

Co-Branding (Concept)

Introduction

Co-branding is:

- 1. the strategy that combining two well-known brands into a third, unique branded product (Rao and Ruekert, 1994).**
- 2. a marketing strategy that utilizes multiple brand names on a good or service as part of a strategic alliance.**
- 3. also as known as a brand partnership, co-branding encompasses several different types of branding collaborations, typically involving the brands of at least two companies.**

Introduction

The point of co-branding is to combine the market strength, brand awareness, positive associations, and cachet of two or more brands to compel consumers to pay a greater premium for them.

It can also make a product less susceptible to copying by private-label competition.

Understanding Co-Branding

Co-branding:

1. is a useful strategy for many businesses seeking to increase their customer bases, profitability, market share, customer loyalty, brand image, perceived value, and cost savings.

→ Many different types of businesses, such as retailers, restaurants, carmakers, and electronics manufacturers, use co-branding to create synergies based on the unique strengths of each brand.

2. as a strategy seeks to gain market share, increase revenue streams, and capitalize on increased customer awareness.

3. can be spurred by two (or more) parties consciously deciding to collaborate on a specialized product. It can also result from a company merger or acquisition as a way to transfer a brand associated with a well-known manufacturer or service provider to a better-known company and brand. **4. can see more than just name and brand associations; there may also be a sharing of technologies and expertise, capitalizing on unique advantages of each co-branding partner.**

Co-Branding Strategies

According to branding and marketing experts, there are four distinct co-branding strategies:

1. **Market penetration strategy:** A conservative strategy that seeks to preserve the existing market share and brand names of two partnered or merged firms.
2. **Global brand strategy:** Seeks to serve all customers with a single, existing global co-brand.
3. **Brand reinforcement strategy:** Exemplified by the use of a new brand name.
4. **Brand extension strategy:** The creation of a new co-branded name to be used only in a new market.

Co-Branding vs. Co-Marketing

Co-branding and co-marketing are similar concepts in that both involve partnerships between brands that seek to bolster their marketing efforts, but they differ in how they are executed.

Co-marketing aligns the marketing efforts of two partners but does not result in the creation of a new product or service. Co-branding, by design, is based on the creation of a new product or service.

Co-Branding Examples

Rihanna & Puma:

- What Rihanna brings to the table: 1. Status as a genuine high fashion and streetwear influencer, 2. Dedicated fanbase, 3. Prominence in the music industry Cultural capital
- What Puma brings to the table: 1. Global sports brand, 2. A roster of high profile celebrities, 3. Success in the athleisure market



Co-Branding Examples

- **Nike&Apple:**
- Apple Watch is the ultimate device for a healthy life and we wanted to push it further to create the best smartwatch in the world for runners and athletes.
- Apple Watch Nike+ takes performance tracking to a whole new level and we can't wait to bring it to the world's largest community of runners

