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CONCEPTUAL/THEORETICAL PAPER

Cobranding arrangements and partner selection: a conceptual framework and managerial guidelines

Casey E. Newmeyer · R. Venkatesh · Rabikar Chatterjee

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Abstract Cobranding, the strategy of marketing brands in combination, has received increasing attention from academics and practitioners alike. This study examines two cobranding decisions facing a firm: the cobranding structure and the selection of a partner. Propositions rooted in the theories of attribution and categorization posit (a) how the levels of cobranding integration, exclusivity, and duration influence brand evaluation and consideration and (b) how consistency with the partner brand in hedonic attributes, complementarity in functional attributes, and brand breadth moderate the effect of partnership structure. Higher integration or longer duration likely has a greater impact on evaluation and consideration; an exclusive arrangement has a greater effect on evaluation but lowers consideration. For managers, these propositions are directly applicable; the outcomes of brand evaluation and consideration map onto the strategic goals of brand development and market development, respectively.

Keywords Cobranding · Brand alliance · Attribution · Categorization · Brand evaluation · Brand consideration

AT&T's iPhone-based calling plans, Disney toy characters at McDonald's, Nike sneakers with iPod hook-ups, and Lenovo laptops with Intel Inside are all examples of cobranding, a strategy "in which two or more brands are presented jointly to the consumer" (Rao and Ruekert 1994). Cobranding, synonymously called brand alliance, often serves as a strategic alliance in which two firms jointly offer their brand elements to the customer (Blackett and Boad 1999; Simonin and Ruth 1998). Unlike with many other strategic alliances, the customer is aware that multiple brands are working together. Our objective is to provide a demand-side, behavioral theory–based, conceptual framework that helps to address two key questions: (1) How should the cobranding arrangement be structured? (2) What type of brand(s) should be chosen as partner(s)?

A cobranding arrangement can influence the evaluation and consideration of the brand by leveraging the core competency of the partner, deterring competition, improving brand association and recall, and, more generally, creating synergy (Blackett and Boad 1999). However, cobranding is not always beneficial because "if [the customers'] experience is not positive—even if it is the other brand's fault—it may reflect negatively on [our brand]" (McKee 2009, p. 3). Therefore, the managerial decision to cobrand involves careful consideration of the structure of the cobranding arrangement and the choice of partner(s). Ultimately, this decision on the part of the focal brand—the brand that initiates the effort for a possible cobranding arrangement—involves comparing the most attractive cobranding opportunity (the "optimal" structure and partner) with the "status quo" of not cobranding at all.

We look at the cobranding decision though the eyes of the decision maker as the brand initiating the cobranding effort, which we refer to as the focal brand throughout this paper. Of course, similar considerations apply from the perspective of the partnering brand as well. We take the perspective of a consultant to the decision maker. Either potential partner could be our "client," and, in that sense, either brand can be the focal brand.

Our conceptual study aims to provide normative guidelines on cobranding structure and partner selection for firms seeking to form a partnership. A key aspect of cobranding

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C. E. Newmeyer (✉)
Weatherhead School of Management, Case Western Reserve University, Cleveland, OH 44106, USA
e-mail: cen12@case.edu

R. Venkatesh · R. Chatterjee
Marketing & Business Economics Area at the Joseph M. Katz Graduate School of Business, University of Pittsburgh, Pittsburgh, PA 15260, USA

structure is the degree to which the partnering brands are integrated in form and function. For example, some partnerships have very low integration as in the case of Subway and Wal-Mart, an example of co-location where Subway resides within a Wal-Mart store but purchase and consumption of each retailer's goods are mainly independent. Other partnerships have much higher integration such that the features of each brand cannot be disentangled from each other and are actually needed for the function of the product as in the case of Splenda and Diet Coke. Historically, the marketing literature has typically treated cobranding as a unitary concept (e.g., Simonin and Ruth 1998) and has overlooked the degree of integration of the partnering brands, or has considered only a specific degree of integration, such as the high level of integration in the Diet Coke with Splenda example, which has been termed ingredient branding (Desai and Keller 2002).

These examples provide the impetus for our definition of cobranding integration, which outlines how tightly the brands are connected in form and function. We draw on integration, along with two other dimensions of the cobranding arrangement—exclusivity (single versus multiple partnerships) and duration—to derive propositions about the impact of the type of arrangement on the evaluation and consideration of possible partner brands from the perspective of the focal brand. Thus, our proposed framework and the resulting propositions can guide a brand (or its manager or manufacturer) in deciding how and with whom to cobrand.

We address the question of "how" to form a cobranding arrangement by developing propositions on the direct link between the three dimensions of cobranding structure—integration, exclusivity, and duration—and the outcomes of evaluation and consideration from the focal brand's perspective.

Our choice of dependent variables is motivated by the work of Nedungadi (1990), among others, that establishes evaluation and consideration as important and distinct drivers of choice. Brand evaluation refers to how favorably a brand is perceived by customers (Gürhan-Canli, 2003), while brand consideration represents the likelihood of a consumer to review the brand for possible choice (Shocker et al. 1991). While both of these constructs are necessary for choice, they often occur independently of one another (Kardes et al. 1993; Nedungadi 1990). The mechanism of attribution (e.g., Folkes 1988; Kelley 1967) provides the conceptual anchor for our propositions on focal brand evaluation. Categorization (Loken et al. 2007) serves as the theoretical foundation for our propositions on brand consideration. Categorization has been invoked in the marketing and brand extension literature (Desai and Keller 2002; Morrin, 1999), and attribution has been used to explain spillover effects in service alliances (Bourdeau et al. 2007). We posit that a cobranding arrangement that is highly integrated, exclusive, and long-term is likely to have a greater impact on focal brand evaluation, all else equal. A highly integrated, long-term arrangement with multiple partners is likely to enhance focal brand consideration.

We address the question of "with whom" to cobrand via a second set of propositions on the role of three characteristics of a potential partner brand: (1) the complementarity between the focal and partner brands on functional attributes (Park et al. 1996; Völckner and Sattler 2006); (2) the consistency between partners on hedonic attributes contributing to brand image (Chung et al. 2000; Hirschman and Holbrook 1982; Lin et al. 2009; Rothaermell and Boeker 2008); and (3) the breadth or level of diversification of the partner brand(s) (Eggers 2012; McDougall et al. 1994; Meyvis and Janiszewski 2004). We propose that these characteristics moderate the main effects of cobranding integration, exclusivity, and duration on focal brand evaluation and consideration. We argue that partner brands that strengthen the links to focal brand evaluation might actually weaken those to consideration, and vice versa.

Our study draws on the research on brand management (e.g., Aaker and Keller 1990) and brand extensions (e.g., Völckner and Sattler 2006) to guide our choice of variables. The process explanation for the posited relationships comes from the work in social psychology on causal attribution (Weiner 2000) and behavioral research on categorization (Loken et al. 2007). While the process of attribution clarifies when and how customers might credit or blame the focal brand in the cobranding arrangement (thereby impacting evaluation), the process of categorization explains how customers organize objects and how they store or retrieve product-related information to aid brand consideration (Alba et al. 1991).

Our analysis should help determine the best possible cobranding arrangement, which should be evaluated against the no cobranding option to determine if cobranding should be pursued at all. Further, we focus entirely on demand-side drivers of cobranding, drawing on cognitive and behavioral theories for our conceptual foundation. While we acknowledge that some cobranding partnerships may be formed in practice based almost entirely on supply-side factors (e.g., economies of scale and scope, technology, production, and financial synergies), such factors are beyond the scope of this study. The overarching objective of firms evaluating cobranding partnerships is economic gain in terms of expected long-term profits. Our framework and propositions aim to provide cobranding guidelines based on consumer behavior, that complement other factors (in particular, supply-side considerations), with the ultimate goal of enhancing the economic benefit from cobranding.

The rest of the paper is organized as follows. We first explain the characteristics of a cobranding arrangement in terms of integration, exclusivity and duration. Next, we define our outcome variables and discuss the underlying processes of attribution and categorization in the cobranding context. In the following sections, we propose our conceptual model and develop propositions on arrangement types and partner characteristics. We then discuss the managerial implications of our conceptual framework. We conclude with a summary of our contributions and avenues for further research.

Key dimensions of cobranding structure

We identify three key dimensions of the structure of a cobranding arrangement as integration, exclusivity, and duration, based on previous research (e.g., Varadarajan and Rajaratnam 1986) and a large number of cobranding examples.[1] Table 1 lists examples of high and low levels of cobranding integration, exclusivity, and duration.

Cobranding integration

Integration refers to the extent to which the partnering brands are intertwined in form and function. In such a relationship, the brands can be presented together in a multitude of forms, with the degree of integration ranging from very low—where the brands are almost entirely self-standing and separate in form and function (Starbucks Coffee in a Barnes & Noble store)—to very high, with the brands completely fused together such that it is practically impossible to separate them in form and function such as Sony Ericsson cellphones (Amaldoss and Rapoport 2005).

In high integration, multiple brands are paired together to make a complete product, and the highest level of utility is achieved when the brands are used jointly. Park et al. (1996) example of Slim-Fast cake mix by Godiva represents a new, co-developed product in which the brands are completely fused in form and utility. Similarly, Helmig et al. (2008) focus on long-term alliances that result in a single cobranded product (e.g., Samsung and Nokia handsets). In addition, Venkatesh and Mahajan's (1997) component branding problem examines Compaq PCs with Intel Inside, a case in which the brands are physically distinguishable but functionally intertwined.

In contrast, low integration is the joint presentation of brands that largely remain separate in form, and joint use may be desirable but certainly not necessary. For example, Hamilton and Koukova's (2008) study mixed bundles that contain separate products, such as Dell PCs with Lexmark printers, in which the brands have both individual and joint utility. Samu et al. (1999) consider co-promotions such as Fruit of the Loom and Dodge Ram advertisements, which are the joint presentation of brands that retain their separate form, function, and identity. Affinity partnering (Swaminathan and Reddy 2000) is also primarily of this type.

[1] To keep our conceptualization and variable selection relevant to practitioners, we created a large pool of cobranding examples from the real world. Select excerpts from this effort are included to provide a real world context to our theory development.

Cobranding exclusivity

The ideal number of partners has been a common variable in marketing and strategic alliance literature (e.g., Devlin and Bleackley 1988; Webster 1992). We define exclusivity as the number of partners with whom the focal brand pursues a cobranding arrangement. Greater exclusivity is when the focal brand has a single (or few) partner brand(s). For example, the Apple iPhone initially had an exclusive alliance with AT&T. Less exclusive cobranding is one in which the focal brand has many partners (Intel's cobranding with many PC manufacturers). In an exclusive arrangement, all of the focal brand's performance information is derived from the single partnership or the individual performance of the parent brand. In a less exclusive cobranding arrangement, consumers have broader focal brand performance information obtained from multiple and possibly diverse partnerships (Das and Teng 1998; Mowery et al. 1996).

Cobranding duration

Duration is defined as the length of time for which the cobranding arrangement lasts (e.g., Das and Teng 1998; Provan and Gassenheimer 1994). The relationship could be short-term (Disney's *Lion King* co-promotion with Burger King for that movie only) or long-term, encompassing multiple generations (Pixar's partnership with Disney to co-produce multiple movies, finally leading to the merger of Pixar and Disney) or long product life cycles (Diet Coke with NutraSweet) (Webster 1992). Cobranding of greater duration lets consumers observe the partnering brands, acquire greater familiarity with the partnership, and better gauge the performance of the focal brand over time (Das and Teng 1998).

Cobranding outcomes

Ansoff (1957) identifies product development and market development as the two pathways for a firm to expand its product market presence. Successful product (or, in our context, brand) development occurs when a brand seeks out new and expanded characteristics (Ansoff 1957, p. 114) that customers evaluate favorably (see also Amaldoss and Rapoport 2005). Improvement in brand evaluation is critical to brand development. On the other hand, the goal of market development is getting more segments of consumers to consider the brand for adoption. Increased brand consideration is central to market development: the firm gains from market expansion by enlarging the potential size of the target market without necessarily influencing brand evaluation.

Drawing on these ideas, our dependent variables in this study are *evaluation* and *consideration* of the focal brand, as perceived by customers, relative to the status quo of no

Table 1 Cobranding structure

Structural element	Levels	Examples
Cobranding Integration	Higher Integration	• Sony Ericsson cellphones
		• Diet Coke with Splenda
	Lower Integration	• Barnes & Noble stores with Starbucks Coffee
		• Disney–McDonald's alliance tied to movie characters
Cobranding Exclusivity	Higher Exclusivity	• Apple iPhone w| AT&T
		• Toys R Us eStore on Amazon
	Lower Exclusivity	• Multiple PC brands with Intel Inside
		• American Airlines frequent flier miles with many car rental firms
Cobranding Duration	Longer Duration	• Pixar's alliance with Disney for multiple movies
		• Diet Coke with NutraSweet
	Shorter Duration	• Disney's alliance with Burger King only for the *Lion King* movie
		• Garnier sponsorship of the Australian Open (Tennis)

cobranding. We introduce these two dependent variables and the customers' mental processes leading to these outcomes. Recall that the *focal brand* is the brand or its manufacturer seeking to decide how and with whom to cobrand.

Evaluation of the focal brand

Brand evaluation, or how favorably customers perceive a brand (Gürhan-Canli 2003; Labroo and Lee 2006), is based on its performance and/or attribute-level impressions (e.g., nice taste versus high calorie content in the case of Godiva chocolate; Park et al. 1996). In a cobranding context, evaluation of the focal brand can be affected when the customer perceives the characteristics of the partner brand to be fusing with, influencing, or rubbing onto the characteristics of the focal brand (Simonin and Ruth 1998). The performance of the joint product is highly likely to influence the focal brand as spillover is most likely to occur in the direction of the cobranded offering to the parent brand (Balachander and Ghose 2003). This spillover can be either positive or negative, causing enhancement or detraction of focal brand evaluation, respectively (Keller and Aaker 1992; Loken and John 1993).

The process of *attribution* underlies how people assign credit or blame for the observed performance (Folkes, 1988). In a cobranding context, consumers may identify as the source of good or bad performance the focal brand alone, the partnering brand alone, the brands jointly, or neither brand (but some extraneous factor instead).

The three dimensions of attribution—locus, stability, and control—are central to inferring how customers evaluate the brands (Klein and Dawar, 2004). *Locus* represents whether the cause (of good or bad performance) is viewed as internal or external to the focal brand (see Weiner 2000). In a Marriott–Delta Airlines cobranding arrangement that offers customers free airline miles for a stay at the hotel, a sub-par customer experience at Marriott is likely to result in the customer perceiving the locus of poor performance as internal to Marriott and external to Delta. *Stability* focuses on the constancy of the cause associated with the outcome (Russell 1982). Stable attribution would suggest that when the stated cause is present, the consumer has greater certainty of the anticipated outcome (Weiner 1985). If consumers find that Diet Coke with Splenda consistently tastes good (whereas Diet Coke with other sweeteners does not), they are likely to make a stable attribution that the presence of Splenda is the cause of Diet Coke's better taste. *Control* refers to whether a particular brand is (or was) in a position to drive or avoid the performance outcome (Weiner 2000). Locus and controllability often point to the same brand (e.g., when the locus is internal to McDonald's, it should be able to control the quality of its burgers and vice versa).

The extant literature (Folkes 1988; Weiner 2000) explains how these dimensions of attribution relate to evaluation of the focal brand and provides the theoretical basis for our first proposition in our next section.

Consideration of the focal brand

Consideration of the focal brand in a behavioral context represents the willingness to review the brand for possible choice (Shocker et al. 1991). Consideration occurs when a brand becomes accessible to consumers (Lehmann and Pan 1994). The brand "comes to mind" by a process of retrieval from memory (Alba et al. 1991) and/or external cues that increase brand salience.

Brand consideration is distinct from its evaluation. While changes in a brand's value impact its evaluation, consideration need not be value-driven (Nedungadi 1990; see also Berger and Mitchell 1989). Rather, the presence of category-, brand- or attribute-specific cues that enhance "brand accessibility or salience on that particular occasion" influence consideration (Nedungadi 1990, p. 264). Work on the cost of information processing (Shugan 1980) suggests that a less preferred brand may be considered, and possibly eventually chosen, if doing so is easier than pursuing a favored brand. Cognitive limitations or desire for efficiency could also prompt consumers to indulge in parsimonious consideration or evaluation (Alba et al. 1991). A consumer may forego specific alternatives from consideration when the effort needed to remember or process is deemed to be high (Nedungadi 1990). Thus, cobranding arrangements can impact consideration of a brand without affecting its evaluation.

The process of *categorization* is fundamental to brand consideration (Cohen and Basu 1987). Categorization is the process of organizing objects, including brands, into category structures (Lajos et al. 2009) and drawing on these representations while encountering new products, marketing stimuli, and/or consumption situations (Loken et al. 2007; Ratneshwar and Shocker 1991). The work of Tulving and Thomson (1973) on memory encoding and retrieval suggests that in a cobranding context the consideration of one brand impacts that of its partner (see also Van Osselaer and Alba 2003).[2]

Categorization and its link to brand consideration are contingent on at least three elements. First, the "strength of association" between brands helps determine how they are eventually retrieved from memory by consumers (Jain et al. 2007). In our context, a higher degree of integration and longer duration enable a stronger association between partnering brands, enhancing consideration. Second, the "incidence" or frequency of association between brands affects whether they are in one category structure and how cuing one aids the consideration of the other (see Morrin 1999). The cobranding exclusivity dimension relates to the incidence of association, with lower exclusivity pointing to multiple bonds that would facilitate brand consideration. Third, the perceived "fit" between partners can influence the strength of association and related inferences (Kumar 2005; Park et al. 1996).

[2] It could be argued that categorization is also related to brand evaluation (see Campbell and Goodstein 2001). The level of difficulty of categorizing the partnering brands is likely to bear on the extent of elaboration, thereby impacting brand evaluation. However, we focus on the process of attribution to develop our evaluation-related propositions because (1) attribution theory helps provide more cogent arguments for the proposed main effects on brand evaluation and (2) our propositions tied to brand evaluation are unchanged even if we draw on categorization, in addition to attribution. We will rely on categorization to develop propositions tied to brand consideration only.

Propositions: main effects of cobranding structure

Our propositions help address the focal brand's choice of cobranding structure and type of partner, should it decide to enter into a cobranding structure. Our first two propositions focus on the main effects of the key structural dimensions of cobranding (integration, exclusivity, and duration) on evaluation and consideration of the focal brand by consumers. The next six propositions consider three moderator variables (functional complementarity, hedonic consistency, and brand breadth) that characterize the partner brand(s) in relation to the focal brand. Each proposition should be viewed on a *ceteris paribus* basis. Figure 1 provides a parsimonious representation of our overall conceptual model.

In our propositions, the impact of the structural dimensions on focal brand evaluation denotes the *change* in consumers' evaluation of the focal brand after it cobrands relative to the baseline (pre-cobranding) evaluation, i.e., the status quo. Similarly, the impact on focal brand consideration is the *change* in the likelihood of consideration of the focal brand in customers' minds after it enters into a cobranding relationship relative to the likelihood of consideration in the status quo situation.

Effect on focal brand evaluation

Cobranding integration Higher integration between the brands (e.g., Diet Coke with Splenda) implies greater interdependence between the brands. Both brands are purchased and consumed jointly, and it is more difficult to attribute the source of good (or bad) performance to just one brand. Because of the difficulty in identifying the locus of performance when the brands are more highly integrated, the focal brand and its partner are more likely to share the credit (or blame) in the event of good (or bad) performance (see Klein and Dawar 2004). On the other hand, in a low integration cobranding arrangement (e.g., Subway partnering with Wal-Mart to co-locate its outlets in the latter's stores), the brands are more clearly separated in form and function, retaining much of their individual identities and performance levels. In such a setting, consumers are unlikely to attribute the performance of one brand (Subway's product and service quality) to its partner (Wal-Mart), and so consumers' evaluation of one brand is not likely to be influenced much by the cobranding arrangement. Thus, higher integration is likely to cause a greater shift in how the focal brand is evaluated (vis-à-vis its baseline or status quo level):

P1a: Higher cobranding integration leads to a greater positive (or negative) impact on the evaluation of the focal brand.

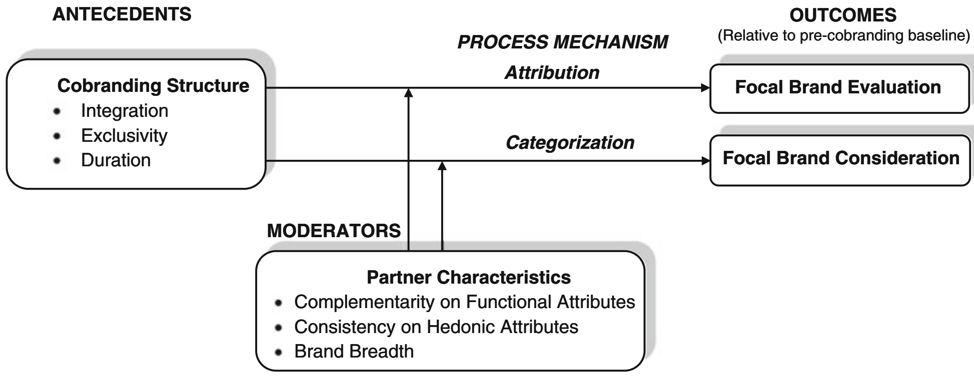

Fig. 1 A parsimonious representation of the conceptual framework

Cobranding exclusivity Consider a focal brand with a single partner. The information about this exclusive cobranding is all that is available for consumers to make attributions. Thus, attributions of credit (or blame) are more likely to be internal to the focal brand (and its partner), increasing the impact (positive or negative) on the focal brand's evaluation relative to the case of multiple partners (low exclusivity). In the latter case, consumers are probably aware that a focal brand has multiple partners (e.g., the Ford Explorer with multiple brands of tires). Performance of one cobranding arrangement (e.g., Ford with Firestone) represents partial information only (McArthur 1972), and attributions internal to the focal brand should be weaker (unless the good or bad performance uniformly extends across the multiple partnerships). Thus, we would expect the change in focal brand evaluation to be smaller when a focal brand pursues a less exclusive arrangement.

While the main effect of exclusivity on evaluation is apparent when the brands are highly integrated, it also applies when they are not. Consider the low integration context of celebrity endorsements. It has been shown that negative (or positive) information about a single celebrity endorser has greater impact on evaluation of the endorsed brand than when there are several other endorsers as well (Amos et al. 2008). Thus:

P1b: Higher cobranding exclusivity leads to a greater positive (or negative) impact on the evaluation of the focal brand.

Cobranding duration Stable attributions depend on the constancy of the cause (Russell 1982) and associated information of performance over an extended period (see Weiner 1985). A shorter relationship does not provide customers with the information needed to assess the consistency (over time) of good or bad performance, resulting in less stable attributions to focal brand performance (Lane 2000). Here the impact on brand evaluation is weaker than in longer-term relationships, which lend themselves to more stable attributions (Weiner 2000). Thus:

P1c: Longer cobranding duration leads to a greater positive (or negative) impact on the evaluation of the focal brand.

Effect on focal brand consideration

Cobranding integration Higher levels of integration suggest greater co-dependence in form and function and a greater likelihood of joint consumption of the partnering brands, reinforcing the association between the brands in consumers' minds. This stronger bond implies that the brands are likely to be co-categorized within a consumer's mental map (Johnson and Lehmann 1997), and so an exposure or cue of the partner brand is expected to enhance retrieval of the focal brand, facilitating consideration (Nedungadi 1990, p. 264). On the other hand, under a less integrated arrangement, the performance of one brand is less clearly related to the other brand, joint sales are not mandatory, and the bond between the brands is weaker. Thus:

P2a: Higher cobranding integration leads to greater likelihood of consideration of the focal brand.

Cobranding exclusivity When a brand forms multiple relationships (lower exclusivity), customers can access the focal brand in multiple ways. The categorization literature suggests that when customers categorize a brand under multiple headings, they may recall or access it when encountering or remembering any of the associated objects or brands (Keller 2003; Morrin 1999). Therefore, customer exposure to or recall of any of the partnering brands is likely to facilitate the consideration of the focal brand (see also Nedungadi 1990). Conversely, a more exclusive cobranding arrangement restricts the categorization structure, causing a smaller shift in consideration from the focal brand's pre-cobranding level. Thus:

P2b: Lower cobranding exclusivity leads to greater likelihood of consideration of the focal brand.

Cobranding duration A longer-term arrangement results in repeated exposure of the partnering brands, strengthening the links between the brands in consumers' categorization structure (Alba et al. 1991; Loken et al. 2007). While any additional links created by cobranding increases the likelihood of recall, and thereby the consideration of the focal brand, a short-term relationship implies that these links are not as well established, because consumers have had limited opportunity to grasp and internalize inter-brand associations. Thus:

P2c: Longer cobranding duration leads to greater likelihood of consideration of the focal brand.

P1 and P2 examine the direct effects of cobranding integration, exclusivity, and duration on focal brand evaluation and consideration (relative to the standalone or no cobranding condition). We next examine moderating variables that add more nuanced implications and, more importantly, guide the choice of appropriate partners.

Partner characteristics

The characteristics of the partner brand relative to the focal brand are posited to moderate the direct effects of cobranding structure. From our review of the literature, we identified three key variables: *functional complementarity* (Park et al. 1996), *hedonic consistency* (Helmig et al. 2008), and *brand breadth* (Meyvis and Janiszewski 2004). We first define and motivate our choice of these variables and then present related propositions.

Functional complementarity

Functional (or utilitarian) attributes, such as printing speed or the ability to fight cavities, pertain to how a product or component performs or how convenient or practical it is to use (Chitturi et al. 2008; Dhar and Wertenbroch 2000). Functional complementarity represents the extent to which a brand's weakness on a functional attribute is offset by the partner brand's strength on that attribute. Analogous to how partnering firms in a traditional strategic alliance combine complementary resources (Lin et al. 2009; Makri et al. 2010), cobranding can bring together complementary functional attributes, thereby strengthening the performance of the joint offering. The relevance of the cobrand partners to the joint product is an important factor in success (Broniarczyk and Alba 1994; Völckner and Sattler 2006). In contrast, prospective partner brands that are similar on functional attributes (i.e., share similar strengths and weaknesses, and hence are not able to offset functional shortcomings of their partners) offer limited benefit to the relationship.

Hedonic consistency

Hedonic attributes such as luxury (e.g., Gucci) and glamour (e.g., Revlon), capture the sensory or emotional feelings and the personality traits evoked by the partnering brands (Aaker 1997; Freling et al. 2011; Hirschman and Holbrook 1982). Partnering brands are hedonically more consistent when they convey similar sensory feelings, such as luxury (Broniarczyk and Alba 1994). Hedonic attributes influence the consumers' emotional attachment to the brand. If the partnering brands are not consistent on their hedonic attributes, the result is an incongruent image of the cobranded offering, negatively affecting consumer perceptions of the latter. This is in contrast to functional attributes, in which case consumers can "rationally" perceive how the different strengths of the individual brands complement each other to improve the functional performance of the cobranded offering.

Brand breadth

Brand breadth refers to the diversity of product categories with which a brand is associated (Boush and Loken 1991; Eggers 2012; Meyvis and Janiszewski 2004). The Harley-Davidson brand is narrow in its breadth, focusing on "muscular" motorcycles. In contrast, the General Electric brand has great breadth, because its offerings span a wide assortment of product and service categories. The import of diversity of a firm's product portfolio has been underscored in extant research (e.g., Chatterjee and Wernerfelt 1991; Miller 2004; Palich et al. 2000; Park and Jang 2011).

We posit that the main effects of the three cobranding structure variables are augmented or diminished by the characteristics of the partner brand(s). The upcoming propositions and their rationale should help inform the choice of partner(s).

Propositions: moderating effects of partner characteristics

Moderating effects on focal brand evaluation

Recalling P1, forming a cobranding arrangement has greater impact (positive or negative) on focal brand evaluation under higher integration, greater exclusivity, and longer duration. The core argument is that customers are likely to make attributions internal to the focal brand when the cobranding arrangement is highly integrated or exclusive, and that these attributions will tend to be more stable in long-term relationships.

Functional complementarity Complementary resources are those which "eliminate deficiencies in each other's portfolios" (Lambe et al. 2002, p. 144). Functional complementarity in cobranding can alleviate consumers' concerns with a brand that is relatively weak on a functional attribute (Park et al. 1996) and make the pairing more interesting (Campbell and Goodstein 2001; Meyers-Levy and Tybout 1989). We posit that the main effects in P1 are moderated by the extent of functional complementarity.

The integration–evaluation relationship in P1a is premised on the idea that under high integration customers perceive a shared locus between the brands, and thus consumers' attributions and their resulting evaluation depend greatly on the brands' joint performance. In a highly integrated cobranding arrangement, greater functional complementarity can help achieve better joint performance and thereby strengthen attributions that are favorable and internal to the focal brand (or weaken negative attributions). As a result, the positive impact of higher cobranding integration on focal brand evaluation is likely to be stronger (and any negative impact weaker) when the brands are functionally complementary. While such benefits may accrue even in case of low integration (e.g., co-location of Taco Bell and KFC offers variety, balance, and reduced search costs; see Oxenfeldt 1966), consumers are less likely to apportion credit or blame due to the partner brand to the focal brand, thereby weakening the positive leverage of functional complementarity.

The moderating effect of complementarity of partnering brands on the exclusivity–focal brand evaluation association postulated in P1b works in a similar manner. Under higher exclusivity, functional complementarity is likely to favorably augment the attributions internal to the focal brand, strengthening the positive impact (or weakening the negative impact) of exclusivity on focal brand evaluation. In contrast, under low exclusivity, the presence of many partners each with some differences in their functional characteristics means that the information about performance is less clear and possibly even confusing (Iyengar and Lepper 2000), thus weakening the positive attribution internal to the focal brand and its impact on evaluation.

Finally, the greater impact of cobranding duration on focal brand evaluation (P1c) is predicated on the greater likelihood of customers making more stable attributions to the focal brand under longer duration. Such stable attributions are expected to shift in a positive direction when a functionally complementary partner can compensate for the focal brand's weak attributes and deliver better overall performance, leading to more favorable focal brand evaluation. In shorter relationships, functional complementarity provides weaker positive leverage because stable attributions are less likely.

Thus, the moderating effect of functional complementarity on the relationship between the cobranding structure variables and focal brand performance is postulated as follows:

P3a: The more complementary the partnering brands on functional attributes, the stronger the positive impact (or weaker the negative impact) of cobranding integration on evaluation of the focal brand.

P3b: The more complementary the partnering brands on functional attributes, the stronger the positive impact (or weaker the negative impact) of cobranding exclusivity on evaluation of the focal brand.

P3c: The more complementary the partnering brands on functional attributes, the stronger the positive impact (or weaker the negative impact) of cobranding duration on evaluation of the focal brand.

Figure 2 provides a stylized plot to illustrate the moderating effect proposed in P3a. The same plot also holds for P3b and P3c with an appropriate change in the label of the horizontal axis.

Hedonic consistency Gwinner and Eaton (1999) show that hedonic consistency or congruence between a sporting event and sponsor enables more favorable outcomes and better image transfer than an asymmetric pairing. Hedonic consistency between a product and endorser leads to greater believability of the message (Ellen et al. 2000) and, in turn, to greater brand loyalty (Mazodier and Merunka 2012). While there is some evidence to suggest that hedonic *inconsistency* might cause greater elaboration (e.g., Hastie 1988), this research stream also finds that enhanced information processing by customers under hedonic inconsistency eventually leads to greater skepticism about the pairing (Lee and Hyman 2008; Rifon et al. 2004). Thus, there is strong support for a favorable effect of hedonic consistency on brand evaluation, although the strength of this effect depends on the type of cobranding structure.

Under higher integration, with a shared locus between the partnering brands, customer skepticism of a relationship between two hedonically inconsistent brands is likely to strengthen attributions unfavorable to the focal brand (Rifon et al. 2004). Conversely, hedonic consistency, with its underlying message of fit, is likely to strengthen the positive integration–evaluation link in P1a (or weaken a negative link). By contrast, in the case of low cobranding integration, consumers can more easily disentangle the benefits from either brand, and thus the leverage from hedonic consistency is less significant, though still positive.

Underlying the exclusivity–focal brand evaluation relationship in P1b is the logic that higher exclusivity leads to a greater likelihood of attributions internal to the focal brand. Hence, high hedonic consistency in an exclusive partnership will augment the positive attributions internal to the focal brand, strengthening positive (or weakening negative) focal brand evaluation (see also Broniarczyk and Alba 1994). On the other hand, in less exclusive cobranding (with multiple partners), the focal brand is less influenced by the outcome of

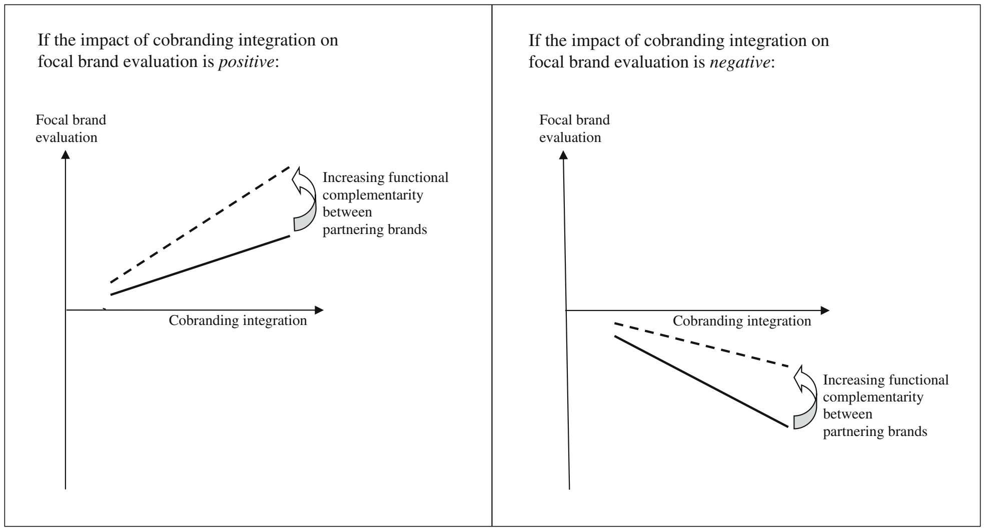

Fig. 2 A stylized plot to illustrate the moderating effect in Proposition 3a. Note: The same plot also illustrates the moderating effects in Propositions 3b and c, and 4a–c, with the variable labels changed appropriately in each case

any single cobranding relationship. Hedonic consistency, while helpful, has lower impact.

Cobranding of longer duration is more likely to result in stable attributions, which will receive a positive boost from strong hedonic consistency. In a short-term arrangement, less stable attributions suggest a less pronounced (though still positive) leverage from hedonic consistency, which will dissipate quickly once the cobranding arrangement is over. Thus:

P4a: The more consistent the partnering brands on hedonic attributes, the stronger the positive impact (or weaker the negative impact) of cobranding integration on focal brand evaluation.

P4b: The more consistent the partnering brands on hedonic attributes, the stronger the positive impact (or weaker the negative impact) of cobranding exclusivity on focal brand evaluation.

P4c: The more consistent the partnering brands on hedonic attributes, the stronger the positive impact (or weaker the negative impact) of cobranding duration on focal brand evaluation.

Brand breadth A narrow brand has a more distinct image (Eggers 2012; Sheinin and Schmitt 1994) and so customers can more easily gauge what the brand brings to the cobranding relationship. A partner brand with greater breadth has more benefit associations than narrow brands (Meyvis and Janiszewski 2004) but conveys a more diffused image (Keller and Aaker 1992; Loken and John 1993).

Turning to P1a, highly integrated partners share a common locus of performance. A narrow partnering brand (with a more focused image) is likely to enhance the match (or mismatch) between the partners. As such, a narrow partner brand in a highly integrated cobranding relationship could significantly augment the positive impact on evaluation of the focal brand or, conversely, reinforce unfavorable attribution to further lower focal brand evaluation. Partnering with a broad brand tempers the upside potential for the focal brand while also softening the downside of negative evaluation (see Nijssen and Agustin 2005). Under lower integration, attributions are less influenced by the partner, thus weakening the moderating effect of brand breadth.

Higher cobranding exclusivity should result in stronger internal attribution (recall the development of P1b). Greater partner brand breadth diffuses the meaning of what the partnership represents (Meyvis and Janiszewski 2004), possibly diluting the internal attributions towards the focal brand. By contrast, an exclusive partner with a narrow focus clarifies to customers what the cobranding represents, even if that message is one of incongruity (Sheinin and Schmitt 1994). On the other hand, with multiple partners, the significance of each partnership is diffused, and the impact of partner brand breadth is not as strong. In sum, the moderating influence of brand breadth on the main effect in P1b is stronger under greater exclusivity.

Longer cobranding duration will tend to produce more stable attributions. Partnering a narrow brand with a clear focus reinforces the stability of those attributions while a broad partner brand, with a more diffused image, will have the opposite effect. On the other hand, short-term cobranding arrangements are primed for less stable attribution in the first place, thereby lowering the impact of partner brand breadth. Thus:

P5a: The greater the breadth of the partner brand, the weaker the impact (positive or negative) of cobranding integration on evaluation of the focal brand.

P5b: The greater the breadth of the partner brand, the weaker the impact (positive or negative) of cobranding exclusivity on evaluation of the focal brand.

P5c: The greater the breadth of the partner brand, the weaker the impact (positive or negative) of cobranding duration on evaluation of the focal brand.

Moderating effects of partner characteristics on focal brand consideration

P2 posits that greater integration and duration, but lower exclusivity, leads to greater positive impact on the likelihood of focal brand consideration, owing to greater strength and/or number of links to the focal brand assisting retrieval from consumers' memory. We now discuss how the partner brand's characteristics moderate these effects on focal brand consideration.

Functional complementarity The cobranding integration–focal brand consideration link in P2a is based on stronger bonds between the brands under higher integration, facilitating co-categorization and retrieval and thereby increasing the likelihood of consideration. Greater complementarity among the functional attributes points to better balance under higher integration, at both category and brand levels (Park et al. 1996). Product category differences in the partners increases cognitive processing (Campbell and Goodstein 2001; Mandler 1982), and in a co-advertising context, such functional complementarity is shown to aid in the awareness of the brands (Samu et al. 1999). The related cognitive assessment of fit strengthens retrieval of the focal brand under higher integration (Meyers-Levy and Tybout 1989). By contrast, weaker interdependence between the partnering brands (lower integration) suggests that the leverage from functional complementarity on focal brand consideration is smaller.

P2b points to greater consideration of the focal brand when it has multiple partners, owing to more linkages between the focal brand and its co-categorized partners, thereby increasing the number of ways in which the focal brand can be cued or retrieved in consumer memory. Functional complementarity with several partners (low exclusivity) strengthens these multiple bonds and increases consideration (see Aaker and Keller 1990, in a brand extension context). While functional complementarity strengthens the bond(s) in the high exclusivity condition as well, there are fewer partners and hence fewer bonds, limiting the moderating influence of functional complementarity.

The positive relationship between cobranding duration and consideration in P2c is premised on stronger bond(s) between the brands owing to repeated exposure in a longer relationship. As in the case of exclusivity, functional complementarity serves to further reinforce these strong bonds, thereby enhancing retrieval and strengthening the exclusivity–consideration link (see also Samu et al. 1999). By contrast, in a shorter relationship the bonds are weaker to begin with, and so the moderating influence of functional complementary is not as much. Thus:

P6a: The more complementary the partnering brands on functional attributes, the stronger the positive impact of cobranding integration on the likelihood of consideration of the focal brand.

P6b: The more complementary the partnering brands on functional attributes, the stronger the positive impact of *lower* cobranding exclusivity (i.e., more partners) on the likelihood of consideration of the focal brand.

P6c: The more complementary the partnering brands on functional attributes, the stronger the positive impact of cobranding duration on the likelihood of consideration of the focal brand.

Hedonic consistency Greater integration contributes to stronger bonds between the partner brands. As argued earlier, a lack of hedonic consistency tends to cause consumer skepticism about the brand partners and discord at an emotional level (Rifon et al. 2004). This is likely to weaken the bonds between highly integrated brands, adversely affecting focal brand consideration (see also Alba et al. 1991). Conversely, high hedonic consistency can reinforce the already strong bonds to boost consideration. Hedonic consistency signals superior fit and concordance, strengthening the bonds and facilitating focal brand retrieval from memory (Rifon et al. 2004). Further, hedonically similar brands are inherently more likely to be co-categorized (e.g., Bentley cars and Naim car audio for a top-end riding experience; Ozanne et al. 1992). Under low integration, the weak interdependence between the brands limits the ability of hedonic consistency to strengthen the bonds and influence focal brand consideration.

Low exclusivity implies a multiplicity of links in consumers' memory to the focal brand, increasing the likelihood of its consideration. As argued above, hedonic consistency strengthens these multiple bonds to facilitate retrieval and boost the positive impact of low exclusivity on consideration. Hedonic consistency also strengthens the bonds in the high exclusivity condition to improve consideration, but with fewer partners, its leverage is constrained.

Likewise, tied to P2c, the stronger bond between the partner brands under longer cobranding duration is further bolstered under hedonic consistency. On the other hand, this favorable effect will be modest at best if cobranding is short term. Thus:

P7a: The more consistent the partnering brands on hedonic attributes, the stronger the positive impact of cobranding integration on the likelihood of consideration of the focal brand.

P7b: The more consistent the partnering brands on hedonic attributes, the stronger the positive impact of *lower* cobranding exclusivity (more partners) on the likelihood of consideration of the focal brand.

P7c: The more consistent the partnering brands on hedonic attributes, the stronger the positive impact of cobranding duration on the likelihood of consideration of the focal brand.

Brand breadth When the partner brand has greater breadth, the strength of the association between the brands is augmented by the greater *number* of ways in which consumers connect the partnering brands (Joiner 2006). This reinforces cuing and retrieval of the focal brand (Meyvis and Janiszewski 2004), enhancing the positive effect on consideration. Firms employing strategies emphasizing breadth have been shown to be more successful in reaching larger markets (McDougall et al. 1994).

High integration creates a strong bond between brands, favorably impacting focal brand consideration (P2). A broad partner brand aids these links by increasing the number of connections. While the multiple associations under greater breadth also improve consideration when integration is low, the core bond is weaker, resulting in a smaller boost in consideration.

With multiple partners (lower exclusivity), there are inherently more bonds to aid retrieval. Greater partner brand breadth effectively serves to multiply the number of links, increasing focal brand consideration. The benefit of having broader partner brand(s) will be limited under high exclusivity because of fewer bonds to begin with.

Finally, the moderating effect of partner brand breadth on the cobranding duration–focal brand consideration relationship works similarly to the integration–consideration and exclusivity–consideration links. Long-term arrangements will tend to have stronger bonds between the partners. The strength of association is further leveraged by the larger number of associations when partner brands have greater breadth. Greater duration means that the multiple linkages become more familiar to customers, in turn facilitating consideration. The leverage of greater brand breadth is not as much under short-term cobranding because the inter-brand associations are not as fully formed. Thus:

P8a: The greater the breadth of the partner brand, the stronger the positive impact of cobranding integration on the likelihood of consideration of the focal brand.

P8b: The greater the breadth of the partner brands, the stronger the positive impact of *lower* cobranding exclusivity (more partners) on the likelihood of consideration of the focal brand.

P8c: The greater the breadth of the partner brand, the stronger the positive impact of cobranding duration on the likelihood of consideration of the focal brand.

Managerial implications

In this section, we articulate the managerial implications of our conceptualization and normative propositions for decisions involving the choice of an appropriate cobranding arrangement and partner. Specifically, we focus our discussion on two issues: (1) relating our conceptual framework to the cobranding decision-making process, including mapping dependent variables from our conceptual model onto managerial objectives, and (2) elaborating on the implications of the propositions by recognizing that real world managerial decision making must consider uncertainty in outcomes and tradeoffs between objectives.

While managers can relate intuitively to our two dependent variables, evaluation and consideration of the focal brand, we note that these two variables map onto the strategic objectives defined in terms of brand- and market-related goals (see Amaldoss and Rapoport 2005; Ansoff 1957). Improvement in brand evaluation is related to brand development, while greater brand consideration contributes to market development. Brand development implies greater brand value, which firms can leverage to command higher prices and/or secure greater share of the current target market. Greater brand consideration implies that customers in the focal or partner brand's current market are more likely to consider the focal brand for eventual choice. This allows for market expansion by enlarging the potential size and/or penetration of the target market. Thus, the purpose of enhancing brand evaluation and consideration is to reap greater economic benefit.

In further examining the managerial implications of our propositions (see Fig. 3 for a summary), we selectively draw on actual or hypothetical examples of cobranding to illustrate our points. We do so only to provide some context to the propositions. We caution that we do not have "inside" knowledge of the particular firms or brands. Our brand-specific comments are conjectures only.

To recall our propositions:

- P1 posits that higher integration, greater exclusivity, and longer duration of the arrangement can each have a greater impact on focal brand evaluation. In principle, the impact can be positive or negative, and the focal brand should seek out a partner brand that yields a favorable outcome. To the extent that the outcome cannot be predicted with certainty at the time of making the cobranding decision, risk must be factored in, even if

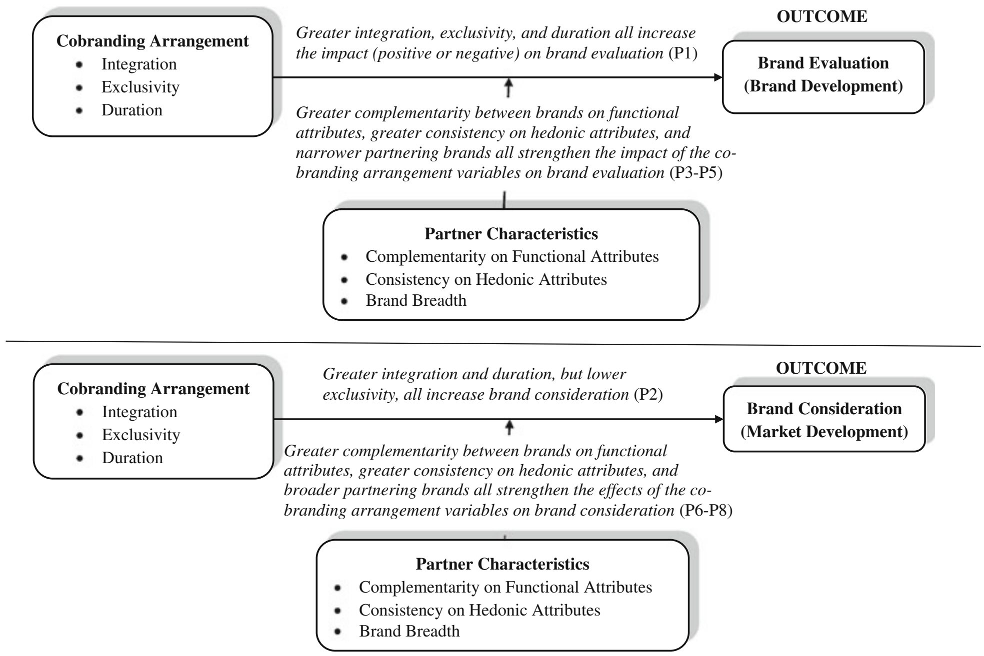

Fig. 3 Implications of the propositions: a managerial summary

the *expected* impact on brand evaluation is positive. This applies to P3–P5 as well, since they extend P1 by including the moderating effects of partner characteristics on the cobranding structure–focal brand evaluation relationship.

- A more exclusive cobranding arrangement suggests a greater impact on focal brand evaluation but reduces the likelihood of focal brand consideration (P1b and P2b). A partnering brand with greater breadth weakens the impact of cobranding integration, exclusivity, and duration on brand evaluation (P5) but strengthens the *positive* impact of integration and duration (and the *negative* impact of exclusivity) on brand consideration (P8). Thus, decisions made with regard to these variables are likely to impact evaluation and consideration in opposite ways, implying that managers must prioritize objectives.

Implications of the main effects of the cobranding arrangement variables (P1 and P2) Cobranding with higher integration (e.g., Diet Coke with Splenda) and longer duration (e.g., Disney with Pixar, before their eventual merger) require a greater commitment on the part of the focal brand (say, Coca Cola or Pixar), while exclusive arrangements (e.g., Apple with AT&T for the iPhone, until recently) can be risky, because of their "all eggs in one basket" nature. However, P1 implies that such arrangements, if successful, are likely to have a stronger positive impact on brand evaluation and, in turn, on the brand's value to the firm. If the cobranding encounters are not successful, the loss of brand value is likely to be magnified.

When cobranding integration is low (e.g., Wal-Mart with Subway), P1a suggests that the partnership would have little impact on focal brand evaluation. Here Subway's sandwiches can hardly be credited or blamed for, say, the quality of Wal-Mart's produce department. When iPhone was only available with AT&T's data plans (i.e., higher cobranding integration and exclusivity), P1a and P1b together would suggest that poor performance on AT&T's part could have negatively impacted the evaluation of the Apple iPhone, especially because customers see that their performance is closely intertwined and as there were not any alternative, mitigating cobranding arrangements (unlike now). In Splenda's case, if Diet Coke with Splenda tastes bad, especially if Splenda does not have other cobranded products that taste good, then Splenda is likely to be evaluated negatively by consumers (as per P1a and P1b taken together). Thus, cobranding arrangements that are likely to increase expected returns also carry higher risk due to greater variability of benefits and the greater up-front commitment from the firm.

Implications from P2 on brand consideration follow in an analogous manner. To revisit the Subway/Wal-Mart example, suppose from Subway's perspective what is important is brand consideration (i.e., Subway seeks market expansion). This is achieved by locating in Wal-Mart stores, perhaps more effectively than any other similar partner, because the high traffic at Wal-Mart leads to greater exposure to Subway. Proposition 2a suggests that it would be in Subway's interests to have a high level of integration; however, only a lower degree of integration (specifically, co-location) is feasible in this case (given the businesses of the partners). Proposition 2b suggests lower cobranding exclusivity: it is in Subway's interests to be located in more than just inside Wal-Mart stores, and it would benefit from similar co-location arrangements with other partners (unless restricted by the terms of the Subway/Wal-Mart agreement). Proposition 2c suggests that it is in Subway's interests to have a long-term agreement with Wal-Mart, with the caveat suggested by P1c that there is the risk of negative impact on the evaluation of the Subway brand based on how Wal-Mart performs.

Due diligence is called for in structuring the arrangement and choosing the exclusive partner to minimize downside risk. Managers may choose to hedge their bets by incorporating "escape" clauses in contracts so that unsuccessful partnerships can be terminated, and/or testing the waters by starting with a small-scale trial before stepping up the level of commitment. The need for careful partner selection in long-term, highly integrated partnerships and the importance of careful risk assessment cannot be overemphasized.

Greater integration and longer duration support the goals of both brand and market development, albeit with possible risk to brand value if the relationship fails. However, greater exclusivity, though recommended for brand development, is *not* the preferred option for market development (P2b). Thus, if market development is the primary goal, multiple partners would be the way to go. Managers in this case could test the market with a few partners (with strong fit) before scaling up to multiple partners. This limits the initial commitment and helps make strategic adjustments before scale-up.

Another approach for dealing with the different implications of cobranding exclusivity for brand evaluation (P1b) and consideration (P2b) would be to pursue greater exclusivity at one level and a less exclusive form at another level. For several years, Northwest Airlines partnered exclusively with KLM, arguably to improve evaluation through higher integration and functional complementarity, while Northwest also offered affinity programs with multiple hotel chains to plausibly increase consideration.

Implications of the moderating effects of partner characteristics (P3–P8)

These propositions pertain to the partner selection decision—specifically, the brand characteristics that allow for a potentially successful partnership. The bottom line is clear: in evaluating prospective partners for potential fit, managers must identify how these brands are perceived on functional and hedonic attributes relative to their own (focal) brand. When each partnering brand is strong on different functional attributes, there is the opportunity to synergistically combine functional strengths to enhance brand value. On the other hand, consistency in hedonic attributes is preferred.

One example of the above is P3a, which implies that complementarity on functional attributes has a favorable moderating influence on the impact of integration on customers' brand evaluations. Recalling prior examples, since Subway and Wal-Mart are weakly integrated to begin with, functional complementarity will have a much smaller impact on evaluation of both brands than in the Coke/Splenda case, which is a highly integrated cobranding arrangement. In the latter example, the low-calorie functional attribute of Splenda can be expected to improve evaluation of Coke (specifically, Diet Coke), because this is a complementary functional attribute.

Beem (2010) provides examples of successful co-branding partnerships that Cold Stone Creamery (of which he is president) has entered into that illustrate these ideas: "We have successfully combined our 'Ultimate Ice Cream Experience' with such complementary brands as Oreo, JELL-O Pudding, and Jelly Belly. The combination of these premium brands and iconic flavors are a draw for our customers and a natural fit in quality and reputation." This is a case of high cobranding integration involving brands with consistent hedonic attributes (P4a), with the objective of brand development. Beem also points to successful initiatives involving Tim Horton's and Rocky Mountain Chocolate Factory in cobranded stores, leveraging complementary functional attributes in terms of the brands generating store traffic at different times of day (in the case of Tom Horton's) and different seasons of the year (Rocky Mountain Chocolate Factory). Both partnerships have increased store traffic and profitability, with the primary objective of market development.

The breadth of the partnering brand (as measured by the number of distinct product categories) must be considered carefully, because it impacts brand evaluation and consideration in opposite ways. All else being equal, if brand development is the primary goal, managers should choose a narrow brand (focused on one or a few categories) (P5a,b,c). Conversely, a broad brand with a dispersed presence across several categories is helpful when managers' goal is primarily market development (P8a,b,c). However, managers should assess the risk of brand dilution in the latter case before deciding on the partner(s).

Conclusion and next steps

Despite the pervasiveness of cobranding in the real world and its increasing popularity—cases of such alliances have grown 40% annually (Dickinson and Heath 2006)—academic research focused on understanding the phenomenon has been limited. Cobranding is a nuanced and multi-layered concept, yet extant articles have either treated it as a single, unified idea or have explored only particular subtypes. Against this backdrop, we have offered a set of propositions on how and with whom a firm should cobrand. The preceding section on managerial implications includes an elaboration of the meaning of our propositions for brand and market development in practical terms.

From a process standpoint, our study is arguably the first to apply the mechanism of attribution to clarify when or how cobranding arrangements might work. Although attribution as a process is backward looking, because it involves making sense of events that have already occurred, we argue that firms should make decisions by being forward looking and anticipating customers' possible attributions under specific cobranding arrangements. While prior research has drawn on categorization in the context of ingredient branding, we discuss its relevance in other cobranding situations as well and, in turn, its impact on brand consideration.

Most of the extant studies that examine cobranding from the demand side are anchored almost entirely in the consumer behavior literature (e.g., Simonin and Ruth 1998) or in the marketing strategy literature (e.g., Varadarajan and Rajaratnam 1986). Our study integrates strategic alliance concepts such as complementarity, consistency, and brand or product line breadth with behavioral theories and concepts such as categorization, attribution and brand evaluation.

Future research agenda

The richness and complexity of cobranding point to a wide range of opportunities for further research. We hope that our proposal of potential avenues for future work provides a roadmap for interested researchers from managerial, behavioral, and modeling perspectives.

Our focus on parsimony to examine selected relationships implies that our conceptual framework can be expanded in terms of (1) looking at additional (interactive) relationships between the variables currently in the model and (2) considering additional constructs that we have chosen not to focus on in this study.

In exploring the main effects of integration, exclusivity, and duration, we have not considered how these antecedents might interact. While higher integration and duration are both posited to have a greater impact on focal evaluation, what if integration is low but the cobranding is of a very long duration? This is seen, for example, in retailing where luxury brands (e.g., Prada) have tightly aligned themselves over extended periods with high-end outlets (e.g., Neiman Marcus). From the standpoint of brand evaluation, does an extra-long partnership mitigate the need for higher integration?

Empirical validation of our conceptual model would be a much needed next step. Significant opportunities exist to develop or refine the measures of key constructs such as the degree of cobranding integration, functional complementarity, hedonic consistency, and brand breadth, along with the outcome measures of brand evaluation and brand consideration. Taking our model to data will also help in a better appreciation of possible non-linear effects. For example, while we have proposed main effects based on the degree of integration, it would be interesting to see if going from low integration (e.g., Barnes & Noble's Nook tablets co-promoted by Microsoft) to moderate integration (e.g., Nook tablets running on Windows O/S) has a different impact on brand evaluation and consideration than elevating the cobranding relationship from moderate to high integration (e.g., Barnes & Noble and Microsoft co-developing the next generation of Nook).

Our framework and propositions are based entirely on demand-side drivers and rationales. As discussed in our introduction, the strategy literature has focused on supply-side and competitive factors in the broader context of strategic alliances (primarily in a mergers and acquisitions context). Consider entry deterrence. It would appear that Apple's decision to offer the iPhone exclusively to AT&T (initially) significantly influenced market structure and response. The eventual surge in smartphone innovation involving Dell, Google, Motorola, and Samsung, among others, is in no small measure due to the participation of Verizon and Sprint in the race against AT&T and Apple. So was Apple right to have gone exclusive with AT&T in the first place? The interaction among demand-, supply- and competitor-side factors has the potential to spawn multiple studies.

A different but potentially fruitful methodological approach to analyzing the cobranding problem is one based on a game-theoretical model that seeks an equilibrium solution assuming profit maximizing firms. While the implications of the results are expected to be interesting in their own right, they may also provide the basis for further empirical work.

In conclusion, the rapidly increasing popularity of cobranding in practice points to an urgent need for systematic research, recognizing the limitations in the literature. We hope that this paper has set the ball rolling in this regard.

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