



# Consumer perceptions of cobrands: the role of brand positioning strategies

Consumer  
perceptions of  
cobrands

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## Abstract

**Purpose** – Cobranding is increasingly popular as a strategy for commercial success. Brand positioning strategies are central to marketing, yet the impact of perceptions of parent brands' positioning on consumers' perceptions of cobrand positioning has not been investigated. The aim of the present study is to fill this gap.

**Design/methodology/approach** – Employing a quasi-experimental design, the authors create cobranding scenarios in three product categories (tablet computers, cosmetics, and smart phones). The data are collected via structured questionnaires resulting in 160 valid responses. The data are analyzed employing Partial Least Squares-based Structural Equation Modeling (PLS-SEM), and consumer evaluation of cobrands is tested in relationship to the prior positioning of the parent brands, product fit and brand fit, along with post-alliance positioning perceptions of the partner brands.

**Findings** – The results confirm brand positioning as a robust indicator of consumer evaluation of cobrands. Positioning perceptions of partner brands are positively related to cobrand positioning perceptions. In addition, pre-alliance positioning significantly relate to post-alliance positioning, confirming cobranding as a viable strategy for partner brands.

**Research limitations/implications** – The paper recommends research that could reveal the impact of differential brand equities of partner brands, such as, between a high-equity brand and a low/moderate-equity brand, mixed brand alliances – product/service; service/service, and at different levels of partner brand familiarity.

**Practical implications** – Managers should design cobrand positioning based on existing positioning perceptions of the partner brands, rather than focussing on product fit and brand fit.

**Originality/value** – The study demonstrates the focal role of positioning strategies of partner brands in consumer evaluation of cobrands.

**Keywords** Brand positioning, Quasi-experiment, PLS-SEM, Cobranding

**Paper type** Research paper

## 1. Introduction

A relatively recent trend in brand management is brand alliance or cobranding, whereby a firm enters a complementary partnership with another firm, or offers innovative new products that benefit from the relative strength of each partner. Cobranding combines the competencies and reputations of two partnering brands to create new products (e.g. Park *et al.*, 1996; Prince and Davies, 2002; Faems *et al.*, 2005). A widely accepted definition of cobranding is “the short or long-term association or combination of two or more individual brands, products, and/or other distinctive proprietary assets” (Rao *et al.*, 1999, p. 259). The strategy has gained popularity and has led to different types of cobranded products, for example, consumer durables (e.g. Senseo, a coffee machine by Philips and Douwe Egberts), automobiles (e.g. the F250 Super Duty truck, a pick-up truck by Ford and Harley-Davidson), and consumer



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packaged goods (e.g. Tide Buzz, an ultrasonic stain remover by Black & Decker and Tide).

The proliferation of cobranded products and growing awareness about their benefits have led to a number of papers published in various marketing journals (e.g. Simonin and Ruth, 1998; Desai and Keller, 2002; Lafferty *et al.*, 2004; Kumar, 2005; Helmig *et al.*, 2008; Olsen and Lanseng, 2012; Voss *et al.*, 2012). Cobranding studies have identified significant determinants of attitudes, such as, consumer awareness of the partner brands (Park *et al.*, 1996), perceived quality of the brands (Rao and Ruekert, 1994; Rao *et al.*, 1999), brand equity (Vaidyanathan and Aggarwal, 2000; Washburn *et al.*, 2000), and existing consumer attitudes toward the partner brands (e.g. Simonin and Ruth, 1998; Lafferty *et al.*, 2004; Bouten *et al.*, 2011). In addition, research has established that brand fit and product fit, i.e. the extent to which the partner brands are perceived as congruent in terms of brand perceptions and product categories, have significant impact on consumer attitudes to cobranding (e.g. Simonin and Ruth, 1998; Baumgarth, 2004; Lafferty *et al.*, 2004; Helmig *et al.*, 2007).

Although the above examples of research findings demonstrate considerable knowledge on factors determining attitudes toward cobranding, the literature is silent in terms of whether perceptions relating to the “positioning” of partner brands have an impact on perceptions of the cobrand. This is surprising, given the evidence that positioning strategies impact brand associations and consequently brand attitude evaluation (e.g. Keller and Lehmann, 2006). Furthermore, designing appropriate positioning strategies is fundamental to marketing management and advertising practices (e.g. Keller and Lehmann, 2006; Blankson and Kalafatis, 2007; Fuchs and Diamantopoulos, 2010). Considering that positioning acts as a conduit to establishing brand perceptions, the partner brands’ positioning perception would plausibly influence cobrand perceptions. Therefore positioning has a central role in shaping brand perceptions, yet the literature on cobranding has not addressed the impact of positioning perceptions in cobrand evaluation.

In view of the above identified gap, the aim of this study is twofold, we examine whether perceptions of the positioning strategies of two partner brands have an impact on positioning perceptions of the cobranded product, along with the brand and product fit, and we investigate whether cobrand positioning perceptions impact the post-alliance positioning perceptions of the partner brands. Our research contributes to cobranding literature by providing knowledge on the hitherto unknown role of positioning strategies on consumers’ cobrand evaluations. As brand positioning is crucial to marketing success, the findings here on the role of positioning strategies of partner brands offer insights into designing appropriate positioning strategies for the cobranded product.

The paper is organized as follows. First we review the extant literature on the impact of brand and product fit on attitudes toward cobrands. This leads to the conceptual framework and hypotheses development. The methodology section is presented next. The last sections of this paper include the discussion of the results, conclusions and their managerial implications, and the limitations of the study.

## 2. The literature

The theoretical foundations of the effects of cobranding on consumers are located in signaling theory (Rao and Ruekert, 1994) and attitude formation theory (Hillyer and Tikoo, 1995; Simonin and Ruth, 1998). Application of the signaling theory in cobranding research is found in, among others, Simonin and Ruth (1998), Fang and

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Mishra (2002), Washburn *et al.* (2004), and Voss *et al.* (2006, 2012). Explaining the mechanism of signals in cobranding, Rao and Ruekert (1994, p. 89) state that “If one brand name on a product gives a certain signal of quality, then the presence of a second brand name on the product should result in a signal that is at least as powerful, if not more powerful than, the signal in the case of the single brand name.”

Attitude formation was investigated by Levin *et al.* (1996) who showed that brand partnership enhances attitudes toward a cobranded product, and Park *et al.* (1996) who demonstrated that the degree of attributes complementarity between partner brands has a positive effect on cobrand evaluation. Simonin and Ruth (1998, p. 32) suggest, “when consumers are exposed to a brand alliance, several factors influence the favourableness of their attitudes toward the alliance, including pre-existing attitudes toward the brands in the partnership, perceived fit of the products, and perceived fit of the brands.” The attributes complementarity effect – termed “fit” – is postulated by Rao and Ruekert (1994) to be the match between two brands and is an important consideration when contemplating a brand alliance. The fit effect is empirically investigated by Simonin and Ruth (1998) as a twofold concept, namely, product fit, i.e. the extent to which consumers perceive two product categories as well-matched, and brand fit, i.e. the congruence of consumer perceptions of the partner brands. These authors demonstrate both product fit and brand fit as having simultaneous impact on consumer evaluation of cobrands.

Higher category compatibility in terms of product fit is also corroborated in branding literature (e.g. Aaker and Keller, 1990; Jap, 1993). In practice, a partnership between a grocery retailer and an electronics products manufacturer could be perceived by consumers as comparatively less well-matched than a partnership between a credit card and a restaurant. A number of empirical studies demonstrate that product fit has a positive relationship with consumer attitudes toward the cobranded product (e.g. Simonin and Ruth, 1998; Washburn *et al.*, 2000; Helmig *et al.*, 2007; Bouten *et al.*, 2011).

Along with product fit, empirical studies report an affirmative relationship between brand fit and perceptions of the alliance (e.g. Simonin and Ruth, 1998; Baumgarth, 2004; Lafferty *et al.*, 2004). Brand fit refers to the associations that consumers draw about the partnering brands; for instance, a partnership between BMW and Hermes is likely to elicit high brand fit, since both brands are associated with high quality and good taste. The theoretical explanation for the brand fit effect is provided by Lafferty *et al.* (2004). Based on congruity theory, the authors suggest that brand fit has an impact on cobrand evaluation because people seek to sustain and re-establish consistent attitudes toward the cognitive components of allied brands. Evidence of the significant impact of brand fit on cobrand evaluation is also supported by Baumgarth (2004) and Helmig *et al.* (2007, 2008).

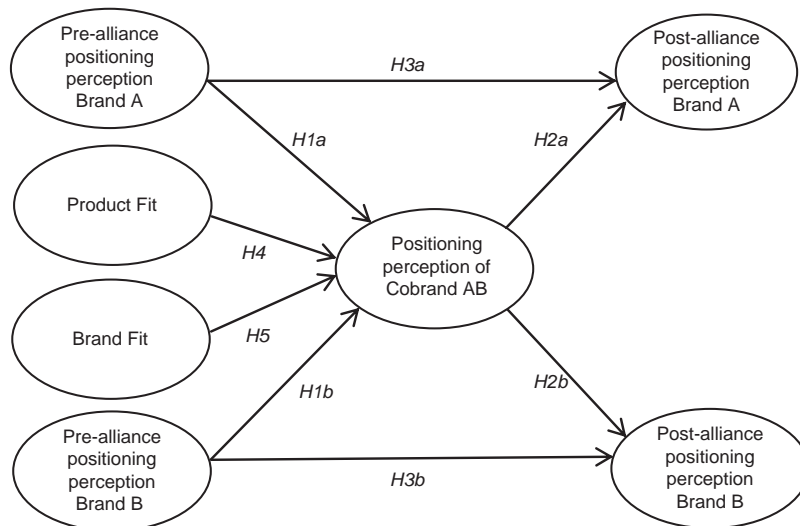
In addition to the above, cobranding research has investigated the “spill-over” effects, i.e. the impact of cobranding on attitudes toward partner brands. According to associative network theory (Anderson, 1983; Keller, 1987), the spill-over effect is a psychological mechanism that describes the influence of the activation of one node and its associated elements on other related nodes in a network which is strengthened through pre-existing links between these nodes. In cobranding, spill-over effects arise when consumer pre-attitudes toward the brand or attitudes toward the cobrand are transferred to their subsequent attitudes toward the partner brands. Several factors are identified to influence post-exposure attitudes of the parent brands in an alliance, such as, level of brand familiarity (Simonin and Ruth, 1998; Kumar, 2005), brand equity

and reputation (Washburn *et al.*, 2000; Vaidyanathan and Aggarwal, 2000), the perceived quality of the brands (Rao *et al.*, 1999; Voss and Gammoh, 2004), and usage of and loyalty toward the partner brand (Swaminathan *et al.*, 2012). Studies investigating the effects of post-exposure attitudes toward the partnering brands have documented significant positive spill-over effects (e.g. Simonin and Ruth, 1998; Washburn *et al.*, 2000; Baumgarth, 2004).

Despite the above developments on predictors and effects of cobranding, the literature does not take into account the impact of positioning perceptions on cobrand perceptions. Consistent with the explanation provided in signaling theory, it is logical to assume that the positioning strategies of partner brands form a set of signals (or stimuli) communicated to consumers. For instance, applying the signaling theory, Shocker (1995) found that if one of the partner brands is perceived to perform well on an attribute, then the cobrand brand would also be perceived as having a high performance level of the same attribute. Therefore it implies that the respective positioning perceptions of partner brands will be transferred as signals of perceptions toward the cobrand. The impact of partner brands' positioning perceptions on cobranding is therefore an important gap in knowledge that merits further investigation.

### 3. Conceptual model and hypotheses

The theoretical underpinnings of this study are located in empirical research on consumer evaluation of attitudes toward cobranding (e.g. Simonin and Ruth, 1998; Baumgarth, 2004; Lafferty *et al.*, 2004; Helmig *et al.*, 2008). The departure point in our study is that, instead of attitudes, we measure the impact of perceptions of existing positioning strategies of each brand on the positioning perception of the cobrand, along with the resulting post-alliance positioning perceptions for each brand. We postulate that consumer perceptions of the positioning strategies of each partner brand will impact the positioning perceptions of the cobrand. Further, the positioning perceptions of the cobrand will in turn impact the respective positioning perceptions of the partner brands. The hypothesized relationships are presented in the conceptual model in Figure 1.



**Figure 1.**  
Conceptual model

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Previous studies report that the attitudes (Simonin and Ruth, 1998) and positive brand equity (Washburn *et al.*, 2004) of the parent brands transfer toward the cobrand. Consistent with information integration theory, which suggests that stimuli are combined to form attitudes (Anderson, 1983), positioning perceptions of the partner brands will be retrieved automatically when the cobrand's positioning is presented to the consumer. In an alliance, the positioning perceptions of cobrand are likely to be influenced by respective positioning perceptions of the partner brands. Therefore, similar to attitude transfer effects found by Simonin and Ruth (1998) and other authors, it is expected that positioning perceptions of the parent brands should transfer to the cobrand, leading to the first set of hypotheses:

*H1a and H1b.* Pre-alliance positioning perceptions toward partner brands A and B are positively related to positioning perceptions of the cobrand AB.

Brand extension studies report that attitude toward the parent brand is affected positively or negatively by its extension (e.g. Keller and Aaker, 1992; Loken and John, 1993; Van Riel *et al.*, 2001; Völckner and Sattler, 2006). Similarly, Völckner *et al.* (2008) report the occurrence of negative or positive feedback effects for the parent brand post extension. Prior research has suggested that such evaluations are explained by signaling theory, where consumers use available information as signals to interpret the new product (e.g. Boulding and Kirmani, 1993; Rao *et al.*, 1999). A company's positioning strategy is a form of signal that communicates a specific brand perception or attribute (e.g. value for money) to the consumer. When two brands form an alliance, their respective positioning strategies communicate a set of perceptions to the consumers. Relatedly, a newly created cobrand raises new associations and therefore new positioning perceptions, which in turn act as signals that consumers process to form positioning perceptions of the partner brands. It is therefore logical to speculate that cobrand positioning perceptions will have an impact on the positioning perceptions of the partner brands post alliance. In other words, favorable cobrand positioning perceptions will lead to information processing that yields favorable perceptions of the partner brands, leading to the second set of hypotheses:

*H2a and H2b.* Positioning perceptions of cobrand AB are positively related to post-alliance positioning perceptions of partner brands A and B.

Previous research has shown that existing attitudes get "spilled-over" to post-alliance attitudes toward the partner brands (e.g. Simonin and Ruth, 1998; Rodrigue and Biswas, 2004; Lafferty *et al.*, 2004). An explanation is provided by Ajzen and Fishbein (1980) who suggest that attitudes are stable psychological constructs and are therefore carried forward. Empirical support for the stability of pre- and post-alliance attitudes is provided by a number of cobranding studies (e.g. Lafferty *et al.*, 2004; Helmig *et al.*, 2008). Similarly, consumer perceptions of positioning strategies of partner brands are formed over time. The relevant question here is whether the positioning perceptions of partner brands post-alliance are strengthened or weakened than the pre-alliance levels. It is likely that the wrong partner brand selection could lead to image loss for one or both partners, resulting in erosion of associations and possibly confused positioning for one of the partners (Uggla, 2004). In order to determine whether the positioning perceptions of partner brands "spill-over" post-alliance, the relationship between

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pre- and post-alliance positioning perceptions of partner brands A and B is investigated, leading to the third set of hypotheses:

*H3a and H3b.* Pre-alliance positioning perceptions of brand A are positively related to post-alliance positioning perceptions of brand A, and similarly for brand B.

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Previous research suggests that “fit” plays a significant role in how cobrands are evaluated (Park *et al.*, 1996). In particular, consumer perceptions of product fit, or the extent to which consumers perceive two product categories to be compatible, has been consistently confirmed as a determinant of attitudes toward the cobrand (e.g. Simonin and Ruth, 1998; Lafferty *et al.*, 2004; Walchli, 2007; Helmig *et al.*, 2008; Bouten *et al.*, 2011). As suggested by Uggla (2004, p. 106), “[...] a brand alliance implies a conjunction and elaboration of meaning from brand to brand with category meanings underneath the involved brands.” Unlike brand extension literature where product fit relates to transferability of parent brand attributes, in cobranding it is the perception of relatedness of the product categories implied by the cobrand. Since product fit relates to perceptions of the partner brands, it is logical that a relatively high level of product fit will enhance the positioning perceptions of the cobrand. For instance, alliance between two manufacturers from the technology sector (e.g. computers and camera) is likely to yield high product fit and create desirable associations for the cobrand. Aaker and Keller (1990) provide empirical support for the direct relationship of product fit to attitudes toward brand extension. Extending the logic to cobranding, it is therefore expected that product fit is a determinant of positioning perceptions of the cobrand, leading to the fourth hypothesis:

*H4.* Product fit is positively related to positioning perceptions of the cobrand AB.

In addition to the product fit, an alliance also integrates the brand images of the partners. Brand image is defined as perceptions of the brand that reflect consumer associations of the brand in memory (Keller, 1993). Brand positioning, on the other hand, is defined “as the concept of a brand that is held by the consumer – which is largely a subjective and perceptual phenomenon that is formed through consumer interpretation, whether reasoned or emotional” (Dobni and Zinkhan, 1990, p. 117). Aaker and Shansby (1982, p. 56) make a distinction between brand image and brand positioning and suggest that “the term ‘position’ differs from the older term ‘image’ in that it implies a frame of reference, the reference point usually being the competition. Thus, when the Bank of California positions itself as being small and friendly, it is explicitly, or perhaps implicitly, positioning itself with respect to Bank of America.”

Consistent with the explanation presented in brand extension studies (e.g. Young and Greyser, 1983; Varadarajan, 1986; Keller and Aaker, 1992), a cobrand also involves the brand images of each partner, and consistent brand images of the partners leads to a high level of brand fit, which in turn leads to strong evaluation of the cobrand (Simonin and Ruth, 1998). Based on the above discussion differentiating brand image from brand positioning, we posit that high brand fit will lead to stronger positioning perceptions of the cobrand, leading to the fifth hypothesis:

*H5.* Brand fit is positively related to positioning perceptions of the cobrand AB.



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#### 4. Methodology

Following the design employed by a number of previous studies (e.g. Simonin and Ruth, 1998; Washburn *et al.*, 2000; Baumgarth, 2004; Helmig *et al.*, 2007), our study represents a scenario-based quasi-experiment consisting of hypothetical alliances between well-known brands. For purposes of validation and generalizability, three cobranding scenarios reflecting a diverse set of markets were created: a tablet by Sony and Hewlett Packard, a skincare product by Nivea and Calvin Klein and a smart phone by Casio and Red Bull. The criteria for including the chosen brands in the cobranding scenarios were: they are well-established brands, to ensure respondent familiarity; in each alliance, the two partner brands had different positioning strategies in order to ensure that the effects of the brand alliance were prominent and the results were easy to interpret; and the cobranded product was realistic in order to ensure valid responses for questions related to cobrand positioning. The three cobranding scenarios were created following a qualitative assessment of the views of brand users based on the above criteria.

The focal construct of brand positioning (i.e. pre- and post-alliance positioning perceptions and positioning perceptions toward the cobrand) was operationalized as formative using the typology and related scales developed by Blankson and Kalafatis (2004). The typology comprises the following nine positioning strategies – “top of the range,” “value for money,” “customer service,” “reliable,” “reasonable price,” “reliable,” “attractive,” “market leader,” and “extra feature.” Each strategy was measured using a five-point Likert-type scale anchored at “very weak” and “very strong.” Product fit and brand fit (reflective constructs) were measured using two-item semantic differential scales (is/is not consistent; is/is not complementary) on a five-point Likert-type scale anchored at “strongly disagree” and “strongly agree” (Simonin and Ruth, 1998).

Following pilot tests, a questionnaire was developed as the survey instrument, based on the approach in Simonin and Ruth (1998). The respondents first indicated their perceptions of positioning (i.e. pre-alliance) toward the brand partners. Following exposure to unrelated filler material, the respondents were presented with the cobrand in the form of a pictorial representation and associated textual description. They were then requested to answer questions on brand fit and product fit between the partner brands as well as post-perceptions of the positioning for the cobrand and the partners (post-alliance). Using convenience sampling, 51, 48, and 44 usable responses were received correspondingly for Nivea and Calvin Klein, Sony and Hewlett Packard, and Casio and Red Bull (see Appendix for pictorial depiction of the cobrands). The respondents were aged 18+, and consisted of a mix of working professionals and postgraduate university students representing approximately equal numbers from both genders.

The data were subjected to partial least squares-based structural equation modeling (PLS-SEM; Haenlein and Kaplan, 2004; Tanenhaus *et al.*, 2005; Hair *et al.*, 2012) using the software SmartPLS 2.0 (Ringle *et al.*, 2005) in order to measure the direct and spill-over effects. PLS-SEM was adopted because of its advantages over covariance-based modeling, such as the PLS-SEM assumes multivariate normality of data and produces robust results with a minimum demand regarding sample size (Reinartz *et al.*, 2009; Hair *et al.*, 2011).

#### 5. Results

Before the research hypotheses were tested the measurement model was confirmed (with bootstrap analysis of 1,000 subsamples). For reflective constructs we adopted suggestions of composite reliability (CR; with benchmark of 0.70) and average variance

extracted (AVE; with benchmark of 0.50) given by Fornell and Larcker (1981). The results reported in Table I confirm the psychometric properties of brand fit and product fit. For the formative constructs following recommendations by Mathieson *et al.* (2001), collinearity analysis, i.e. examination of variance inflation factor (VIF) values, conditional indices, and the decomposition of the coefficients variance matrix, showed no problems.

The information presented in Table II provides evidence of considerable explanatory power for both the brand alliance (all  $R^2$  above 0.50) and individual brand partners ( $R^2$  values above 0.60). With the exception of Calvin Klein the functional relationships between pre-alliance perceptions of positioning of brand partners and the cobrand resulting from the alliance are confirmed. The same pattern of results applies to the pathways linking positioning perceptions of the partners pre- and post-alliance. Of the hypothesized relationships between brand fit and product fit and perceptions of positioning of the cobrand, only one (Casio and Red Bull) is significant. With the exception of one significant pathway (Calvin Klein) the results indicate the lack of a significant relationship between cobrand and post-alliance positioning perceptions of the partners.

### 6. Discussion and conclusions

The purpose of our study is to investigate the impact of parent brands' positioning perceptions along with product fit and brand fit on cobrand evaluation, and the

**Table I.**  
Testing the measurement model

	Nivea and Calvin Kline		Sony and HP		Casio and Red Bull	
	CR	AVE	CR	AVE	CR	AVE
Brand fit	0.848	0.740	0.714	0.581	0.889	0.801
Product fit	0.722	0.596	0.742	0.582	0.879	0.785

Functional relationships	Standardized path coefficients ( <i>t</i> -values)		
	Nivea <sub>A</sub> and Calvin Kline <sub>B</sub>	Sony <sub>A</sub> and HP <sub>B</sub>	Casio <sub>A</sub> and Red Bull <sub>B</sub>
Pre-alliance positioning <sub>A</sub> → cobrand positioning	0.307 (2.53)**	0.499 (2.67)**	0.583 (3.28)***
Pre-alliance positioning <sub>B</sub> → cobrand positioning	0.224 (1.82)*	0.526 (3.60)***	0.346 (1.95)*
Brand fit → cobrand positioning	-0.141 (0.26)	0.055 (0.50)	0.127 (1.45)
Product fit → cobrand positioning	0.174 (0.94)	0.034 (0.45)	0.011 (0.12)
Cobrand positioning → post-alliance positioning <sub>A</sub>	0.224 (1.61)	0.090 (0.25)	0.175 (0.71)
Cobrand positioning → post-alliance positioning <sub>B</sub>	0.809 (1.86)*	0.034 (0.17)	0.217 (0.65)
Pre-alliance positioning <sub>A</sub> → post-alliance positioning <sub>A</sub>	0.733 (2.16)*	0.781 (2.47)**	0.825 (3.57)***
Pre-alliance positioning <sub>B</sub> → post-alliance positioning <sub>B</sub>	-0.080 (0.71)	0.938(4.92)***	0.741 (2.28)*
		$R^2$	
Cobrand positioning	0.552	0.784	0.834
Post-alliance positioning <sub>A</sub>	0.813	0.724	0.962
Post-alliance positioning <sub>B</sub>	0.614	0.933	0.848

**Notes:** A and B, the partner brands, while subscripts indicate the specific pathway or relationship; for example pre-alliance positioning<sub>A</sub> → cobrand positioning refer to the relationship between partner brand A with cobrand AB, while for column three denotes the functional relationship between the partner brand B with the cobrand AB, etc. \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$

**Table II.**  
Testing the structural model



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post-alliance positioning perceptions of the parent brands. Our findings on the impact of positioning perceptions of collaborating brands represent a significant contribution to knowledge in cobranding research. Before we report our conclusions, we corroborate that the adopted conceptual model exhibited satisfactory explanatory powers throughout and therefore offers confidence regarding the stability of the results.

The results confirm our claim that consumer perceptions of positioning strategies of partner brands are significant determinants of positioning perceptions of cobrands. The results demonstrate that there is transfer of partner brands' positioning perceptions to the cobrands, consistent with the attitude transfer effect results reported in previous studies (e.g. Simonin and Ruth, 1998; Lafferty *et al.*, 2004; Rodrigue and Biswas, 2004; Lafferty, 2009). The explanation for transference of positioning perceptions can be found in signaling theory (Wernerfelt, 1988; Rao and Ruekert, 1994; Rao *et al.*, 1999). Rao and Ruekert (1994) suggest that "the presence of a second brand name on a product can serve as quality signals when an individual brand is unable to signal quality by itself" (p. 89). Since brand positioning strategies are indicators of quality to consumers, therefore, applying the signaling theory, it is logical to infer that partner brands' positioning strategies act as signals that are interpreted by consumers for cognitive processing to form cobrand positioning perceptions.

In addition, we confirm the generalizability of significant relationship between the pre- and post-alliance positioning perceptions of partner brands (with the exception of Calvin Klein). Previous studies relating to consumer attitudes toward cobrands identify factors that influence post-exposure attitudes of the parent brands in an alliance, such as, the level of brand familiarity (Simonin and Ruth, 1998; Kumar, 2005), brand equity and reputation (Vaidyanathan and Aggarwal, 2000; Washburn *et al.*, 2000), the perceived quality of the brands (Rao *et al.*, 1999; Voss and Gammoh, 2004), and loyalty toward the partner brand (Swaminathan *et al.*, 2012). Attitudes are relatively stable psychological constructs, as suggested by Ajzen and Fishbein (1980), facilitating the transfer or "spill-over" of attitudes post-alliance. The attitude stability leads to pre-existing attitudes being positively related to post-exposure attitudes toward the partner brands, as suggested by Simonin and Ruth (1998). Our findings on post-exposure spill-over of positioning perceptions of partner brands suggest a similar stability of positioning perceptions of the partner brands, which are formed over a period of time, and are also carried over following the partnership.

We further report that the product fit and brand fit did not have an impact of consumer evaluation of cobrands, in contrast to the findings by Simonin and Ruth (1998), Lafferty *et al.* (2004), Bluemelhuber *et al.* (2007), and Helmig *et al.* (2007). Given the significant relationship between pre-positioning perceptions of the partner brands and cobrand positioning, the impact of product fit and brand fit seems to be reduced. A number of authors have suggested that the concept of fit works through its relationship with brand attitudes (e.g. Aaker and Keller, 1990; Park *et al.*, 1991; Dacin and Smith, 1994). Since our model replaces attitudes with positioning perceptions, it is likely that fit becomes irrelevant for the consumers who primarily interpret positioning perceptions of the partner brands while forming perceptions toward the cobrand positioning. Another explanation for this result could be that, unlike attitudes, positioning perceptions develop over time, and cobrands being new are less likely to exhibit well-formed positioning perceptions.

Further, the cobrand positioning perceptions did not have an impact on post-alliance positioning perceptions of the partner brands. The lack of significant relationships here could be due to the fact that positioning perceptions of the cobrand

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are relatively new, therefore they are unlikely to be transferred to the partner brands post-alliance. Collectively, the above results demonstrate a number of novel findings that contribute to the cobranding research domain.

### **7. Managerial implications and further research**

This study reveals a number of practical implications that are applicable at both the creation and management stages of cobrands. To begin with, the findings reveal the crucial role of positioning perceptions in cobranding. This means that managers should pay special attention to partner brands' existing positioning strategies while designing the positioning strategy for a cobrand. An important strategic consideration is how brands should be co-positioned in a brand alliance effort. For instance, based on the positioning typology used in this study, managers could select prominent positioning strategies of the partner brands for the cobrand. Alternatively, based on the positioning typology of the partner brands they could determine whether the similarities or dissimilarities of positioning perceptions of the two brands should be emphasized as the cobrand's positioning. This could assist managers in securing favorable positioning perceptions for the new cobranded product.

Another significant implication of this study is that it offers insights that can help managers make informed decisions about the selection of a brand alliance partner. The wrong selection of partner brands can lead to immediate image losses for the brands involved, and can erode associations for each of the brands' identities, with the end result of confused positioning for one of the partner brands (Uggla, 2004). Therefore, the manager of a brand seeking an alliance could examine the positioning perceptions of the potential partners, and select the appropriate partner based on either existing positioning similarities or dissimilarities. A positioning matrix consisting of different combinations of the partners' positioning strategies could be developed and evaluated before selecting the alliance partner. This is consistent with the suggestion by Uggla (2004) that cobranding represents a reciprocal commitment in terms of calibration of core values, the identification of discrepancies between attribute profiles, and identification of a possible new position for the cobrand.

Our results also show that the traditional fit constructs, i.e. product fit and brand fit, do not have a significant impact on the cobrand's perceived positioning. These findings reiterate our assertion that, with positioning perceptions in the conceptual framework, the importance of brand fit and product fit are minimized. This information is crucial to managers who wish to explore non-conventional alliances from sectors unrelated to those in which their brand operates, as they do not have to be concerned about category or brand compatibilities. Thus, for the managers the main consideration should be the positioning strategies of a potential partner brand.

We identify a number of areas for further research. Future studies could confirm the results in the context of other types of brand alliances (e.g. ingredient branding, dual alliances, advertising alliances), based on brands of differential equities. Such research could include cobrands between one high-equity brand and other low/moderate-equity brand. The results could also be confirmed in mixed brand alliances – product/service, service/service, and at different levels of partner brand familiarity. Future studies could also investigate post-alliance positioning perceptions of the parent brands under different conditions, i.e. different levels of brand/product fit, different levels of brand familiarity. Our results demonstrate that, in some cases, post-alliance positioning perception of the partner brands is likely to be influenced by the positioning of the cobrand. The factors that influence this result could be examined.

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Figure A1.  
Cobranding scenario 1:  
Sony and Hewlett Packard



Figure A2.  
Cobranding scenario 2:  
Nivea and Calvin Klein







**Figure A3.**  
Cobranding scenario 3:  
Casio and Red Bull

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