

Co-Branding *Is It Right for You?*

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Everyone's doing it

Pick up any newspaper these days, and more than likely, you'll read yet another story—if not dozens—about two brands jumping into relationship mode. Not simply of the promotional “Happy Meals” variety, but of the “mating for life” sort.

“Co-branding,” as it's called, is running rampant with no apparent signs of slowing, even given the cautious economic forecast. In fact, the need for overnight and innovative growth strategies seems, if anything, to have fueled its popularity. What faster way to gain critical mass, catapult into unstaked territory, or refresh a tired image, than through an instant association?

Given this profligate coupling, the questions that should be asked are, “Is faster better?” and most important, “Is a

new co-branded relationship ultimately good—or bad—for the brands in play, in terms of brand equity?” Is the association a strategically sound one, strong enough to sustain time and scrutiny, or is it simply a short-sighted and potentially harmful answer to increased competitive challenges?

Perhaps a good way to sort through this co-branding mania is to think about judging the merit of a co-branding venture the way you might judge those traits that make a marriage successful. My wife once quipped that the best marriages are based on “interlocking neuroses.” What I took that to mean is that the steadiest relationships are those in which both parties are allowed to maintain their individual identities, but in a way that complements and helps bring out the best in the other—all in a mutually beneficial and compatible way.

Finding the Right Partner

It’s certainly a good place to start when it comes to assessing the potential co-mingling of two recognized brands. First, obviously, is self-awareness—a keen understanding of your brand’s identity. You’ve got to know who you are and what you are known and trusted for before you can determine a natural partner. Smart brand managers also realize self-awareness allows you to know who and what you could be.

Then, for a brand marriage to succeed, each must bring those appropriate “interlockable” strengths and assets to the table, and likewise, each must be flexible enough to commit or abdicate authority in certain areas.

Most critical, each must bring complementary and interlocking end benefits to the consumer—benefits that intuitively “feel right” and work together in concert on both the rational and emotional levels. These benefits, when combined, provide increased value to the consumer and a greater degree of relevance.

After all, at the heart of all well-managed brands is a simple promise to the consumer to deliver on the expectations of what the brand stands for. Enhance this promise—and its delivery—and it’s win-win. The merged brands will discover that, as a couple, they’ve expanded their sphere of influence and gained competitive advantage. Consumers will find, quite happily, that one plus one can actually equal three when two brands they’ve relied on as solo players meet their needs and desires better than ever before.

A Fruitful Relationship

By way of example, consider the successful marriage of Starbucks and Barnes & Noble. Starbucks has definitely created a well articulated brand for itself and it realizes it’s about more than just coffee. It’s about sociability, an experience reminiscent of the dolce vita coffee house culture—an inviting and appealing “place to be.” Barnes & Noble venues, more than merely bookstores, are welcoming and social places in which to browse, to relax, to partake of a cultural experience—and now, to do so over a comforting latte. The end game: compatible user groups, complementary brand personalities, and enhanced end benefits for the consumer. They’ve been able to capture a market and differentiate themselves more than any of their respective competitors.

The same can be said for the pending alliance between Starbucks and Microsoft with the offering of wireless Internet access in Starbucks locations. The benefit, again, for the socially oriented, is a familiar community environment in which to access your extended community. First mover advantage—totally connected customer. (If you’re thinking bigamy here, don’t. The world of co-branding has a totally different and publicly accepted code of fidelity.)

Also appropriate to me are Wal-Mart and AOL: a strong marriage that exhibits an understanding of America’s shopping mall culture—online and off. Another shopper’s



dream team: Amazon and Toys R Us. The new and the old economy together for the fast relief of harried parents everywhere. For “fuel yourself” road warriors of every age, McDonald’s and Chevron make a nice match. And looking at Warner-Lambert and Celestial Seasonings, any companies that merge to ease the effects of the common cold have got to have the consumer’s best interest at heart.

An example of brands that took the time to look at themselves carefully before tying the knot are Rosie O’Donnell (yes, she’s a brand) and McCall’s. After analysis, they recognized this was not a match bound to work. Trying to combine incompatible brand personalities can only send confusing messages to the consumer.

And perhaps the most telling example of the need to know yourself and what assets you bring to the party before you jump into a relationship is the dot-com partnership explosion that preceded the dot-com implosion. Internet speed may have its place in the new economy, but not at the expense of some solid brand architecture work. Before all of that venture capital money was spent, these brands should have spent some time defining themselves, their audience and the benefits they provided.

As the marketplace continues to challenge even the most robust players in the areas of growth, differentiation, and wallet share, it will become increasingly difficult to resist the lure of marrying for money. Remember another fundamental rule of branding: it’s easier to destroy a good brand than to create one. The prizes for the winningest co-branded relationships will go to those who follow these tried and very true rules: Know who you are; know and respect who you’re partnering with; and do it as much for the consumer as for yourself. **C**

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Tips for a Lasting Relationship

Whether the marriage is made in heaven or the marketplace, don’t take your vows unless you know:

1. Have you looked around enough?
 - What are the criteria/guidelines to evaluate and support the decision to partner or not?
2. Will you get as much as you give?/Will it bring out the best in you?
 - What is each brand’s relative contribution to the partnership?
 - Will the partnership enhance your brand?
3. Who’s going to wear the pants in the family?
 - Is the relationship dominant, shared or endorsed?
4. How much can you still get on the side?
 - Exclusivity is not required—pursue additional options that would not be inconsistent.
 - Make sure your name and presence will be felt across all touch points.
5. Will you grow old together?
 - Define the scope and duration of the partnership.
 - Maintain an active leadership role in the marketing execution to ensure a better outcome.