

# ANALYSIS OF CO-BRANDING IMPACTS ON PARENT BRANDS EQUITY

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**ABSTRACT:** *Co-branding is an increasingly popular technique used as market extension strategy for creating further competitive advantage and shareholder value. However, co-branding is just like a weapon that brings risks and opportunities for brands at the same time. Co-branding between distinct products can be regarded as both a creative and a risky practice. Even though there have been researches done to analyse the impacts of co-branding, a specific study focused on co-branding between distinct products still cannot be found. This research is therefore mainly based on a case of co-branding between the Godiva chocolate and the Slim-Fast diet food. It examined the effects on parent brands equity after co-branding, and through evaluated changes of brand association before and after product trial. Quantitative data was collected and the Statistical Package for Social Scientists (SPSS 21) was used to analyse the data. Then meaningful information from the analysed data was interpreted to achieve the objective of this research. The research found that distinct products co-branding did affect parent brand equity level, by the result that Slim-Fast's brand equity increased after product trial. The study also found that one of two parent brands with higher original brand equity level will cause positive effect on the other products brand equity after co-branding. In this case, the Godiva chocolate had a positive impact on the Slim-Fast's brand equity changes after association. Hence, this shows that it is not a big risk that co-branding between two distinct products will influence their original brand, especially for the one with higher original brand equity. Also, the findings provide a positive suggestion to companies that, this type of brand extension, will not cause negative effects on a brand's original brand equity, but also will increase the weaker one's brand equity after the alliance. Thus, co-branding between two distinct products or complementary products may become a new and interesting marketing strategy.*

**Keywords:** Brand Equity, Product Trial, Co-Branding, Parent Brand, Marketing Strategy

## INTRODUCTION

Kippenberger [1] opines that the huge expansion that has occurred in the latter parts of the twentieth century in the global commercial market due to the extent of technological development and general stable business atmosphere has made the twenty first century a great period for commercial ventures. Wei [2], however, argues that a vast majority of customers available to purchase goods and services are confused about the choices they have to make and this situation also makes it somewhat difficult for firms and their products or services to be visible in the consumer market. This is because it could be perceived as the most valued asset of a firm and it provides a connection between buyers, products and services [3-4]. As a result, brand managers now see brand management as a priority responsibility for firms to operate and manage their ventures. Co-branding is among the most widely known marketing strategy, this implies that the best way to go is to adopt brand positioning as a strategy to make products more visible and known. This is because Co-branding can be perceived as the most valued asset of a firm and it provides a connection between buyers, products and services [5-4]. As a result, brand managers can see Brand management as a priority in terms of the responsibility for firms to operate and manage the implementation of market extension. Cornelis [4] further suggests that, Co-branding can also be used from across industries such as clothing (Nike & Gore-Tex fabric), soft drinks (Diet Coke & Nutrasweet), and electronics (Dell & Intel). New branding strategy has invariably captured the attention of professionals and researchers alike, who in turn have investigated the concept and how it can positively impact on sales and performance of

products and services. Considering existing studies, the technique of co-branding can have substantial effects on firms' performance in an array of dimensions [6-2-7]. Marketing managers have also come to realise that the concept of co-branding can be implemented as a market expansion strategy geared towards building in the consciousness of the consumer positive new brand connections [28-7].

Kippenberger [1] mention that despite the huge prospects of co-branding as a marketing technique, it can also result in some degree of risks to the firm. Bezawada et al. [8] states that improper management of brand name could result to a source of great harm to the original brand equities. Not minding the quantum degree of studies conducted to understand how co-branding works and its success factors, the real situation is that not too many studies have successfully reported on the success factors behind the concept of co-branding. Researchers have only been able to document some universal regulations such as how consumers' attitudes toward brand alliance influence their subsequent attitudes on individual brands that comprise that alliance [8-6-2]. Combinations of two brands in one product have been found to cause brand meaning transfer between brands [10-11]. Even though there have been empirical studies focused on corporate branding as a research variable, the domain is still pretty not matured enough. Initially, brands alliance was adopted between similar products or complementary products, for example, Godiva chocolate & Haagen-Dazs [12] and Bacardi Rum & Coca-Cola [13]. Recently, however, co-branding between distinct products took the general public by surprise and there were huge

consumer reactions to this (Godiva & Slim-Fast) [14-15-12]. Consumers felt elated about this type of brand cooperation, academics/researchers were also not left out in their curiosity about its working philosophy. Despite the popularity of this type of branding, few researches have been carried out considering co-branding between distinct products. In addition, investigators focus more on the co-branded products. There seems not to be much interest in investigating the impact of co-branding on parent brands after product trial. This study tries to fill this gap in knowledge by investigating co-branding between two distinct products and is mainly based on one specific marketing case: co-branding between Godiva and Slim-Fast. The main purpose of the research is to figure out the impact of co-branding practice on parent brands.

## LITERATURE REVIEW

### Brand

Kay [6] considers a Brand as the most valuable and mysterious asset of corporations which has attracted the attention of researchers and marketers for some time now. Co-branding however, is a new market extension development strategy which has lately demonstrated strong positive effects as well. And academics are gaining diverse understanding from the concept of co-branding. Park et al. [16] present a simple and clear description of co-branding, which they defined as “pairing two or more branded products to form a separate and unique product”. The study of co-branding has been found to be an influencing factor on consumer brand associations. Some other researchers however hold different opinions as to how the concept of co-branding works in real market situations. Some are of the opinion that product trial can be used to explain co-branding. However, though lots of researches have been done to study co-branding, brand equity and other relevant concepts, there is still yet no clear definition of the term. In today’s consumer market, brand can be regarded as a signal for customers to differentiate competitive products and for firms to value their success [17-12]. A somewhat similar perspective was provided by Park et al. [16], that a brand name is a basic element of a firm’s market offering that helps customers’ knowledge of the products’ characteristics. In the other words, brands are used to indicate why specific products and services have meaning for consumers [6]. The function of brand names for firms is therefore to create this consumer meaning [18-6]. Once this consumer meaning has been created and established, it will be hard to change. Hence, consumer’s behavior will then always follow the stories that are sold by the brands [6]. This is the key reason why marketers believe that a brand name has significant strategic impact on long-term brand performance, going far beyond its role as a sub element of the marketing mix [16-19]. The value of the brand name is then presented as brand equity, which refers to specific brand assets. Since brand name is of great value to any company, various strategies are sought by firms to increase brand values. Hence, Co-branding is seen as one of the newest and the most efficient ways to satisfy this requirement.

### Co-branding

Baker et al. [12] posits that the concept of Co-branding as a popular marketing strategy is regarded as an efficient approach for cooperated partner’s brand. Priluck [20] on the one hand stresses that co-branding is frequently used to introduce new products by pairing it with a favorable existing one. Whilst, Grossman [21] adds that in some cases it is paired with an unfamiliar brand name [20-22]. Co-branding has diverse characteristics which depend mostly on various types of combination. These combinations allow for perfect alliances which will result in brand partnerships (Hotels and American Express), joint promotions (Smirnoff Vodka and Ocean Spray: Cranberry Juice) or ingredient branding (the Motorola ROKR phone with iTunes) [23-12]. Hence a certain and unitary definition of co-branding is difficult to present. Research indicates that there is no universally accepted definition of brand alliance, since there are diverse shapes, sizes of brand alliances with an array of concepts to describe them. As a result, academics have given different opinions though majority of the suggested concepts have similar dimensions. Co-branding can be regarded as a brand alliance strategy in which one brand incorporates its attributes into another brand [24-13]. Similarly, co-branding can be defined as bringing two or more independent brand names together to support new products, services or even ventures [1]. Authors concluded that several relative scientific definitions are separated into two main catalogues, broadly or narrowly defined. The broad definition looks at co-branding as “all circumstances in which two or more brand names are presented jointly to the customers, for short albeit long term” [4-3]. Or that, co-branding will occur when two brands are deliberately paired with another in a marketing context such as products, product placements, and advertisement and distribution outlets [21-25]. The narrowly defined definition pairs two or more branded products to form a separate and unique product [16]. However, both ingredient and co-branding brands are referred to as constituent brands, host brands [26], or parent brands.

### Brand equity

Brand equity has been intensively studied in both accounting and marketing literatures [2-27]. Brands have been recognized by their economic values and intangible assets by most financial managers and have been used in cases of mergers and acquisitions [6]. For marketers, when the term “brand equity” is used, this tends to mean brand description and brand strength, and can be referred to as “consumer brand equity” to differentiate it from the financial meaning. Bezawada et al. [8] stresses that by combining these two concepts, brand equity can be defined as “a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or a service to a firm and/or to the firm’s customers” [28]. Brand equity in a more narrow and simple way, also means the effect of brand knowledge on consumer response to the brand. Among the diverse definitions of this concept, one key consensus is noticed, that is, that brand equity is the incremental value of a product due to the brand name [29]. A consumer-based brand equity definition [30], suggests that

“brand equity represents a condition in which the consumer is familiar with the brand and recalls some favourable, strong and unique brand associations” [31]. A similar opinion by Yoo and Donthu [32] is that brand equity is when “consumers’ differentiate responses between a focal brand and an unbranded product when both have the same level of marketing stimuli and product attributes”. Based on these different definitions of brand equity, Aaker [28-33] further differentiated by grouping brand equity into four dimensions of brand loyalty, brand awareness, perceived quality of brand, and brand associations. These authors believe that, consumer-based brand equity is reflected in these four main focal points through different consumer behavior concepts [34]. Brand loyalty, according Aaker [28] is the attachment that a customer has to a brand while brand awareness is the ability for a buyer to recognize or recall that a brand is a member of a specific product category [28]. The perceived quality is the consumer’s judgment about a product’s overall excellence or superiority [35] and brand association according to Aaker [28] is anything linked in individual’s memory to a brand.

#### Brand association

Aaker [28] further outlined five dimensions which are widely used to measure brand equity. These are namely: brand loyalty, brand awareness, perceived quality, brand association and other proprietary. Among five of them, the concept of brand association can be defined as anything linked in memory to a brand as very important to brand equity. Brand association according to Baker *et al.* [12] is all information that is associatively connected in the brain with the brand name or brand attitude. Strong brand associations will contribute to strong brand equity [36, 6]. Among brand associations, the core associations are those attributes based on which the brand is positioned in mind and the first responses come to customers’ mind when confronted with a brand name [4]. It was believed that means that brand association helps consumers process or retrieve information, differentiates or position brand, then creates attitudes and feelings for brands and products [11]. Then consumption behavior happens based on associated links. However, in most research methodologies, brand equity is examined through test brand associations. Timmerman [37] suggests the inventory of brand representation attributes (IBRA) to assess brand equity by testing consumers’ associations on tested brand. Then based on studies of brand association, Kempf and Smith [38] suggests that consumer’s establishment of association to brand names normally happened after they gain experience of products or services which can be regarded as product trial.

#### Product trial

“Product trial” according to Kempf and Smith [38] is a consumer first usage experience with a brand. The authors add that product trial is a critical factor in determining brand beliefs, attitudes, and purchase intentions. Academic researchers believe product trial is a key element that consumers recognise on brands, which provides evidence that both are shaped by and integrated with prior beliefs and hypotheses about product performance [39]. However, brand equity of co-branded product can be determined by product trial. Proofs given by trial experiments showed that experience from product trial, negative or positive, will influence consumers’ evaluations of brand equity.

#### METHODOLOGY

However, in most research methodologies, brand equity is examined through test brand associations. Timmerman [37] recommends the IBRA to assess brand equity by testing consumers’ associations on tested brand. Then based on studies of brand association, Kempf and Smith [38] suggests that consumer’s establishment of association to brand names normally happened after they gain experience of products or services which can be regarded as product trial.

In this study, quantitative data was collected and the Statistical Package for Social Scientists (SPSS 21) was used to analyse the data. Then meaningful information from the analysed data was interpreted to achieve the objective of this research by testing the various research hypothesis.

Table 1 and table 2 above reveals the results from analysis of hypothesis (1a) which test whether there will be any negative effects caused on parent brand equities and hypothesis (1b) which test whether there will be any positive effects on parent brand equity on Godiva. Table 1 and 2 above indicates that the mean score of brand equity of Godiva before the product extension trial ( $M=3.19$ ,  $SD=0.61$ ) and after product trial ( $M=3.08$ ,  $SD=0.57$ ) are not significantly different ( $t=0.61$ ,  $df=38$ , two-tailed  $p>0.05$ ). The meaning of this result is that brand equity on the Godiva was not affected by new co-branding strategy adopted by the company. It also means that the brand equity level was only slightly changed from 3.19 to 3.08. Hypothesis 2 tests that when two distinct brands with low or high compatible level brands co-brand, they will gain different levels of effects according to their different original brand equity levels. Table 3 and 4 indicate the results from the analysis of the impact of brand equity on Slim-Fast between, before and after product trial of new co-branding effort.

## DATA ANALYSIS AND RESULTS

### Test of Hypothesis 1:

Table 1: Brand Equity on the GODIVA

Test Type	N	Mean	Std. Deviation	Std. Error Mean
before	20	3.19	.61	.14
Total Mean				



**Table 2: Effects of Brand Equity on GODIVA**

Levene's Test for Equality of Variances				t-test for Equality of Means					
F	Sig.	t	df	Sig. (2-tailed)	(Mean Difference)	Std. Error Difference	95% Confidence Interval of the Difference		
							Lower	Upper	
Total	.002	.96	.62	38	.54	.11	.186	-.26	.49
				37.82					
			.62		.54	.11	.186	-.26	.49

**Test of Hypothesis 2:**

**Table 3: Brand Equity on the Slim-Fast**

Test Type	N	Mean	Std. Deviation	Std. Error Mean
before	20	2.76	.46	.10
Total Mean				
after	20	3.07	.36	.08

**Table 4: Effects of Brand Equity on Slim-Fast**

Levene's Test for Equality of Variances				t-test for Equality of Means					
F	Sig.	t	df	Sig. (2-tailed)	(Mean Difference)	Std. Error Difference	95% Confidence Interval of the Difference		
							Lower	Upper	
Total	.000	.987	-2.40	38	.02**	-.31	.13	-.57	-.05
			-2.40	35.93	.02**	-.31	.13	-.57	-.05

\*\* Significant at the 0.05 level

The results indicate that the mean brand equity score of Slim-Fast from after product trial (M=3.07, SD=0.36) is significantly higher than (t=-2.40, df=38, two-tailed p< 0.05) that before product trial extension effort (M=2.76, SD=0.46). Therefore, what this means is that brand equity of the Slim-Fast has been affected by brand alliance. It also indicates that brand equity level increased significantly from 2.76 to 3.07. Hence, the first main hypothesis (H1) in the study hypothesized that the marketing extension strategy adopted by co-branding between two distinct brands will cause effects on its parent brands. The mean comparison analysis result gave a really good answer for the first main hypothesis (H1) that, the brand equity of the Godiva did not have significant change when co-branded with a distinct brand (Slim-Fast). However, for the case of the Slim-Fast, it is in the opposite. The analyzed data showed that Slim-Fast brand equity increased significantly after adopting co-branding

with the Godiva chocolate. Furthermore, sub-hypothesis for the first main hypothesis H1a and H1b indicates that, negative or positive effects will be caused on parent brand equity, and these were also tested. The results show that, there are no significant negative effects caused on both parent brands equity. Hence, the H1a hypothesis is not supported. Nevertheless, for the H1b, the finding shows that positive effects were made on the Slim-Fast brand. Then H1b hypothesis is strongly supported. Based on previous studies of two brands equity changes, more specific analysis were made to evaluate effects on the Godiva and the Slim-Fast. The brand equity of both products were checked considering four dimensions, brand loyalty, perceived quality, brand awareness/association and overall brand equity. Final results are presented in tables 5, 6, 7 and 8. Previous analysis of the Godiva's brand equity revealed no significant change took place.

**Table 5: Brand Equity of the Godiva in Four Dimensions**

	Test Type	N	Mean	Std. Deviation	Std. Error Mean
	before	20	1.75	.37	.08
Total Mean for Brand Loyalty					
	after	20	1.83	.33	.07
Total Mean for Perceived Quality	before	20	3.55	.78	.17
	after	20	3.55	.65	.14
Total Mean for Brand Awareness/Associations	before	20	3.68	.98	.22
	after	20	3.62	.95	.21
Total Mean for OBE	before	20	3.48	.82	.18
	after	20	3.09	.87	.19

**Table 6: Effects on Brand Equity of the Godiva in Four Dimensions**

	Levene's Test for Equality of Variances		t-test for Equality of Means							
	F.	sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
								Lower	Upper	
Total Mean for Brand Loyalty	Equal variances assumed	1.54	.22	-.75	38	.46	-.08	.11	-.31	.14
	Equal variances not assumed			-.75	37.54	.46	-.08	.11	-.31	.14
Total Mean for Perceived Quality	Equal variances assumed	.10	.76	.00	38	1.00	.00	.23	-.46	.46
	Equal variances not assumed			.00	36.80	1.00	.00	.23	-.46	.46
Total Mean for Brand Awareness/Association	Equal variances assumed	.001	.98	.17	38	.85	.06	.31	-.56	.68
	Equal variances not assumed			.17	37.97	.85	.06	.31	-.56	.68
Total Mean for OBE	Equal variances assumed	.01	.91	1.45	38	.15	.39	.27	-.15	.93
	Equal variances not assumed			1.45	37.88	.15	.39	.27	-.15	.939

In table 5 and 6, there is no significant difference in any of the four brand equity dimensions. The mean brand equity score of Brand Loyalty dimension slightly rose, before product extension trial (M=1.75, SD=0.37) and after product trial (M=1.83, SD=0.33). However, for Overall Brand Equity, the mean scores decreased from 3.48 to 3.09. For both Brand Awareness/ Association and Perceived Quality dimensions, they all nearly have no change.

Especially for Perceived Quality dimension, which has remained totally the same even after product trial (M=3.55, t=0, df= 38, two-tailed p=1). In this way, further evidence has shown that Godiva's brand equity was not determined by co-branding strategy. For tables 7 and 8, more detailed data is presented on change of Slim-Fast brand equity in four dimensions.

Table 7: Brand Equity of the Slim-Fast in Four Dimensions

	Test Type	N	Mean	Std. Deviation	Std. Error Mean
Total Mean for Brand Loyalty	before	20	1.93	.14	.03
	after	20	1.70	.37	.08
Total Mean for Perceived Quality	before	20	3.25	.70	.16
	after	20	3.58	.54	.12
Total Mean for Brand Awareness/Associations	before	20	3.23	.92	.20
	after	20	3.40	.75	.17
Total Mean for OBE	before	20	2.55	1.04	.23
	after	20	3.44	.65	.14

Table 8: Effects on Brand Equity of the Slim-Fast in Four Dimensions

	Levene's Test for Equality of Variances		t-test for Equality of Mean							
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
								Lo	Upper	
Total Mean for Brand Loyalty	Equal variances assumed	14.60	.00	2.63	38	.012**	.23	.089	.05	.41
	Equal variances not assumed			2.63	24.02	.015**	.23	.089	.05	.42
Total Mean for Perceived Quality	Equal variances assumed	1.573	.22	-1.64	38	.109	-.33	.20	-.73	.08
	Equal variances not assumed			-1.64	35.89	.109	-.33	.20	-.73	.08
Total Mean for Brand Awareness/Associations	Equal variances assumed	.30	.59	-.64	38	.524	-.17	.26	-.70	.36
	Equal variances not assumed			-.64	36.50	.524	-.17	.26	-.70	.37
Total Mean for OBE	Equal variances assumed	3.87	.06	-3.23	38	.003***	-.89	.27	-.14	-.33
	Equal variances not assumed			-3.23	31.76	.003***	-.89	.27	-.14	-.33

\*\*\* Significant at the 0.01 level

\*\* Significant at the 0.05 level

In tables 7 and 8, the mean brand equity score of Brand Loyalty before product trial (M= 1.93 SD= 0.14) is significantly higher (t= 2.63, df= 38, two-tailed p<0.05) than that after product trial (M= 1.70 SD= 0.37). However for Overall Brand Equity dimension, the compared means brand equity score of the Slim-Fast after co-branding product trial (M= 3.44, SD= 0.65) with before product trial (M= 2.05, SD= 1.04) is found to be significantly different (t= 3.23, df= 38 two-tailed p<0.01). For the rest of the two dimensions, Perceived Quality and Brand Awareness/ Associations, there are no significant

differences that exist by carrying out the mean comparison analysis. All the variables tested were slightly increased after they were co-branded with the Godiva. Hence, Perceived Quality (M= 3.25, SD= 0.70) rose to (M= 3.58, SD= 0.54) and Brand Awareness/Associations (M= 3.23, SD= 0.92) rose to (M= 3.40, SD= 0.75). However, in order to achieve the purpose of the research and to test the second main hypothesis, a few more analyses were carried out. Tables 9 and 10 are the results from the mean comparison analysis between the Godiva and the Slim-Fast before co-brand extension

Table 9: Brand Equity before Product Trial

Brand Name	N	Mean	Std. Deviation	Std. Error Mean
GODIVA	20	3.19	.61	.14
Total Mean				
Slim-Fast	20	2.76	.46	.10

Table 10: Brand Equity before Product Trial

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower		Upper
Total Mean	Equal variances assumed	2.13	.15	2.52	38.00	.02**	.43	.17	.08	.77
	Equal variances not assumed			2.52	35.29	.02**	.43	.17	.08	.77

\*\* Significant at the 0.05 level

In tables 9 and 10, the results show that there is a significant difference (t=2.52, df= 38 two-tailed p<0.05) between brand equity and Godiva and Slim-Fast. The mean score of brand equity on Godiva is 3.1 (M= 3.19, SD= 0.61) which is higher than Slim-Fast (M=2.76, SD= 0.46). Based on these results, conclusions can be drawn that Godiva and Slim-Fast have different levels of brand equity before co-branding. Results show that Godiva has higher original brand equity (M=3.19) than Slim-Fast (2.76). Combined with the results from tables 1 to 4, Godiva did not show any significant change after alliance but Slim-Fast changed very much. Thus the second

main hypothesis (H2) which stated that the two parent brands will gain different levels of effects based on their different original brand equity is supported. Furthermore, H2a is supported on the Slim-Fast case that parent brand with lower original brand equity will gain more effects. This hypothesis is however not supported in the Godiva case with higher original brand equity. The H2b is also supported in the Godiva case that brand equity might not have significant change after product trial. This hypothesis is rejected in the case of Slim-Fast because Slim-Fast has great effect on brand equity.

Table 11: Relevant Relationship between the GODIVA and the Slim-Fast

		Total Mean before	Total Mean after test (Slim-Fast)
test (GODIVA)			
Total Mean before test (GODIVA)	Pearson Correlation		1
	Sig. (2-tailed)		.012
	N		20
Total Mean after test (Slim-Fast)	Pearson Correlation	.552*	1
	Sig. (2-tailed)	.012	
	N		20

\*. Correlation is significant at the 0.05 level (2-tailed).

Table 11 above shows that the original brand equity of the Godiva which is higher than the Slim-Fast has a positive relationship ( $r= 0.552$ ,  $P<0.05$ ) with the Slim-Fast brand equity after co-branding practice. Contrarily, original brand equity of the Slim-Fast has no significant relationship with the Godiva new brand equity after co-branding. Then the third hypothesis

**(H3)** is supported by this result that, when customers tried the Godiva chocolate, they tried the new co-branded product then followed by Slim-Fast. It was revealed that there is a positive relationship between the variables. This also indicates that the brand with higher brand equity causes a positive effect on the other brand which is with relatively lower brand equity.

customers' brand associations are contradictory [16, 12]. Moreover, Park et al. [16] were concerned that both the Godiva and the Slim-Fast brand images will be damaged because consumers will not be clear about the combination. For Asker and Keller [23] however, they believed that two brands should have a high degree of product-level fit with the extension product to transfer information from individual brands to the extension products.

However, the **H1** Hypothesis suggests that the brand equity of Godiva did not show any significant change. This result is unexpected. Through this phenomenon, the opinion from Eysenck and Keane [36] can give an explanation that, "a set of core attributes in a concept constitutes its definition and is the most essential and salient set of attributes for understanding that concept". Thus, as Park et al. [16] concluded, core attributes of concepts are hard to change and are highly influential in changing the meaning of other concepts when they are co-branding. At the same time the **H1** hypothesis and **H1b** sub-hypothesis are supported in these results, Slim-Fast brand equity increased after co-branding with Godiva. According to the understanding of Godiva, brand equity may not be easy to change even when combined with other distinct brands, however, the question then is why the results are different for Slim-Fast. When analysing both Godiva and Slim-Fast original brand equity (before product trial), it was obvious that Godiva has a higher brand equity than Slim-Fast. By understand the meaning of high brand equity, this then presents the idea that consumers are more familiar with Godiva and finds it easier to recall Godiva's favourable characteristics and brand associations than those of Slim-Fast. In this case, even brand equity is hard to change, however, when two brands with different brand equity level have an alliance, the one with lower brand equity will gain influence through co-branding. These opinions are also proved by **H2**; Godiva and Slim-Fast gained a different level of effect because of their different original brand equity level.

As the results further show, Slim-Fast brand equity improved after being co-branded with Godiva. For this phenomenon, Park et al. [16] gave a reasonable explanation with other marketing tests. As previously mentioned, the values of the attributes for Slim-Fast and As Park *et al.* [16] found, when the alliance happened

## DISCUSSIONS OF RESULT

The Godiva chocolate and Slim-Fast diet food products are two very different brands. They are focused on different target customers and markets, and they have differing brand characteristics and values. As earlier suggested, Godiva is associated with the key words of luxury, richness and taste. While for Slim-Fast, the first reactions noticed from consumers are its features of low calories, weight lost and health. As Park et al. [16] suggested, Godiva and Slim-Fast are two complementary brands. It is therefore easy to understand that co-branding between these two brands or any other brands which are complementary will cause effects on their parent brand equity, because their Godiva are relatively fixed in opposing directions (low and high, respectively) [23-16]. Then Park et al. [16] explained that, customers will find a reasonable method to solve the conflicts and re-combine the different attribute information from these two brands to understand the alliance coherently. Therefore, the co-branded products are identified with a so called "header" brand in a composite brand extension (co-branding) [16]. The word "header" is used relatively with the word "modifier". It means if we say Godiva meal bars mixed with Slim-Fast, then for the composite product its characteristics will be led by Godiva's key value and added with Slim-Fast and, thus Godiva will be the header and Slim-Fast will be the modifier here. In this research, since all tests were divided into two parts, one part applied Godiva as a header and Slim-Fast as a modifier, the other applied the opposite manner. Under such a condition, the influence purely caused by the role of header or modifier can be removed. Then explain why Slim-Fast brand equity increases after product trial, because tested subjects gain confidence from their trust for Godiva on Slim-Fast. For co-brand products, consumers use their feeling on Godiva (e.g. luxury, high quality, taste) and add extra positive value from Slim-Fast (e.g. low calories, weight loss, and health) [16-6]. By analyzing Slim-Fast brand equity in four specific dimensions it can be found that the dimension of brand loyalty changed very much after consumers noticed it was co-branded with Godiva. Brand loyalty in this case means "customers intention to buy the brand as a primary choice" [32]. After the diet meal bars were mixed with the luxury good taste of Godiva chocolate, it was noticed that consumers were more willing to try the new co-branded Slim-Fast products. It can therefore be concluded that Godiva's values (e.g. taste, good quality) compensated for Slim-Fast's weak points (e.g. bad taste). This explains why Slim-Fast gained effects from the co-branding and its brand equity increased compared with Godiva.

Also from the last point mentioned above, it was found that there is a relationship between Godiva's original brand equity and Slim-Fast's after the co-branding. The result from table 11 above shows that it is a positive relevant relationship, which supports the **H3** hypothesis. The reasons which are used to explain why the brand equity of Slim-Fast increased also fit to explain their relationships. between Godiva and Slim-Fast, the value of Godiva's good

quality, good taste and luxury was transmitted to Slim-Fast. In other words, people will create positive feelings or recognise Slim-Fast because of their previous good image of Godiva, this point of view proves the third main hypothesis (**H3**). However, for the relationship between Slim-Fast original brand equity and Godiva's after product trial, no significant relationship was found. As with the explanation before, due to the fact that Godiva has better original brand equity, it means Godiva is more famous than Slim-Fast, and also that customers have more brand loyalty for Godiva than Slim-Fast. After co-branding, consumers feel better about Slim-Fast than before because of their original positive opinion of Godiva. Nonetheless, the same situation cannot happen to Godiva because Slim-Fast does not have a higher original brand equity than Godiva, then even co-branding with Slim-Fast, for Godiva itself will not increase its brand equity. This point is strongly supported by the result from the comparison analysis on the **Perceived Quality** dimensions between, before and after product trial. The definition of perceived quality is "the consumer's judgement about a product's overall excellence or superiority" [16-25]. Godiva's brand equity of this dimension was kept completely the same after being co-branded with Slim-Fast and, it further explains why Godiva's brand equity has no change.

#### CONCLUSION AND IMPLICATION OF RESEARCH

This research which is based on a case of co-branding between the Godiva chocolate and the Slim-Fast diet food, examined the effects on parent brands equity after co-branding, and through evaluated changes of brand association before and after product trial has been achieved in a number of ways. The research found that distinct products co-branding does affect parent brand equity level, by the result that Slim-Fast's brand equity increased after product trial. The study also found that one of two parent brands with higher original brand equity level will cause positive effects on the other product's brand equity after co-branding. In this case, Godiva had positive impact on Slim-Fast's brand equity changes after association. This shows that it is not a big risk that co-branding between two distinct products will influence their original brand, especially for the one with higher original brand equity. Moreover, the findings provide a positive suggestion to companies that, this kind of brand extension, will not cause negative effects on a brand's original brand equity, but can rather increase the weaker product's brand equity after the alliance. Thus, co-branding between two distinct products or complementary products may become a new and interesting marketing strategy for firms if adopted.

In another view, when two parent brands have a different level of original brand equity, as in the case of Godiva and Slim-Fast in which Godiva's brand equity is higher than that of Slim-Fast, the one with the lower brand equity will gain more positive effect than the higher one. The important finding is that the Slim-Fast brand equity increased after co-branding, this was found to be mainly due to Godiva's

good consumer image which caused a positive influence on Slim-Fast. Consumers trust Godiva chocolate quality and its luxury, taste brand value, and then when Godiva co-branded with Slim-Fast, this good image transfer gave consumers new feelings about the Slim-Fast diet food product. Or, it can be said, after co-branding with Godiva, people believed Slim-Fast is also as good a brand as Godiva, or at least not too bad as compared to Godiva. However, based on the research finding and further understanding of the results, marketers can get some useful information about co-branding extension. Firstly, it is possible and useful to practice co-branding between two distinct products or complementary products. Secondly, according to the case of Godiva & Slim-Fast, it can be found that this has positive effects on the relatively weaker brand. Hence, this kind of co-branding can be used in developing new brands or relatively unpopular brands. Thirdly, findings and results showed that, even though risk still exists on distinct products, co-branding can have a good effect. At the same time, the risks can however be controlled by good brand selection. Finally, research on the Godiva and the Slim-Fast presented here suggests that, generally co-branding is a good marketing extension strategy.

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