

# CO-BRANDING

# Definition

- An arrangement that associates a single product or service with more than one brand name, or otherwise associates a product with someone other than the principal producer.
- Two or more companies acting in cooperation to associate any of various logos, color schemes, or brand identifiers to a specific product that is contractually designated for this purpose.
- The utilization of two or more brands to name a new product. The ingredient brands help each other to achieve their aims.
- The combining and retaining of two or more brands to create a single, unique product or service.
- It involves the transfer of a subset of attributes from the two parent brands, and their recombination into a coherent composite concept that could become a member of the extension category to which new brand belongs.

# Types of Co-branding

- i. Ingredient co-branding
- ii. Promotional/Sponsorship Co-Branding
- iii. Value Chain Co-Branding
  - Product Service Co-Branding,
  - Supplier-retailer, and
  - Alliance Co-Branding.
- iv. Innovation-Based Co-Branding. Ex:Apple-Nike
- v. Shared Product Equity Co-Branding

# Ingredient Co-Branding

- One or more of the brands provides a distinctive ingredient or component to the primary or carrier brand. In this case, the ingredient brand is subordinate to the carrier brand.

## Examples

- Gateway Computer with Intel chips (ingredient brand)
- Clorox cleaner with Teflon.
- In all cases the ingredient brand's identity structure is subordinate to the carrier brand in the co-branded identity structure.





# Value Chain Co-Branding

- **Product-service co-branding**

Sea World and Southwest Airlines



- **Supplier-retailer co-branding**

- **Alliance co-branding**



# Methods of co-branding

## **I. By online technique**

- i. Whitelabel / Private Label
- ii. Graylabel
- iii. No label

## **II. By type of relationship**

- i. Internal co-branding
- ii. External co-branding
- iii. Mixed co-branding

# Internal co-branding

- Internal co-branding means that company users variety of their own products and services to expand sub brands by using them in conjunction with primary brand.

# External co-branding

- External co-branding means a synthesis of products and services by different organizations (2 or more) that together create final product or service.

# Mixed co-branding

- Mixed co-branding is when any combination of internal and external ventures and partnerships is used to achieve the final product or service or a complete package of services or products. Often mixed co-branding is used as a method for internationalizing brands by linking parent brand to a more locally known smaller brands or brands in parallel industries.
- Example: Coca-Cola and Axe in Argentina

# Co-branding criteria

- Co-brand only with companies that share complementary values.
- Co-brand only with products that hold best-in-class status.
- Co-brand only in situations where you can retain full review and approval rights on all elements of communications. That narrows the company's co-branding possibilities, but it also reduces its risk.

# Advantages of Co-Branding

- It lessens the costs of launching new products, since different products can touch base with a wide range of consumers on a broader scale.
- Consumer loyalty is enhanced since the same affection and admiration bestowed on the product that they respect and patronize will extend to its co-branding ally.
- Co-branding entails cost savings not only in terms of advertising but in sharing overhead costs, like rental expenses for leased spaces, utilities and manpower costs.
- Talents, expertise and creativity are shared by recognizing the principle that the success of one brand also brings success to its partners.
- It encourages participation from consumers who benefit from the convenience of having multiple selections and different products that are available in one roof or outlet.



# Disadvantages of Co-Branding

- In the same way that the benefits of co-branding spreads from one brand alliance to another, so do the negative issues that may arise from mishaps or malicious attacks against a brand's integrity and reputation.
- Forging a misalliance with another brand who cannot keep up with consumers' demands, since such inability will tend to drag down the other brand's reputation.

# Some Examples



***Adidas - Polar Electro***



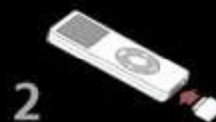
- **Apple - Nike**



How to use the Nike + iPod Sport Kit



Place the wireless sensor in your Nike+ shoe.



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# Asus - Garmin



nouveau M20

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# *Gillette - Art of Shaving*



# MasterCard - Virgin





# *Best Western - Harley Davidson*



# Motorola - *Ferrari*





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