

The Differential Impact of Brand Equity on B2B Co-branding

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Abstract

Purpose – Co-branding strategies are now seen increasingly in business-to-business (B2B) settings, however, there has been little research in this area. This study investigates the benefits of a B2B co-branding strategy where the partner brands have different brand equity positions.

Design/methodology/approach – This study used a scenario approach incorporating three real multimedia software brands and three fictitious brands in nine hypothetical alliances over 97 respondents. Using repeated measures ANOVA, the study examines the balance of benefits derived from brand partnerships between high-, medium- and low- brand equity levels firms.

Findings – The study found that brands with equivalent equity levels shared the benefits of the co-branding equally, while lower equity brands benefited more from the alliance than higher equity partners. The results also suggest that very dominant partners gain a greater proportion of functional benefits (such as technical expertise) from the co-branding strategy.

Research limitations/implications – The study used real and fictitious multimedia software brands in a hypothetical co-branding strategy, measuring a pre-defined set of benefits. Different results may be found selecting a different industry setting, brands, and benefits.

Practical implications – Firms sharing equal equity positions can expect to enjoy equivalent benefits from a co-branding strategy, regardless of how strong the joint equity position is. Before entering asymmetric co-branding relationships, firms should review the differential benefits expected and ensure that negotiations and success measures reflect the anticipated outcomes. Small firms wishing to pursue a co-branding partnership with a dominant market player should consider that they are less likely to capture the knowledge-based benefits from the brand alliance.

Originality/value – This paper is the first to look at the impact of asymmetric brand equity positions in a B2B co-branding partnership, and adds value to the literature and to practitioner understanding of the role of asymmetry in influencing co-branding outcomes.

Keywords co-branding, brand alliance, asymmetry, experimental design, repeated measures ANOVA, United Kingdom

Paper type Research paper