



“Study of Customers’ Expectations and Satisfaction from Co-branding Marketing Strategy”

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Abstract :

Customer seldom sticks or most of the times are loyal to a particular brand for long time. Over and above this, the over exposure to media makes the consumer confused and eventually shy away from the product. So joining hands to penetrate the market seems to be the best policy. ‘Co-Branding’ is one of the many such innovative ideas that the neo-marketer needs to learn and adopt.

Keywords: Co-branding, collaborating brands, brand alliance.

Introduction:

In the attempt to build up a strong brand image marketers are using co-branding as a strategic option. Co-branding, or co-partnering or dual branding is the act of using two established brand names of different companies on the same product. It has made inroads into nearly every industry, from automotive and high-tech Internet companies to banking and fast food. Many well-known firms chose this marketing strategy in order to draw new customers, to increase the brand awareness, to support the customer loyalty or to win some other individual advantages offered by the partnership. The companies are very often following co-branding strategy only after realizing that the traditional marketing practices are exhausted and are no more capable of delivering a distinct brand benefit that they should have. This research outlines the retail market phenomena called co-branding and then look into issues related to strategies and prerequisites for a successful co-branding strategy.

Examples of Co-branding :

WIPRO (Indian Co.) and ACER (Taiwan Co.) has join hands in offering laptop in the Indian market. Bharat Petroleum Ltd. Has formed an alliance with the Bank of Baroda to launch the co-branded debit card namely Bharat BOB card. Similarly, Andhra Bank and Hindustan Petroleum also launched their co-branded card. Some other examples are following :

- IRCTC and SBI cards has launched its first even frequent program and co-branded credit card – the SBI Railway card.
- Nokia (mobile phone manufacturer) and BhartiAirtel (cellular service provider) has joined the hands.
- Reliance CDMA service provider is giving the LG, Samsung and Nokia mobile phones with the CDMA connection. Similarly, The Tata Indicom is doing.
- The two automobile companies TATA and FIATE have joined the hands in this sector to enhance their business in India. Now the TATA and FIATE Companies are selling their cars at the TATA's showrooms and they will provide after sale services at the TATA's service centers. It is a better example of Co-Branding in India.
- HDFC bank and Idea cellular launched two co-branded cards providing multiple benefits to the customers of both.
- LG Electronics India and SBI cards announced the launch of the LG-SBI card. This is the country's first co-branded for the consumer appliances industry and can be used at more than 2 lakh outlets in India.
- Maruti-Suzuki is providing insurance services to its customers with the alliance of ICICI Lombard co. and National Insurance Company Ltd.
- Andhra Bank and ICFAI University are using the strategy of co-branding.
- Maximum of the **real estate** developers are providing home loan facility to the customer at the time of booking of property with the alliances of the nationalize and private sector banks as PNB, SBI, BOB, ICICI, HDFC banks etc.

Review of Literature :

Despite the growing use of co-branding in practice, little empirical research has been conducted on the topic. Most of the literature on Co-branding simply describes the strategy or discusses the advantages and disadvantages of Co-branding arrangements. There are however some empirical studies dealing with this topic.

MohitTaneja, JayantiKalyani, in his paper “Co-branding: Beyond Brands” revealed that In case of the retail sector which will be on a boom in the coming years we may see large retail chains becoming increasingly assertive in requiring special co – branded packs of leading brand name products rather than pursuing the supermarkets tactic of developing look-alikes own label products which mimic the get up of the brand leader.

In the first study by Simon and Ruth (1998) consumer attitudes towards brand alliances are examined. The focus in this work is on spillover effects of brand alliance evaluations on the later evaluation of partners and on the role of brand familiarity in these relationships. The result of this study is that consumers' attitudes toward a particular brand alliance influenced their subsequent attitudes toward the individual brands that comprise that alliance.

The second study by Park et al. (1996) deals with a Composite Brand Extension (CBE), combination of existing brand names, analogous to co-brand. It examines how consumers form the concept of the CBE based on their concept of their constituent brands, the roles of each constituent brand in forming this concept and the effectiveness of the CBE strategy. According to the study a composite brand name can favourably influence subjects' perception of the CBE and those complementarities between the primary and secondary constituent brands is a more important factor in the success of the CBE strategy than a positive evaluation of the secondary brand.

Tapan K Panda, in his paper "Strategic Advantage through Successful Co-Branding" Concluded that Co-branding is a dynamic branding strategy and its significance is growing especially with the increasing importance of Internet as a medium. Although the benefits of co-branding are immense especially in a complex market like that of India but there are also some risks, which are inherent in the concept.

Several scholars have also argued that the prior attitude plays an important role in the evaluation process of co-branding (Boo and Mattila, 2002; Lafferty et al., 2004). Among these studies, Boo and Mattila, 2002, claim that the prior attitude toward one of the collaborating brands is positively related to the consumer's attitude toward the co-brand and the post-exposure attitude toward that brand. Since co-branding is one type of brand extension, we term the influence resulting from the prior attitude the "extension effect".

Venkatesh et al. (2000) argue that the occurrence of preference change is crucial because it influences the success of forming a co-branding alliance.

Vikas Saraaf, in his research "Branding- Hub of the corporate wheel" studied the necessity of branding. Study reveals the changing basis for brand management and it also reveals that how to create brand image and brand loyalty. The author concluded that branding is everything and brands are not simply products or services.

Research Objectives

The main purpose of the study is to analyze the Impact of ‘Co-branding’ marketing strategy on customer buying behaviour and its future prospects in India. An attempt has been made to know the brand awareness and brand loyalty of consumers. Some other objectives of the study are as below :

1. To study of the buying behaviour of shoppers and get an insight
2. To find out the problems faced by the consumers
3. To know the potential prospects of Co-branding strategy
4. To study the retail customer, retail formats and trends in India.
5. To examine the customer expectations and satisfaction from Co-branding.
6. To determine the preferred promotional strategies
7. To study the strategies followed by the retailers.
8. To offer suggestions and recommendations

Hypothesis :

On the basis of review of literature and detailed analysis of subject, the following hypotheses have been formulated :

1. There is no significant association between Profession/Occupation and Effect of the Co-branding offer.
2. That the co-brand offers have no effect as buying motives on the purchase decision
3. That the consumers’ behavior does not show marked changes in purchase decisions due to the advantages and Disadvantages of Co-brand offer.

Research Methodology:

The present research is an empirical one. The survey for the present research is conducted through primary data with the help of a questionnaire.

Sample Size: The sample taken for the study consisted of 130 respondents. Out of the 130 respondents 70 are male and 60 female. For data collection random sampling will be adopted on the ground of cost and time effectiveness.

Data Collection:

Since the research is exploratory in nature, the appropriate research strategy had been research survey. The present study is mainly based on the primary data had been collected with the help of structured questionnaire and interview and other relevant data

had been collected from some secondary and tertiary sources. Both types of data i.e., secondary and primary data have been used in the present study. The secondary data was collected at first from the textbooks, previous research reports, newspapers, magazines and journals.

Research Findings

Hypotheses 1: There is no significant association between Profession/Occupation and Effect of the Co-branding offer.

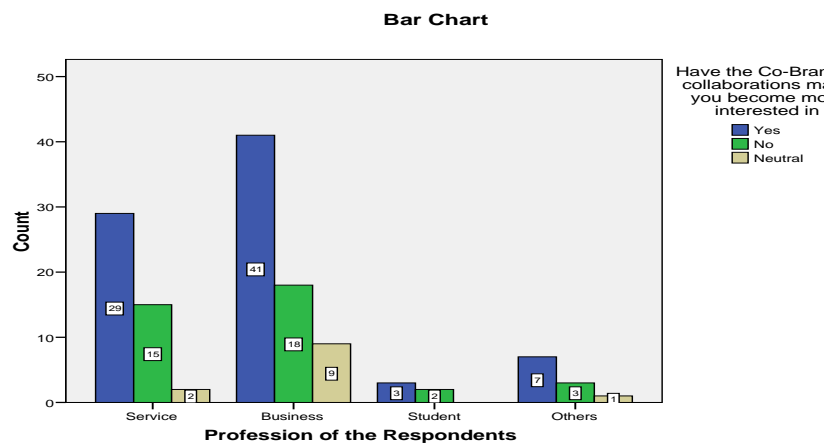
Table 1: Profession of the Respondents * Have the Co-Branding collaborations made you become more interested in offers Cross-tabulation

Profession of the Respondents		Have the Co-Branding collaborations made you become more interested in			Total
		Yes	No	Neutral	
Service	Count	29	15	2	46
	% of Total	22.3%	11.5%	1.5%	35.4%
Business	Count	41	18	9	68
	% of Total	31.5%	13.8%	6.9%	52.3%
Student	Count	3	2	0	5
	% of Total	2.3%	1.5%	.0%	3.8%
Others	Count	7	3	1	11
	% of Total	5.4%	2.3%	.8%	8.5%
Total	Count	80	38	12	130
	% of Total	61.5%	29.2%	9.2%	100.0%

Table 2: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.445(a)	6	.751
Likelihood Ratio	4.037	6	.672
Linear-by-Linear Association	.105	1	.746
N of Valid Cases	130		

a. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .46.



Interpretation :

Results are showing that Pearson Chi-Square(X^2) value is **3.445** and the degree of freedom (**df**) is **6**. At the 5 % level of significance the table value is **12.592**. The result will be reported as:

Since the Chi-Square(X^2) value is **3.445 < 12.592** less than the table value, therefore, the above hypothesis H1 is correct or accepted *i.e.* there is no significant association between Profession/Occupation and Effect of the Co-branding offer. Variables are independent from each other.

Hypotheses 2: There is no significant association between co-brand offers have no effect as buying motives on the purchase decision

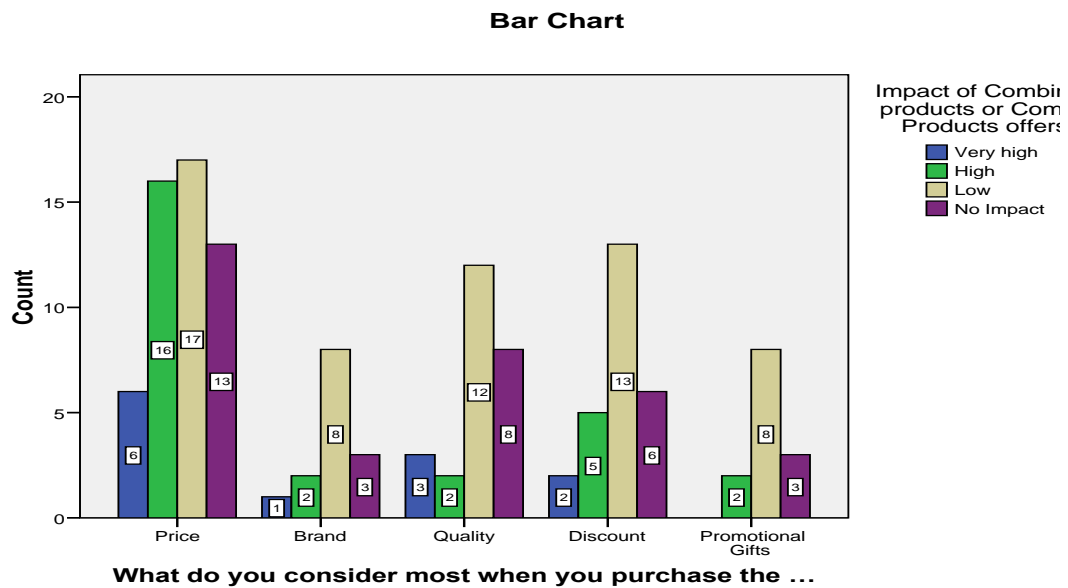
Table 3: What do you consider most when you purchase the products(Buying Motives) *
Impact of
Combined products or Combo Products offers Cross-tabulation

What do you consider most when you purchase the products (Buying Motives)		Impact of Combined products or Combo Products offers				Total
		Very high	High	Low	No Impact	
Price	Count	6	16	17	13	52
	% of Total	4.6%	12.3%	13.1%	10.0%	40.0%
Brand	Count	1	2	8	3	14
	% of Total	.8%	1.5%	6.2%	2.3%	10.8%
Quality	Count	3	2	12	8	25
	% of Total	2.3%	1.5%	9.2%	6.2%	19.2%
Discount	Count	2	5	13	6	26
	% of Total	1.5%	3.8%	10.0%	4.6%	20.0%
Promotional Gifts	Count	0	2	8	3	13
	% of Total	.0%	1.5%	6.2%	2.3%	10.0%
Total	Count	12	27	58	33	130
	% of Total	9.2%	20.8%	44.6%	25.4%	100.0%

Table 4: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.620(a)	12	.562
Likelihood Ratio	12.131	12	.435
Linear-by-Linear Association	1.997	1	.158
N of Valid Cases	130		

a 9 cells (45.0%) have expected count less than 5. The minimum expected count is 1.20.



Interpretation :

Results are showing that Pearson Chi-Square(X^2) value is **10.620** and the degree of freedom (df) is **12**. At the 5 % level of significance the table value is **21.026**. The result will be reported as:

Since the Chi-Square(X^2) value is **10.620 < 21.026** less than the table value, therefore, the above hypothesis H₂ is correct or accepted *i.e.* there is no significant association between co-brand offers have no effect as buying motives on the purchase decision.

In other words we can say that variables are independent of each other i.e. co-brand offers have no effect as buying motives on the purchase decision.

Hypotheses 3: There is no significant association between consumers' buying decision Awareness and Cost Effectiveness Advantages of Co-Branding.

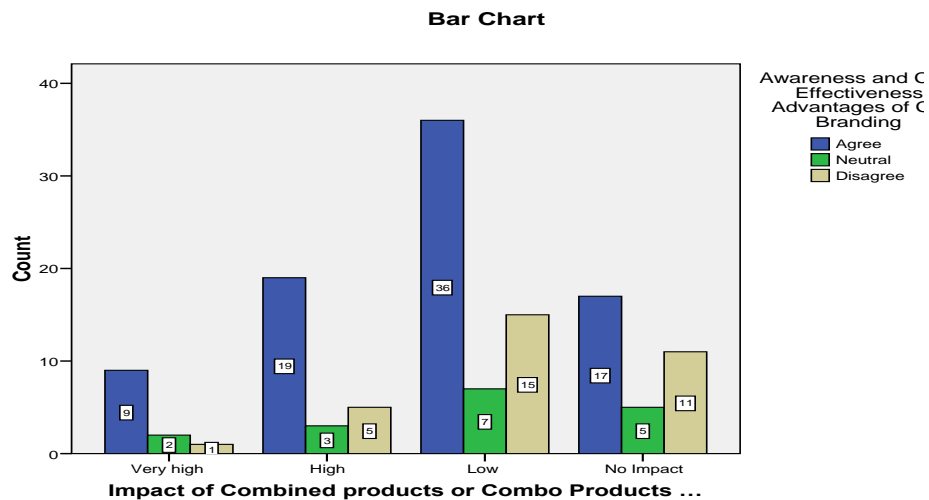
Table 5: Impact of Combined products or Combo Products offers * Awareness and Cost Effectiveness Advantages of Co-Branding Cross-tabulation

Impact of Combined products or Combo Products offers		Awareness and Cost Effectiveness Advantages of Co-Branding			Total
		Agree	Neutral	Disagree	
Very high	Count	9	2	1	12
	% of Total	6.9%	1.5%	.8%	9.2%
High	Count	19	3	5	27
	% of Total	14.6%	2.3%	3.8%	20.8%
Low	Count	36	7	15	58
	% of Total	27.7%	5.4%	11.5%	44.6%
No Impact	Count	17	5	11	33
	% of Total	13.1%	3.8%	8.5%	25.4%
Total	Count	81	17	32	130
	% of Total	62.3%	13.1%	24.6%	100.0%

Table 6: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.317(a)	6	.634
Likelihood Ratio	4.700	6	.583
Linear-by-Linear Association	3.833	1	.050
N of Valid Cases	130		

a 4 cells (33.3%) have expected count less than 5. The minimum expected count is 1.57.



Interpretation :

Results are showing that Pearson Chi-Square(X^2) value is **4.317** and the degree of freedom (**df**) is **6**. At the 5 % level of significance the table value is **12.592**. The result will be reported as:

Since the Chi-Square(X^2) value is **4.317 < 12.592** less than the table value, therefore, the above hypothesis H3 is correct or accepted *i.e.* there is no significant association between Consumers' buying decision Awareness and Cost Effectiveness Advantages of Co-Branding.

In other words we can say that variables are independent of each other i.e. Cost Effectiveness Advantages of Co-Branding have no impact on Cost Effectiveness Advantages of Co-Branding.

Conclusion

Study revealed that co-branding campaigns increase the awareness of luxury brands and their production lines among customers. Nevertheless, the obtained findings did not demonstrate that co-branding campaigns lead to brand loyalty toward luxury brands, because customers could not afford high priced on a regular basis.

Customers expect cost effective offers with brand value of the product. Since the co-branding offers are the results of two or more big brands join hands to increase their market share and to achieve more sales targets. However, the joint product offer of two or

more big brands become the costly and very expensive buying for the customers, therefore, the customers are not much inclined towards the co-branding offers.

Limitations of the Research

The main aim of the current study was to offer an in-depth understanding of the behavioural outcomes related to customers' perception of co-branding campaigns and the future purchase intentions toward luxury products. Due to the qualitative nature of this study, it is difficult to generalize the actual findings to a bigger population. In turn, a quantitative study with a bigger sample frame could generate new insights into the co-branding phenomenon, and could add extra value and a higher validity for the results of this study.

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