card for Apple, Goldman Sachs, as the bank behind the Apple Card, issued the credit card and Mastercard is serving as the global payment network (Apple, 2021). Apple Card is “an innovative, new kind of credit card”, according to the Apple announcement (Apple, 2021), as it is designed to support customers lead a healthier financial life through “simplicity, transparency, and privacy”. This is achieved through several innovative features (Apple, 2021), for example:

- Easy application and approval within minutes for Apple users
- No fees whatsoever – no credit card fee, no transaction fee, and no late fees
- Seamless and categorized display of purchases in real-time in the Apple wallet

- Secure purchases through authorization with Face or Touch ID over the Apple device
- Daily Cashback when spending directly with apple or through Apple Pay

Goldman Sachs, as the bank behind Apple Card, issued its first-ever credit card (Goldman Sachs, 2021). In 2015, Goldman Sachs decided to enter the consumer finance sector and as a result, acquired GE Capital Bank’s US online deposit platform that allowed it to serve as an online bank (Goldman Sachs, 2021). Goldman Sachs Chairman and CEO David Solomon put these ambitions into the following words: “We have the ambition to build a large, differentiated, highly profitable digital consumer platform.” Through the Apple Card launch, Goldman Sachs entered new territory in the consumer finance area (Goldman Sachs, 2021). By working with the brand Apple, Goldman Sachs was able to reach the big and very loyal customer base of Apple, which would have been difficult to reach when creating a new credit card by themselves.

This year the card was ranked highest in customer satisfaction in the mid-size issuer segment with a score of 864, which lies 47 points ahead of the second-placed issuer. Goldman Sachs was the top performer in several categories, amongst others communication, credit card terms, interaction, key moments, and rewards according to J.D. Power’s U.S. National Banking Study (JDPower, 2021). Another project between the two brands is currently being developed: The Apple Pay Later - a Buy Now, Pay Later (BNPL) service, which relies on Goldman Sachs as the lender for instalment loans for Apple Pay users (Shevlin, 2021).

#### *Louis Vuitton x Supreme*

Louis Vuitton (LV) is a French fashion and luxury house founded in 1854 by Louis Vuitton, a French trunk maker, later leatherworker. Through the years, it has

become one of the most influential fashion brands in the world. According to Forbes's annual ranking, in 2020, Louis Vuitton is the 9th most valuable brand, all categories combined and is the world's most valuable luxury brand (Forbes, 2021). According to the company, Louis Vuitton is a true heritage brand: "Our house is more than a name. It's a state of mind. Louis. Yesterday. Tomorrow. Timeless. A legacy in the making." (Louis Vuitton, 2021).

In comparison, Supreme is a streetwear, skateboarding lifestyle, and fashion accessory brand founded in 1994 by James Jebbia, in New York City. Supreme releases new products ("drops") through their retail locations around the world as well as their website on Thursday mornings in Europe and America, and Saturday mornings in Japan (Supreme, 2021). This strategy maintains the aura of "media beast" that the brand creates. Through the years, the brand has gained in reputation thanks to its collaborations and co-branded product lines, making it highly popular with high demand and small supply.

There have been various noticeable benefits during the collaboration between Louis Vuitton and Supreme. In its first half of 2017, the LVMH group, owner of Louis Vuitton, achieved a turnover of € 23B (Saguez, 2017) and above all, a notable increase of 23% in its profits (Estiler, 2017). A strong correlation exists between this performance, unmatched to date by the luxury group, and the collaboration with the brand of James Jebbia. Indeed, by joining the two worlds of luxury and streetwear, the collaboration has aroused an almost disproportionate media enthusiasm, allowing the two brands to benefit from international media coverage and to create the interest of consumers of each brand in the other brand. Beyond that, it is also a collaboration that Clique (2017) describes as culturally important. This is not the first time that Louis Vuitton has supported street artists as well as innovation. Thus, by creating this partnership with Supreme, the luxury giant is showing itself alongside a

symbolically cool brand, creator of rarity, and which in a few years has become a global phenomenon (Clique, 2017). As a result, this co-branding between the two brands initially allowed LV to restore its image to a young audience by showing itself close to a globalized popular culture, and, on the other hand, Supreme draws its benefits from this partnership by attracting the luxury sphere's consumers and showing how streetwear brands challenge the dominance of luxury brands "in the hearts and minds of younger consumers" (Diderich, 2017).

### *Barbour x Noah*

Barbour is a British outdoor apparel brand founded in 1894 by John Barbour. Until today, it is still a family-owned business in the 5th generation that is true to its heritage and core values. The brand is generally known for its durable and high-quality outdoor jackets but offers a whole range of products designed for a full wardrobe (Barbour, 2021). The brand has strong ties to tradition but has struggled to reach a younger target audience in the past. (Bottomley, 2018) Barbour's Design Director, Ian Bergin, reveals that the brand had issues reaching the younger end of the market:

"We thought we were targeting a younger consumer with our 'heritage' collection but, because it had a high design focus and was more expensive, it was just distributed to accounts we already dealt with. So, it seems, we were just targeting a more astute customer who was younger in the head." (Bottomley, 2018).

In Autumn 2020, Barbour, for the first time, co-branded a capsule collection with the New York City-based streetstyle brand Noah, which was founded by Supreme's former creative director Brendon Babenzien in 2015. Noah (2021) identifies themselves as streetwear that incorporates the "rebellious vitality of skate, surf, and music cultures". As a result of the first co-branded collection selling out extremely quickly due

to the popularity and uniqueness of the co-branded products, a second co-branded collection was launched and again sold out quickly in Spring/Summer 2021. The result of both co-branded collections was reworked, and more youthful designs of Barbour's signature products through Noah's rebellious street and surf aesthetic: a lightweight Bedale jacket rejuvenated with a bold sunflower yellow or an all-over zebra print, for instance (Davey, 2021).

Barbour (2021) puts the collaboration into the following words: "This collaboration blends Noah's rebellious aesthetic with Barbour's iconic British style, to create a range full of innovation and quality." The co-branded collections brought together two skill sets and created products that were difficult to achieve for both brands without the help of another. The focus, for example, on print-centric jackets is not something Barbour typically offers in its jackets as it does not go with their quintessentially British design of products (Maoui, 2021).

#### *IKEA x Virgil Abloh (Off-White)*

IKEA is a well-known heritage brand that was founded in 1943 by Ingvar Kamrad. IKEA specializes in producing furniture "to create a better everyday life for the many people" (IKEA, 2021). The brand offers a variety of products to their consumers at the lowest prices possible to be affordable to them all, which is the business idea of IKEA. It is a brand that can be considered by many as the market leader of home furnishing, having 461 stores worldwide. Furthermore, one of the key values for IKEA as a heritage brand is to "renew and improve" (IKEA, 2021) their brand and their offering, to find solutions to problems. Another key value is "different with a meaning" (IKEA, 2021) relating to IKEA's willingness to take risks and test unconventional ways. A way IKEA lives up to these key values is through past collaborations that they have previously had in the past.

One of these collaborations is IKEA x Virgil Abloh (Off-White), the founder and designer of the clothing brand "Off-White". It is a company and brand that was founded in 2013 by Virgil Abloh, creating a combination of streetwear and luxury clothing. In 2017, IKEA and Virgil Abloh collaborated to create furniture that was designed to fit millennials. According to IKEA, Virgil Abloh has a sense of style and knowledge when it comes to the current trends of millennials and what it is, they are seeking. In addition, IKEA felt that there was no need for them to only focus within one field of creative discipline, they should work within all of them. The collaboration was a combination of one of the largest furniture companies in the world with a fashion brand having one of the highest influences. The idea behind the collaboration was to create furniture that would be appreciated by millennials and would give them the feeling of a home in their current living environment (IKEA Today, 2017). The collaboration between the two brands was a clever and well-planned strategy to target young consumers and plugging the products of IKEA (Frame, 2020). On the contrary, certain aspects of the collaboration were seen as not following the initiatives and values that IKEA possesses and portrays (Frame, 2020). It was said that due to the plugging of the collaboration and the limited availability of it, not being accessible to everyone and forcing some to have to buy the products on the secondary market for five times the price, reflects poorly on the sustainability values of IKEA. In addition, it was considered not to follow the environmental stewardship and competitive shopping products were seen as a contribution to the issue of ecological footprint, which is something that IKEA consistently works against, a wrong step taken by IKEA where consumers are prioritizing the brand over the function (Frame, 2020).

## **Analysis**

### *Heritage Brands*

When examining the above cases with the Heritage Quotient (HQ) framework developed by Urde, Balmer & Greyser (2007), it is discovered that the co-branding activities involve a heritage brand and brands without a heritage. As discussed by Urde, Balmer & Greyser (2007), the HQ is an integral part of heritage brands and it is through the framework a brand can be established as having heritage or not. Brand heritage is a time-consuming process, and it takes time in order to gain a strong identity and positioning in the market, therefore the brands IKEA, Louis Vuitton, Barbour, and Goldman Sachs are heritage brands as they are, to this day, still market leaders. These brands have all been present for a long period of time, hence they have a history (Goldman Sachs, 2021; Barbour, 2021; Louis Vuitton, 2021; IKEA, 2021). However, history is not the only element present in heritage brands. In the case of IKEA, their track record is a prominent element, their slogan “to create a better everyday life for the many people” (IKEA, 2021), is a promise they still fulfil to this day (Urde, Balmer & Greyser, 2007). Additionally, IKEA combines their longevity with their core values and successfully expresses their identity through their blue and yellow logo, a part of their use of symbols, as well as delivering affordable furniture to consumers (Urde, Balmer & Greyser, 2007; IKEA, 2021). These elements are clearly present in Barbour, Louis Vuitton, and Goldman Sachs as well. Through the HQ framework, it is clear that for the given cases, their heritage is a valuable asset and is part of their success as they continuously work on emphasizing the heritage.

### *Brands without a heritage*

When looking into why those heritage brands might have chosen the specific co-brands without a heritage, several

specifications they have in common become visible:

#### *1. Youngness*

At the heart of the co-brands is their young age, i.e. the short time they all have existed and their young or young at heart leadership team and workforce. For example, the median employee age at Apple is 31 years old (Pelisson and Hartmans, 2017), Virgil Abloh (Off-White founder), born in 1980, is touring as a DJ regularly (Yotka, 2018) and is the former Supreme Creative Director, and Noah founder, Brandon Babenzien, is deeply rooted in surf and skate culture (Highsnobiety 2021). This youngness gives the brands a certain ability to try out new ways that heritage brands might not be able to go themselves. It enables them to connect with subcultures like Noah, Supreme and Virgil Abloh (Off-White) do, or with a young and tech-savvy demographic like Apple’s customer base.

#### *2. Trend Setter/ Innovativeness*

All four cases feature co-brands to heritage brands that have a certain ability to deliver new and innovative products that can be seen as setting the trend and influencing the market they are in. Supreme, Virgil Abloh (Off-White), Noah and Apple are highly sought after and trendy brands, as discovered in the cases, and they all have a certain style and a distinct knowledge when it comes to trends and what the market wants. For that reason, collections of Virgil Abloh (Off-White), Supreme and Noah sell out in record time regularly and Apple fans camp in front of stores to be the first ones to receive new products (Newsflare, 2014). Through this, the brands are able to build a base of customers who enjoy setting trends themselves and who like to try out products that the less trend-savvy have not even heard of.

#### *3. Modernness important to identity*

All co-brands portrayed in the cases are known for their modern and up-to-date presence. The companies presented are proud to not have existed for a long time and to bring some freshness to the market they

are in. They communicate this internally, externally, or both. As an example, Apple’s stores are known for their modern design that revolutionized retail architecture and design with their open spaces and glass walled fronts (Baldwin, 2021).

4. Use of symbols

In this point the portrayed heritage brands and their co-brands are very similar. Both parties like to express their identity through certain symbols with which their followers can identify and connect with each other and the brand. Supreme for example has a very distinct logo that itself has reached cult-status and is being copied and put on clothes by other brands, like the company IBF that puts the Supreme Logo on their own pieces of clothing illegally (García & Gestal, 2019). Noah and Virgil Abloh (Off-White) too have very distinct logos that connect and unite fans. And, Apple’s logo, the iconic and simplistic image of an Apple that has a bite taken out, is just as famous as the company’s name (Eisingerich et al., 2009).

5. Core values

Also in this point heritage brands and the co-brands portrayed are very similar in that

both have strong core values that are highly important to their identity and in defining the brand. The core values of the co-brand can be regarded as their internal compass that gives away where the brand is going and what its purpose and goal is. Just like with heritage brands, if the company can fulfil the core values it will build trust and increase its brand loyalty (Urde, Balmer & Greyser, 2007). As an example Noah has very strong core values towards sustainability and ethical production (Noah, 2021) and so does Barbour (2021). As a result the partnership works well as both brands share these integral values in their brand’s identity. In contrast Virgil Abloh (Off-White) as a luxury street style brand does not share IKEA’s core values of bringing affordable products to the people (IKEA, 2021) - therefore the co-branding activities received its fair share of criticism as aforementioned.

With these insights a continued framework that is based on the HQ framework by Urde, Balmer & Greyser (2007) is proposed in figure 3. Just as there are significant elements to heritage brands, we suggest the term ‘Novelty Brand’ for those brands without a heritage, that differentiate

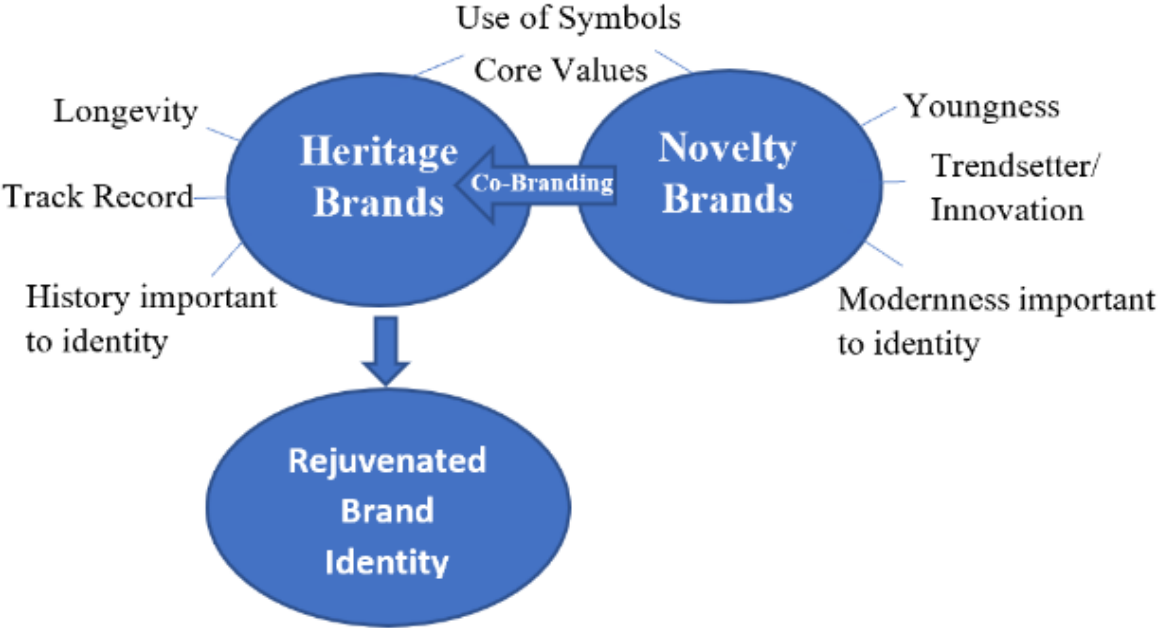


Figure 3: Effect of Rejuvenated Brand Identity through Co-Branding of Novelty Brands with Heritage Brands



themselves with above mentioned characteristics.

These novelty brands bring aforementioned qualities to the table which are highly beneficial for a rejuvenation process of a heritage brand. With the combined strengths through co-branding, the attributes of a heritage brand and the attributes of a novelty brand can benefit each other by adding dimensions into the respective brand identity which the brands would struggle to achieve on their own.

### *Valuable assets*

Hence, heritage brands co-brand with novelty brands when wanting to rejuvenate since novelty brands add complementing values like youngness and innovativeness. On the other hand, heritage brands can become old and covered in dust in some cases, opposite characteristics of novelty brands. Novelty brands bring a valuable asset as they are often trend setters and advocates of change, they are constantly adapting to the current trends on the market. Therefore, allowing heritage brands to combat the signs of having an aging and outdated brand (Thomas and Kohli, 2009). The collaboration between a heritage brand and a novelty brand can cause an increase in turnover for the heritage brand (Saguez, 2017) as well as an increase in profits (Estiler, 2017). It can also be seen that co-branding can cause an increase in media coverage for the brands that are involved and a spill-over effect in consumers taking an interest in the other brand, through the co-branding process (Saguez, 2017). The co-branding of a heritage brand with novelty brands allows it to develop the brand image that may otherwise prove difficult to target and allows for new segments (Kapferer, 2012) since novelty brands are considered trendsetters and young. This creates an innovation and develops the brand value for the heritage brand, which is seen as an essential aspect (Janošková et al., 2018). In addition, the heritage brands can reach a new group of loyal customers, where the novelty brand

customer base become users of the heritage brand (Goldman Sachs, 2021). The co-branding creates an ability for heritage brands to develop their products and extend their brand. This contributes to the constant necessary building of brand and innovation relationships (Brexendorf et al., 2015).

The capacity to alter certain core features of their products is made possible through the co-branding (Maoui, 2021) and to alter aspects of the brand to encourage modernity (Müller et al., 2013). However, it is not only the brands without a heritage that offer an asset to the heritage brands, but the opposite as well. Heritage brands, due to their longevity and track record (Urde, Balmer & Greyser, 2007) can be seen as an anchor for other brands to lean on as they are well established within the market. Through co-branding, brands without a heritage can attract new customers that the heritage brand has achieved through longevity and build upon their core values. It allows for the brands without a heritage to achieve goals in a shorter period of time and to become a part of a new brand segment (Diderich, 2017).

Although, there are negative situations and outcomes that heritage brands may find themselves in after co-branding. Even though heritage brands utilize co-branding as a way to increase relevance and as a facelift, brands may sometimes forget to keep their core values at the forefront of the collaboration. If the novelty brand does not align with some of the core values of heritage brands, it can be damaging to the track record as well as the core values of the heritage brand. The misalignment of the two brands can cause a negative backlash (Frame, 2020) and damage the view on the collaboration itself. Furthermore, the aim of the collaboration may be questioned when the heritage brand does not prioritize its values and the process of rejuvenation, but instead prioritizing the novelty brand that they are collaborating with (Frame, 2020). Hence, it is important for heritage brands to not lose track of their core values and their HQ (Urde, Balmer & Greyser, 2007).



## Discussion and conclusion

This paper analysed how co-branding with a brand without a heritage can be utilized by heritage brands to rejuvenate. Through an inductive approach based on four case studies, this paper shows how and why heritage brands can engage in co-branded activities in order to rejuvenate. Indeed, brand identity represents vast aspects of an actual brand and the corporation since it for instance covers the vision, the missions, the values, and the legitimacy. Thus, heritage brands that engage in co-branding activities must be aware of all challenges brought by brand identity to make it become a successful strategic decision and minimize the risk of damaging it. The literature points out that brands can sometimes be forced to innovate if they want to stay relevant and reach the market's leader position. Carrying a heritage, brands tend to be reluctant to innovate, thus, rejuvenate. Indeed, since they have a strong brand identity, almost carved in a rock, it may be intricate for them to take the risk of tarnishing it if negative outcomes had to happen with a co-branding partnership for example. However, the rejuvenation process is made possible by co-branding with novelty brands as proposed by the created framework.

Hence, heritage brands can highly benefit from a co-branding partnership with novelty brands in order to rejuvenate since they are often trend setters and can bring youngness, modernness and convey strong symbols in regard to the brand image. Nevertheless, a co-branding strategy must be carefully considered beforehand and all the variables allowing to respect the brand stewardship must be imperatively respected in order not to create damage to the brand heritage.

## Implications and future research

This conceptual paper presents a framework that can serve as a valuable tool for brand managers and the practical implications are threefold. First, the suggested co-branding framework can support heritage brands by

accurately evaluating co-branding as a strategic decision to rejuvenate. Secondly, as this research has taken on the perspective of heritage brands, it also helps to identify suitable novelty brands to engage in co-branding with - hence supporting managers in their strategic decision making to maximize the outcome of such collaborations. Third and lastly, by enabling heritage brands to understand how and why to engage in co-branding, the potential outcomes can be enhanced as well as identifying the involved risks and steer away from them. This paper also adds implications to the existing brand management literature by developing the understanding of how heritage brands more successfully can utilize their heritage values as well as the reasons for why rejuvenation and co-branding takes place.

As there are certain limitations to the study, there are aspects of it that should be researched in the future. First of all, it is advocated to look into whether the given framework developed, and the outcome of co-branding has the same effect when there are two heritage brands involved in the process. Specifically, if it will have the same outcome or if there will be differences. Secondly, future research should investigate the effect of more than two companies co-branding and whether it is possible to do so. Moreover, the given framework developed from the research should be tested using a quantitative approach to accurately measure the potential benefits of co-branding. Lastly, as the research briefly touches upon potential benefits for the novelty brand, it would be interesting to further develop this understanding and particularly how novelty brands can benefit from co-branding with a heritage brand.

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