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Challenging coopetitive branding alliances

A study on how coopetitive branding affects consumers' brand image

Oskar Gudmundsson and Joel Leteus

Faculty of Business

Högskolan Kristianstad | www.hkr.se

Abstract

Authors
Oskar Gudmundsson and Joel Leteus

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Supervisor
Alina Lidén

Co-examiner
Christian Koch

Examiner
Marina Jogmark

Abstract

The increased competitive intensity in several global markets has encouraged firms which traditionally compete, to also collaborate with each other, that is coopetitive branding alliances. Coopetitive branding has, to the best of our knowledge, not been researched from a consumer perspective. Does this mean that consumers remain unaffected when two competitors all of a sudden also collaborate?

The purpose of this thesis is to explore how consumers' brand images can be affected by firms' coopetitive branding strategies. With support from existing alliance literature and an empirical study comprised of four focus groups, an abductive research approach is adopted.

The findings indicate four distinct parameters, which can influence an alliance's outcome, from the perspective of a consumer's positive or negative brand image - which is a vital component in consumer-based brand equity. The contradictory nature of simultaneous competition and collaboration makes coopetitive branding more or less desirable, from a consumer perspective, under different circumstances, which need to be acknowledged and managed by the partnering firms. A suggestion for future research is to examine a wider consumer segment and not only students, to validate the transferability of our findings.

The results contribute to the strategic alliances theory, since existing research has not examined the consumer perspective and brand image in relation to coopetitive branding alliances. The results can also provide managerial guidelines for firms that wish to understand what elements of a coopetitive branding alliance creates value with consumers.

Keywords

Coopetition, Co-branding, Coopetitive Branding, Strategic Alliances, Consumer Based Brand Equity (CBBE), Brand Image

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"I love deadlines. I love the whooshing noise they make as they go by."

- Douglas Adams, The Salmon of Doubt

Kristianstad 25th of May 2018

Oskar Gudmundsson

Joel Leteus

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

PROLOGUE

The prologue provides a practical example from a European business alliance, which contain all aspects for a coopetitive branding alliance to prevail, and from the outset provide for an easy understanding of the researched phenomena.

In 2004, the world-famous clothing brands H&M and Karl Lagerfeld engaged in a coopetitive branding alliance, that is an alliance where two competing firms from the same industry choose to cooperate and by shared means provide consumers with a new product. This product needs to be visually branded by both alliance partners. H&M and Karl Lagerfeld launched a clothing line, which was visually branded “Karl Lagerfeld for H&M”, thereby fulfilling the primary requisite for co-branding. Furthermore, although H&M and Karl Lagerfeld as individual brands are positioned differently, they operate within the same industry, manufacturing and designing apparel. For that reason, H&M and Karl Lagerfeld qualify as competitors and both contributed with physical, as well as knowledge-based resources in the development process of the clothing line. As the two allies qualify as competitors within the same industry, the terms of the alliance fulfilled the requirement for coopetition. To describe coopetitive branding, it is a conjunction between the two individual alliance concepts, which are co-branding and coopetition (Chiambaretto, Gurău, & Le Roy, 2016).

1 INTRODUCTION

The increasingly intense competition in global markets, characterized by high cost pressures, have forced businesses to find innovative ways and marketing strategies to strengthen their competitive development and growth (Chiambaretto *et al.,* 2016). Hence, it has become popular for firms to synergize their marketing efforts and cooperate through alliances, where the co-branding alliance serves as a leading example (Besharat, 2010; Grieco & Iasevoli, 2017). Comparable to co-branding, coopetition also has its roots in strategic alliances, that is when two competitors simultaneously compete and collaborate towards a common goal. However, an integral difference between co-branding and coopetition is that in coopetition, alliance partners must be competitors (Bouncken, Gast, Kraus, & Bogers, 2015), whereas in co-branding all firms, regardless if competitors or not, can engage as partners (Washburn, Till, & Priluck, 2000). Scholars have devoted more attention to co-branding than coopetition. Theory suggest that business alliances facilitate the transfer of consumer brand associations between the partnering brands (Besharat, 2010). An alliance must be comprised of two partners, and for that reason, it can only be classified a co-branding strategy when two independent brands appear collectively on a product, its packaging or logo. This form of alliance is preferred when introducing new consumer products (Besharat, 2010; Grieco & Iasevoli, 2017; Washburn *et al.*, 2000).

Competitors that engage in a co-branding alliance has given rise to the typology of coopetitive branding. The coopetitive branding alliance is similar to and based on the same preconditions as co-branding, only with the added requirement that the alliance partners must be competitors (Chiambaretto *et al.*, 2016). Chiambaretto *et al.*, (2016, p.88) define coopetitive branding as “a voluntary strategy that consists of combining and presenting jointly two or more independent brands from competing firms on a product or service”.

The prosperity of a co-branded alliance is determined by the end user, that is whether a consumer experience an increased value from the alliance-product, which in turn impact the respective partnering firms’ brand image and brand equity (i.e. the value of a brand) (Chiambaretto *et al.*, 2016).

A great deal of research has concluded brand image, as a focal managerial component, that improves a brand's value (i.e. brand equity). Brand image represents a consumer's view of a brand, which includes all feelings, associations and perceptions related to the brand in the consumer's mind (Zhang, 2015). Keller (1993) states that a primary reason to target research on brand equity is because it can contribute valuable insights in how to improve marketing productivity.

Brand equity, as a mean to determine a firm's value, can be divided into two parts, the financial perspective and the consumer-based perspective (Christodoulides & Chernatony, 2010). Consumer-based brand equity does not focus on the monetary asset value of a firm's brand, but rather a consumer's knowledge, familiarity and memory of a brand, which are all part in a consumer's brand image (Keller, 1993). How the above factors are promoted and made use of, is significant to the effectiveness of future brand strategies (Washburn & Plank, 2002).

Consumers may not reflect over their personal buying behaviours and often consider their actions rational. However, practitioners undertake large challenges in branding strategies to reach consumers' conscious and subconscious attention, in order to build relationships and establish positive brand associations. Hence, by creating sustainable relations between consumers purchasing behaviours and a product, practitioners aim to differentiate from competitors and create positive brand images in the consumer's mind (Tarnovskaya & Bertilsson, 2017).

In the 1980s, Keller (1993) recognized that maturing markets with increased competition affected business' strategies. This development proceeded into the 1990s, where business progressed away from the traditional competitive strategies, which gave rise to coopetition, that is when firms simultaneously compete and collaborate (Bouncken *et al.,*2015). From a firm's perspective can coopetition be applied with multidimensional purposes, such as: to gain a stronger competitive stance in a market, transfer know-how and technologies between alliance partners, or develop a product of use for both alliance partners by shared means (Bouncken *et al.,*2015). The famous businessman and founder of Ford Motor Company, Henry Ford, once said "Coming together is a beginning. Staying together is progress.

Working together is success" (Berzina & Rosa, 2014, p. 7), which to this day represents the essence and purpose of business alliances.

1.2 PROBLEMATIZATION

Coopetition, co-branding and coopetitive branding are all managerial business concepts under the strategic alliances umbrella (Todeva & Knoke, 2005). Gulati (1998, p. 293) defines strategic alliances as "voluntary agreements between firms involving exchange, sharing or co-development of products, technologies or service". Research on coopetition, as a hybrid between competition and cooperation (Walley, 2007) has been explored from several theoretical perspectives, ranging from game theory (Brandenburger & Nalebuff, 1996) to relationship marketing (Hunt, 1997). Similar to coopetition, the co-branding constituents have been researched and validated in relation to already established theories, such as brand extension strategies (Besharat, 2010) and concept combination (Levin & Levin, 2000).

However, the only published research article to merge co-branding alliances with competitors and explicating a working definition is Chiambaretto *et al.,* (2016). Chiambaretto *et al.,* (2016) concludes that co-branding alliances is an increasingly applied strategy between competitors. Arguably, this is an effect of the prevailing circumstances in the global business environment, which is a consequence of the dynamic modern markets distinguished by hyper-competition and shorter more intense product cycles. This has opened up for businesses to engage in strategic alliances, going as far as firms developing co-branded strategies with competitors, that is coopetitive branding. A co-branded alliance between competitors (i.e. coopetitive branding) is determined from the value of the exchange, as a competitor in some situations possess the knowledge, expertise and product portfolio that are relevant in the target market (Chiambaretto *et al.,* 2016).

Existing research on coopetitive branding alliances primarily targets the respective alliance partners' financial value development from the perspective of an alliance's benefits and risks, which are determined by comparing the coopetition and co-branding literature (Chiambaretto *et al.,* 2016). Thus, leaving a sizeable gap in existing coopetitive branding research, which has focused on exploring firms' financial development, but has excluded to examine benefits and risks from the perspective of consumers. The co-branding literature has covered the consumer perspective, and a focal criterion for co-branding is that both brands must be visible on the joint product, the consumer is therefore aware of the alliance (Helmig, Huber, & Leeflang, 2008). However, in coopetition, partners do oftentimes not market or publicly announce their collaboration towards consumers. Existing research on coopetition has for that reason, when compared to co-branding, limited coverage on consumers' perceptions and attitudes which is inadequate to transfer and validate in coopetitive branding theory. This presents an opportunity to empirically explore the relationship between coopetitive branding alliances and a scaled down version of Keller's (1993) consumer-based brand equity, to identify what factors from an alliance affects consumers' brand image.

Existing co-branding research has discovered advantages and disadvantages with co-branding, that covers how both the alliance partners and consumers' brand image are affected (Rao & Ruekert, 1994). Scholars have explored the efficiency of co-branding alliances by measuring changes in consumer-based brand equity. Change is determined by examining the alliance's outcome with the partnering firms' pre-alliance equities. Findings conclude that consumers' brand images are consistently more positive towards co-branded alliances than they are individual brands prior to an alliance. As a result, by comparing outcomes between partners of similar and dissimilar levels of consumer-based brand equity (i.e. high/high, high/low or low/low), co-branding research provides evidence that regardless of a firm's pre-alliance consumer-based brand equity, it will be further improved in an alliance. A reason can be that the alliance itself induces more credibility and suggests less risk in terms of quality (Washburn, Till, & Priluck, 2004).

However, in theory, when consumers encounter two competitors' brands, they likely prefer one over the other. When parameters from co-branding are transferred over to coopetitive branding alliances, only with the added aspect of partners also being competitors, an interesting approach is to investigate changes in consumers' brand images (i.e. brand equity) in the joint product and the individual partners' brands. From a consumer perspective, the somewhat contradictory nature of competitors allying to jointly brand a product (i.e.

coopetitive branding), findings may either support or contradict the co-branding literature and what existing coopetitive branding research prescribes in terms of an alliance's benefits and risks. Thereby, this study aims to explore how a collaborative alliance between two competitors, indifferent of partners' respective consumer-based brand equity, affects consumers' associations and brand image (i.e. consumer-based brand equity) on the alliance product and the firms' individual brands, that is spill-over effects.

Research concludes that the prevailing dynamism of the modern business environment's hyper-competition acts as a driver, to increase the number of firms engaging in coopetitive branding alliances in the near future (Chiambaretto *et al.*, 2016). Thus, with limited research on coopetitive branding, we aim to further empirically broaden and add to the theoretical foundation.

The following sections are devoted to the research purpose and question and is based on the problematization.

1.3 RESEARCH PURPOSE

Consumer brand image is a vital component of consumer-based brand equity. The purpose of this thesis is to explore how a consumer's brand image can be affected by two competitors that collaborate and offer a jointly branded product to the market, that is coopetitive branding.

1.4 RESEARCH QUESTION

How does coopetitive branding alliances impact brand image?

1.5 DISPOSITION

This thesis contains seven chapters. *Chapter one* initially presents an introduction to the subject, followed by a problematization in order to understand what will be researched, which leads to the formulated research purpose and research question. Chapter one ends with a disposition of the thesis. *Chapter two* presents the theoretical methodology in terms of chosen research philosophy and research approach, followed by a motivation on the chosen theory. *Chapter three* covers the theoretical background which presents relevant theory for this thesis. *Chapter four* describes the empirical method chosen to gather and analyse data. *Chapter five* presents empirical findings as well as an analysis of those findings. *Chapter 6* contains a discussion of analysed findings. *Chapter 7* is the last chapter of this thesis and it therefore contains a short summary of the thesis, a critical review, future research suggestions and finally managerial and theoretical contributions.

2 THEORETICAL METHODOLOGY

This second chapter introduces the research method of this thesis, clarifies the epistemological assumptions and presents the applied research philosophy, research approach and choice of theory.

2.1 RESEARCH PHILOSOPHY

Typically, research takes its outset in one of three main philosophies: positivism, realism or interpretivism. The three philosophies have a different perspective on interpreting the social world (Levin & Levin, 2000), where for instance positivism is mainly driven by measurable facts. From this perspective, a primary requisite for data to be considered credible is that a phenomenon must be observable. Furthermore, positivism explain the social reality, that is the rationale behind human behaviour and take influence from the natural sciences. The positivist philosophy is strongly connected with quantifiable research (Bryman & Bell, 2015). Realism is to some extent an epistemological extension of positivism, in which the production of knowledge is based on a scientific approach. Realism can be divided into two perspectives: empirical realism and critical realism. These take different positions in the way human senses portray the real world and how in detail a phenomenon is analysed (Bryman & Bell, 2015).

Interpretivism, on the other hand, has a different epistemological take. Interpretivism was founded by writers who disagreed with applying the natural sciences perspective to study the social world. Interpretivism is, therefore, strongly linked with the social sciences and emphasis the understanding of human behaviour and differences between humans as social actors (Saunders, Lewis, & Thornhill, 2009). The interpretivist philosophy is most commonly applied in qualitative research (McCusker & Gunaydin, 2015).

Moreover, as this thesis is concerned with understanding consumer perceptions (i.e. brand image) of coopetitive branding alliances, the social sciences perspective from the interpretivist philosophy is most aligned with the research purpose.

2.2 RESEARCH APPROACH

According to Bryman and Bell (2015) researchers can tackle their projects from three approaches, these are the deductive, inductive and abductive approaches. Each approach characterizes the nature of the study and how it is executed. However, Bryman and Bell (2015) also states that the three approaches are only to be seen as tendencies, as the lines separating them might be blurry. In this thesis an abductive approach is used, which can be interpreted as a combination of an inductive and a deductive approach (Bryman & Bell, 2015). This approach is suitable due to the complex phenomenon studied, since it would not be possible to conduct the empirical research and properly interpret findings without a thorough understanding of existing theory on the subject.

2.3 CHOICE OF THEORY

Social science is rooted in the understanding of subjectively meaningful experiences (Ritchie & Lewis, 2003). Ritchie and Lewis (2003) argue that all social research contributes to theory through providing knowledge and deeper understanding of the social world. In order to truly understand what consumers think and how they react to two competing firms that jointly brand and offer a product, this thesis relies on three key concepts. Firstly, literature on consumer-based brand equity is included to understand how a consumer's feelings, knowledge and thoughts affect a brand. Secondly, to understand the consequences for and the motives behind competitors that engage in collaborative relationships, literature on coopetition is considered. Lastly, literature on co-branding is included in order to understand the implications of two firms that jointly brand and offer a product.

The co-branding and coopetition literature was merged in 2016 and named coopetitive branding (Chiambaretto *et al.*, 2016). However, too few researchers have since then explored it. Thus, the term coopetitive branding is used in this thesis, but we rely on co-branding and coopetition literature. With support in the co-branding and coopetition literature, this thesis aims to explain how coopetitive branding activities affect a consumer's image of a brand. The thesis as a whole fall under the branding umbrella, as it is the impact of coopetitive branding that is the focal point of study.

3 THEORETICAL BACKGROUND

As this thesis aims to explore coopetitive branding from a consumer perspective, the following section will provide insights into existing theories that are relevant to understand how and why coopetitive branding alliances should incorporate the consumer perspective. The theoretical background gives an overview of the separate co-branding and coopetition literature and concludes with coopetitive branding, to clarify how its theoretical base is made up of the coopetition and co-branding literature, which in coopetitive branding have merged into one. Moreover, the consumer perspective is analysed with help of brand image, which is a vital component in consumer-based brand equity and this is the first theory introduced in this chapter.

3.1 BRAND EQUITY

Research on brand equity took place over most of the 1990s and evolved into two different “paths” of brand equity, namely the financial viewpoint and the consumer-based viewpoint (Christodoulides & Chernatony, 2010). The first path, the financial viewpoint, was the topic for one stream of researchers where the goal of the discussions was to determine and invent means to measure the financial value that is originated in or rather added to the business through brand equity (Simon & Sullivan, 1993; Haigh, 1999). The second path, the consumer viewpoint was pursued by some researchers (Aaker, 1991; Keller, 1993). This research targeted consumer-based brand equity which refers to the market’s perceptions of a brand, where positive perceptions will lead to a firm’s continued growth both market and profit wise (Christodoulides & Chernatony, 2010).

The history of consumer-based brand equity has strong connections to David A. Aaker who in 1991 conceptualized consumer-based brand equity and Kevin Lane Keller who two years later in 1993 did the same. Moreover, they both apply similar research methodology to found their respective works on cognitive psychology and information economics (Christodoulides & Chernatony, 2010). Aaker’s work identified four dimensions of consumer-based brand equity, which are: perceived quality, brand associations, brand awareness and brand loyalty. These dimensions represent the way a consumer perceive and respond to a particular firm (Christodoulides & Chernatony, 2010). Keller (1993, p.2) defined consumer-based brand equity as "the differential effect of brand knowledge on consumer response to the marketing of the brand". Keller's (1993) definition can be explained by visualizing a scenario where a consumer is in a position to choose between two products, a branded product and another product which is identical yet unbranded. The consumer's either more or less favourable reaction to the branded product's marketing mix, which brand name he or she is familiar with, compared to the identical unbranded product's marketing mix, determines whether a brand has a positive or negative value, that is consumer-based brand equity.

According to Keller (1993), the foundation of his conceptual framework for consumer-based brand equity is "Brand Knowledge", which is described as brand nodes in the consumer's memory that holds different associations to a brand. Brand knowledge is in turn divided into two dimensions, brand awareness and brand image (associations). If consumers display high brand awareness and good brand associations, a firm's brand equity value increases. In opposite circumstances, with a lower degree awareness and negative associations, brand equity does likely decrease (i.e. a negative value) (Keller, 1993). Other studies on brand equity have come to similar conclusions regarding the importance of brand awareness and associations in consumer-based brand equity (Christodoulides & Chernatony, 2010). The trend in this particular research area seems to be moving towards consumer-brand relationships and consumer equity away from the relational intangible asset (i.e. brand equity) (Christodoulides & Chernatony, 2010).

Brand image, as part of consumer-based brand equity, has been identified as a central concept in the world of marketing since the middle of the 20th century, yet a universally accepted definition is absent (Keller, 1993). According to Keller (1993), his definition is in line with Herzog (1963) and Newman (1957), thus creating uniformity to some extent. Brand image is by Keller (1993, p5) defined as "perceptions about a brand as reflected by the brand associations held in consumer memory." Furthermore, associations can be distinguished in numerous different ways, including related and non-related product attributes from a functional or experiential perspective, its symbolic benefits as well as the overall brand attitudes. Brand image is the combination of every single association a consumer has of a brand, no matter its type (Keller, 1993).

3.2 COOPETITION

The term coopetition was first used in Nalebuff and Brandenburger's book "Co-opetition", published in 1996, which the authors founded upon theoretical advancements stemming from the already established game theory (Walley, 2007). Coopetition is described as a combination of cooperation and competition, which means that firms simultaneously compete against and cooperate with one another (Bouncken *et al.*, 2015). Thus, the somewhat complex nature of coopetition facilitates businesses favourable circumstances to strategically achieve the goal of reaping benefits that belong to both collaboration and competition (Bengtsson & Kock, 2000).

Coopetition is a portmanteau, that is two separate words combined into one, of cooperative competition. Coopetition is a fairly new term in business and its genesis remains ambiguous. Some researchers suggest that the term originated from Nalebuff and Brandenburger's research, whilst most academics acknowledge the American businessman Ray Noorda as the founder and pioneer who both coined the term and implemented it in business in the 1980s and 1990s (Bouncken *et al.*, 2015). However, coopetition did not receive academic attention until 1996. Nalebuff and Brandenburger's work can be regarded as the catalyst for research on the subject. Their work described a new concept of alliances, exclusively between competitors (Bouncken *et al.*, 2015). The past two decades have witnessed an incremental upsurge in coopetition research, yet the research field as a whole is still rather fragmented and restricted (Bouncken *et al.*, 2015).

Researchers have studied strategies and motives for firms to engage in coopetitive alliances (Dorn, Schweiger, & Albers, 2016). Findings suggests that coopetition facilitates firms' potentials to obtain more rapid growth by shared resources, to collectively achieve a greater goal than what individual firms can manage with own resources. Furthermore, findings also imply that strategic motives behind firms' engagement in coopetitive alliances not only concern growth in existing markets, but also development potentials by targeting emerging markets and new business opportunities. To consider the latter, in terms of research and development activities prior to a firm's entry in a new market or launch of a new product, a coopetitive alliance can be advantageous for firms to mitigate risks associated with the capital-intense nature of product development and reaching new markets (Bouncken *et al.,* 2015).

Studies endorse coopetition as a legitimate strategy for competitors, which is based in observations that competitors often share many similarities in regard to their respective knowledge base, which can enable a smoother, more efficient knowledge flow and exchange (Bouncken *et al.*, 2015). However, it is important to acknowledge that the above mentioned describes the eventual relationship between competitors, whereas research also suggest that it is easy to get blinded by the positive aspects.

The risks associated with coopetitive alliances are multifaceted and range from knowledge leaking and opportunistic behaviour, to tensions that arise due to differences between firms, (Bouncken *et al.,* 2015) most likely based in the alliance's paradoxical nature of simultaneous collaboration and competition (Raza-Ullah, Bengtsson, & Kock, 2014). That is, when alliance partners aim to develop shared benefits, whilst at the same time sustain a competitive position and achieve profits to their respective firms (Ritala & Tidström, 2014). However, tensions within coopetitive alliances are not necessarily to be considered a threat. If tensions are accepted as an unavoidable consequence of the alliance's nature, and managed accordingly, it may rather lead to considerably beneficial results (Luo, Slotegraaf, & Pan, 2013). Moreover, some research states that risks are not only limited to tangible threats such as knowledge leaking or opportunism, but the sheer fear of an incident could be a trigger to endanger or ultimately dissolve the alliance (Vanyushyn, Bengtsson, Näsholm, & Boter, 2018).

3.3 CO-BRANDING

Co-branding as both a concept and practical strategy has experienced an incremental increase in terms of attention from brand managers, marketers and scholars. This can be explained from the intense competition in saturated markets between competitors and retailers (Washburn *et al.*, 2000; Helmig *et al.*, 2008), which encourage firms to undertake alternative methods, to differentiate their offerings from that of competitors, with the intent to gain a competitive advantage (Grieco & Iasevoli, 2017). Kottemann, Decker and Hentschel (2017) explain co-branding as "the use of two or more brand names that are jointly presented to the customer on a single product". To qualify as a co-branded product, the alliance must comply with four basic requisites. Firstly, the two partner brands must continue their operations individually prior to, during and after the completion of the co-branded product's life cycle. Secondly, a co-branded strategy must be a conscious choice, acknowledged by both partnering firms. Thirdly, the arrangement between the two firms must be apparent to consumers. Fourth and lastly, the product must concurrently appear with the two partnering firms' brands (Helmig *et al.*, 2008).

Research on co-branding has over the past years focused on various aspects, that covers both positive and negative effects from a co-branding alliance (Rao & Ruekert, 1994) and emphasises the intricate art to find a suitable alliance partner (Van der Lans, Van den Bergh, & Dieleman, 2014). Benefits that are associated with a co-branding alliance are more or less generic with other types of alliances and generally concerns reduced costs in business areas such as research and development, advertising and production. On the other hand, risks usually concern tensions between alliance partners, which could emerge from one partner that is publicly noticed to conduct its external operations (i.e. outside the alliance) in an irresponsible manner (e.g. a scandal), disputes in regard to ownership of the joint product or opportunistic behaviour (Chiambaretto *et al.*, 2016).

Researchers have, in addition to the firms' perspective, also explored co-branding from a consumer perspective, with focus on the consumer's evaluation of the jointly offered product (Bouten, Snelders, & Hultink, 2011). Research has from the consumer perspective concluded that firms that engage in co-branding alliances gain the possibility to reinforce their own individual brand equity by using secondary associations of external brands (Kottemann, Decker, & Hentschel, 2017). Secondary associations are part in a three-stage process. Firstly, a core association is what come directly to mind when a consumer thinks of a brand. Secondly, a secondary association is in turn what comes to a consumer's mind when he or she thinks of the core association (Krishnan, 1996). Figure 1 illustrates an example of secondary associations.

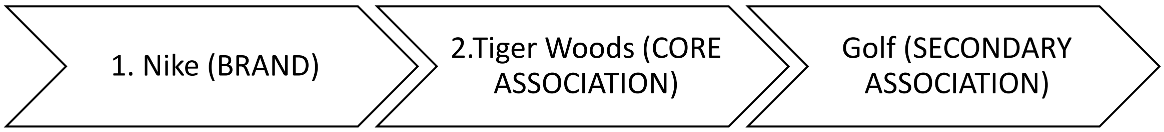

FIGURE 1,SECONDARY ASSOCIATIONS

Spill-over effects have also been identified (Kumar, 2005) in terms of positive brand associations that could potentially shift and be shared among partners in the co-branding alliance and, thus, lead to consumers' increased brand awareness and new brand associations (Washburn *et al.,* 2000). Essentially, to create new competitive advantages by the reinforcement of consumers' brand images (Aaker, 1991; Keller, 1993). Washburn *et al.,* (2000) concluded that if the partnership consists of two high-equity brands who jointly offer a co-branded product, that product will receive a strikingly positive image. The interpretation of a joint product that receive positive consumer responses is explained by Washburn *et al.,* (2000) as the judgement a consumer make about a new product that lacks "information", and hence, takes associations that belong to the individual brands involved.

Furthermore, Washburn *et al.,* (2000) stated that a high-equity brand that pairs up with a low-equity brand suffers no risk in regard to their reputation. Hence, they conclude co-branding as a win/win strategy, even though it probably is more beneficial for the low-equity partner to ally with a high-equity partner, than the other way around. The reason being that consumers are likely more aware of and have positive associations towards the high-equity brand, which are likely to transfer over to the low-equity partner (i.e. spill-over effects). A follow- up study by Washburn *et al.,* (2004) resulted in a conclusion stating that the mere act of firms' engagement in a co-branding alliance increases consumers' evaluation of all involved brands and firms' consumer-based brand equity, regardless of their brand equity status prior to the alliance. Except for bringing no harm to the high-equity brand, an incentive for high-equity firms to partner up with a low-equity brand would be the increased sales from reaching a new consumer audience (Washburn *et al.,* 2004). However, some research contradicts Washburn *et al.,* (2004) and claims that combinations of contradictory brand images between co-branding partners could be directly harmful to a brand's image, due to consumers uncertainty and/or confusion (Geylani, Inman, & Hofstede, 2008). As a final perspective, some studies have concluded that a consumer's brand associations, which are positive on an individual basis, might change when transferred to a new product category with a brand partner (James, 2005).

3.4 COOPETITIVE BRANDING

Coopetitive branding was identified and defined by Chiambaretto *et al.,* (2016) as "a voluntary strategy that consists of combining and presenting jointly two or more independent brands from competing firms on a product or service." Thus, the elements that construe the definition of Chiambaretto *et al.,* (2016), makes coopetitive branding a concept that has been theoretically built and structured upon the already existing co-branding and coopetition literature (Chiambaretto *et al.,* 2016). Chiambaretto *et al.,* (2016) identified four different types of coopetitive branding alliances, these are: direct competitors, indirect competitors, symbolic and hybrid. What separates the four types of alliances are different degrees of resource similarity and the number of resources that are shared between the partnering firms. When labelling the individual types of alliances, the authors assumed direct competitors to have similar resources, whilst indirect competitors have less similar resources. Based on this presumption, they concluded that direct competitors can benefit more from an alliance. This is not unique to coopetitive branding, as previous research on alliances concludes that firms that offer similar products and target similar consumers will have similar resources, and that a firm's positioning in the market determines whether they are direct or indirect competitors (Barney, 1991).

The similarity or dissimilarity between the partnering firms' resources are divided into two groups, as either symbolic or hybrid. A symbolic strategy would fundamentally be restricted to firms jointly labelling the product (i.e. their logotypes). A hybrid strategy entails that the two firms share all resources, both tangible and intangible, that are required to produce the joint product (Chiambaretto *et al.,* 2016).

Chiambaretto *et al.,* (2016) explored how time (i.e. duration) can impact a coopetitive branding alliance's success and examined whether short-term or long-term alliances brought about different outcomes. Moreover, the study investigated if there are differences when direct competitors or indirect competitors partner in either a short-term or long-term alliance. From a practical example, that regards an alliance between H&M and Sonia Rykiel, Chiambaretto *et al.,* (2016) concluded that the benefits outweighed the risks. The duration of this alliance qualified as short-term. Chiambaretto *et al.,* (2016) explored several similar alliances and incorporated cases that stretched both long and short term. From this, they could determine that in all situations, the short-term benefits outweighed the risks. However, if partners were direct or indirect competitors did not suggest any differences and short-term proved to be preferable in both types of alliances. On the contrary, from research of alliances with a long-term perspective, the benefits never outweighed the risks. This result was motivated by tensions that arose, due to factors that with time needed increased managerial attention and risked to harm the alliance partners' individual brands, as well as consumers who decided to switch between the two brands. Similar to short-term, the results did not change between partners being direct or indirect competitors (Chiambaretto *et al.,* 2016).

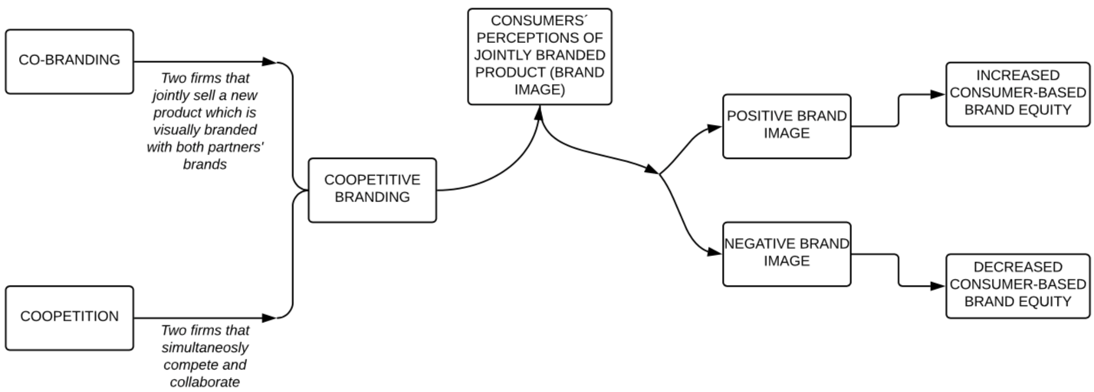

FIGURE 2, THEORETICAL OVERVIEW

Figure 2 illustrates this thesis's sequence of events and the connections between the components in the theoretical background. This is to clarify that coopetitive branding is made up from separate elements that are taken from the respective co-branding and coopetition literature, and in turn, how the consumer perspective and brand image are connected to a brands value, that is consumer-based brand equity.

4 EMPIRICAL METHOD

Qualitative research can take various courses and researchers have at hand to apply diverse techniques in the execution of gathering and interpreting data. In the field of marketing, several methodologies such as grounded theory, an ethnographic approach and phenomenology, are each individually suitable with strengths and weaknesses of researching a marketing phenomenon (Goulding, 2005). This chapter introduces the various stages of research, that constitutes the foundation of this thesis.

4.1 RESEARCH DESIGN AND STRATEGY

Research designs come in three formats: descriptive, exploratory and explanatory. Which is most suitable to apply needs to be established and have strong support in the research question. Firstly, the explanatory design studies a particular situation with the purpose to explain a relationship between certain variables relating to a problem. Secondly, the descriptive research requires full objectivity and concentrates on describing observations of behaviours occurring in a specific environment. Third and lastly, the exploratory research design does as the name imply focus on exploring the research question, where researchers gain insights when setting out to understand a specific research area or pre-identified problem. Advantages with the exploratory design is that it allows for some flexibility and adaptability, with the application of mixed strategy methods, which characterises this particular study, has enabled for a more dynamic process when gathering and interpreting data (Saunders *et al.*, 2009).

When deciding on a research strategy, it has been crucial to consider a strategy applicable to smaller scale research and taking into account the fixed time limitation (Denscombe, 2016). When determining the appropriate strategy, a focal objective in the decision has been how well the strategy can explain and answer the research question (Saunders *et al.*, 2009). Denscombe (2016) describe nine potential categories of research strategy: survey, case study, experiment, ethnography, phenomenology, action research, systematic literature review and a combination of methods. As this study concentrate on understanding the consumer viewpoint (i.e. brand image) on coopetitive branding alliances, the research strategy needed to leave space for interpretation and allow the research participants to express thoughts and emotions by speech. All factors considered, this study benefits from a combination of strategies, comparing different individual perspectives and its implications on the researched phenomena. By not excluding any strategies and applying a combination of various traits taken from several strategies, the study provides a holistic yet reliable outcome portraying actual consumer insights on a rather unexplored field of research. However, in practice, the most applicable and viable strategies to outline the research have firstly been phenomenology, which focuses on the expression of personal experiences and mediating that image through one's own perceptions. Secondly, the most relevant and useful strategy has been experiment, which as a strategy is implemented to identify the cause and effect of the certain phenomenon. This does also share some similarities with the final strategy that is grounded theory. The latter is to a higher degree set out to explore a new area of knowledge, develop theories and contribute new insights (Denscombe, 2016).

Furthermore, as has previously been mentioned, the amount of time available for a thesis such as this is quite limited, which was considered in the designing of the research. A cross-sectional design is the best option when time is taken into consideration, this is deemed a common problem (Bryman & Bell, 2015). A cross-sectional design differs from a longitudinal design mainly from a time perspective, as the data collection is made at a single point in time, thus resulting in a "snapshot" of the examined reality rather than an overview (Bryman & Bell, 2015). Bryman and Bell also state that it is quite common in qualitative research when the researcher make use of a semi-structured interview (Bryman & Bell, 2015). As this study is focused on understanding changes in consumers' brand image when introduced to a coopetitive branding alliance, the interpretive stage has focused on questions such as what, how and why coopetitive branding trigger consumer reactions (Saunders *et al.*, 2009).

4.2 FOCUS GROUPS

To understand the effects coopetitive branding has on a consumer´s brand image, we have used semi-structured focus groups. However, to be able to fully explore the researched phenomenon and the focus groups' potentials, we added a twist to the focus group structure, in the form of a hypothetical coopetitive branding scenario. The hypothetical scenario and the alliance's product was shaped to appeal to the focus group participants, and takes into consideration that these were all students, in similar ages and different genders. The hypothetical scenario is described in detail on page 24, however, first and foremost the general structure and motives for selecting focus groups are presented.

Focus groups have been described as an excellent method when researching peoples' attitudes, feelings, ideas and perceptions on a certain topic (Denscombe, 2016). It is in many ways similar to a group interview. The main difference, that separate focus groups from group interviews, is the role of the moderator or the interviewer. In a group interview, the interviewer continuously asks questions which the interviewees answer individually. In a focus group the participants are instead encouraged to interact through discussion and to express their subjective interpretations and opinions, as well as their reasoning behind those opinions. Focus groups are best conducted in an informal setting, where the moderator's role is to guide and if needed support the discussion (Denscombe, 2016).

Denscombe (2016) points out that the ideal number of participants in a focus group ranges from six to nine, but in smaller research projects it is usually lower. Four participants were in this case considered ideal, to ensure that all participants would have the possibility to speak their mind. With four participants partaking in each of the four focus group sessions, the study has collected sufficient materials to base the analysis upon. However, it should not be neglected that the inclusion of additional focus groups, covering a larger population, could benefit the study's result.

A total of 16 students participated, divided into four focus groups as displayed in table 1**.** Participants were approached via social media, face-to-face and through phone calls. Three out of the four groups were made up of business students enrolled at Kristianstad

University, whilst the fourth group (i.e. group three) consisted of students from various programs at Lund University. We considered it an important factor to achieve homogeneity among participants in each group, as it can help to generate free-flowing conversations (Morgan, 1997). Thus, the participants in the different groups already knew each other, which enabled a relaxed atmosphere of trust, where participants could express their feelings and thoughts on the subject freely (Denscombe, 2016).

TABLE 1, LIST OF PARTICIPANTS

SEX	PARTICIPANT NUMBER	YEAR OF BIRTH	CITY OF ORIGIN	FOCUS GROUP	FIELD OF STUDY	UNIVER-SITY
FEMALE	1	1996	Torslanda	1	Business Administration	Kristianstad University
FEMALE	2	1990	Täby	1	Business Administration	Kristianstad University
MALE	3	1995	Vellinge	1	Business Administration	Kristianstad University
MALE	4	1990	Lund	1	Business Administration	Kristianstad University
FEMALE	5	1992	Knivsta	2	Business Administration	Kristianstad University
MALE	6	1993	Åhus	2	Business Administration	Kristianstad University
FEMALE	7	1994	Tollarp	2	Business Administration	Kristianstad University
MALE	8	1993	Åhus	2	Business Administration	Kristianstad University
MALE	9	1994	Höllviken	3	Law	Lund University
MALE	10	1994	Höllviken	3	Mechanical Engineering	Lund University
MALE	11	1994	Höllviken	3	Mechanical Engineering	Lund University
MALE	12	1994	Höllviken	3	Meteorology	Lund University
FEMALE	13	1993	Budva	4	Business Administration	Kristianstad University
MALE	14	1989	Medellín	4	Business Administration	Kristianstad University
MALE	15	1994	Marieholm	4	Business Administration	Kristianstad University
MALE	16	1995	Sölvesborg	4	Business Administration	Kristianstad University

The third focus group, with students from Lund, has helped validate the study's results and was intended as a control group. That is because educational backgrounds and experiences could affect participants' opinions in the researched phenomenon. However, group three's opinions corresponded with the groups that consisted of business students, which leads us to believe that the results are reliable.

The use of students in social science research, and especially in consumer research, has been criticized because students might not be a representative sample of the population (Peterson, 2001). According to Peterson (2001) it is deemed inappropriate to use students when the goal is to generate generalizations or to identify universal principles. However, Peterson (2001) also states that it could be appropriate for some studies, one should simply be aware of the potential limitations and scrutinize the participant selection carefully. We chose students partly because of convenience, but also because we believe students have the analytical ability to evaluate and assess different scenarios from multiple aspects. Additionally, the scenarios were tailor-made to establish interest, since it is deemed appropriate that the participants find the topic relevant for them to partake in the discussions (Bryman & Bell, 2015).

4.3 GUIDELINES FOR FOCUS GROUPS SESSION

In the focus groups, we used a semi-structured interview guide, found in appendix A. In semi-structured interviews, the focus group participants have large influence in guiding and controlling the course of the discussed content. As advocated by Bryman and Bell (2015), the semi-structured interviews had a series of pre-defined questions, formulated to stimulate the participants' engagement in the discussion. These were structured so that the moderator could adapt and vary the order of the questions asked, to better suit the progression of each individual discussion. Furthermore, the semi-structured interview allowed the moderator to ask follow-up questions in response to discussions, that brought up answers significant to the study's result (Bryman & Bell, 2015). By not limiting the participants' opportunity to freely discuss the focus group topic, several creative and original discussions awarded the study with new insights and knowledge on how coopetitive branding alliances can affect a consumer's brand image.

The focus group interview guide commenced with five main questions, allowing for some breadth in the dialogue and although formulated differently these had been designed to maintain focus on the research question. Following these five questions, the interview guide ended with another five questions to conclude the participant's individual and the groups collective feelings and impressions toward coopetitive branding. Depending on the group's ability to analyse and consider the focus group topic, the latter five were designed to trigger new discussions and were more leading than the former five.

To ensure the participants engagement and understanding of the focus group topic, a few days prior to each session participants were sent a welcoming email confirming the date, place, time and a practical example of a coopetitive branding alliance between H&M and Karl Lagerfeld – see appendix B. In this email we stated the research purpose to deepen the participants' awareness and thus also increase the quality of their responses at the time of the session.

The four focus groups took place over the last week of April 2018. Group one was carried out on Monday the 23rd in Kristianstad, the second group followed on Tuesday the 24th in Kristianstad, the third on Wednesday the 25th in Lund and lastly the fourth on Thursday the 26th in Kristianstad. The duration of all four sessions stretched between 50 and 55 minutes. Upon arrival, participants were offered a cup of coffee, a fresh juice and a selection of cookies to create a tension free and friendly atmosphere. By limiting each focus group to four participants, all rather similar in age and enrolled at a university – the homogeneity and size of the groups did naturally create common ground and easy conversation.

Each focus group session started with the moderator welcoming the participants and going over some basic rules for all to consider. These rules are found in appendix A. Step two in the process was comprised of the moderator reading fictional descriptions of two individual firms (i.e. introducing two brands) whom are both manufacturing and selling headphones. While presenting the two firms, each participant had been equipped with a copy of the text to ease taking in the information. Furthermore, for each of the firm's headphone we had constructed a hypothetical consumer profile illustrating the headphone, the target audience and relatable brands that consumers choosing this product may prefer. By facilitating both verbal and imagery information, we hoped to wake and provoke feelings, making the participants favour one of the two firms' products. Following, the participants were asked to select a personal favourite headphone, choosing between either firm A or firm B. Each participant had been provided with a named answering sheet to write down their answer. The participants were asked not to show or tell their answer to the others partaking. After this stage, the moderator introduced the participants to the critical research problem by reading a press release where firms A and B as competitors had engaged in an alliance to manufacture and sell a co-branded product, that is coopetitive branding. The press release is attached in appendix A. To emphasise the importance of the alliance partners being competitors, the participants had access to a collage of well-known competing firms from various industries. This was made to help stimulate the thought process and aid their reasoning around the phenomena, not only limiting participants to relate their responses to the hypothetical firms A and B.

Prior to the second focus group, some minor modifications were made to the structure of the interview guide, that contributed to broaden the initial base-questions, which successfully led to more vibrant discussions. As moderators in two focus groups each, we aimed to guide and inspire discussions while ensuring not to interfere with the participants' process and remain objective with a neutral language.

4.4 DATA ANALYSIS

To commence with the analysis of primary data, the materials from the focus group discussions first had to be managed (Bryman & Bell, 2015). Hence, each of the four focus group sessions were audio recorded and transcribed in a specific software programme. Denscombe (2016) give suggestions on how raw data should be transcribed depending on the extent of analysis and what the data will be used for. As this research aims to understand consumers' motives for certain reasoning when confronted with a coopetitive branding scenario, the extent of transcribing required for the entirety of all discussions to be noted, including pauses of hesitation and repetitions of already stated opinions. Thus, transcribing has been a vital and valuable process before commencing with the analysis. Once we had transcribed all four focus groups, the data was broken down and categorized, using guidelines from the thematic analysis. The thematic analysis target research focused on describing and summarising essential outtakes from large empirical data (Braun & Clarke, 2006).

According to Braun and Clarke (2006) the thematic analysis is suitable for novice researchers, due to its high degree of flexibility and usefulness to interpret and describe qualitative data. The fundamental purpose of the thematic analysis concern breaking down, reducing and making sense of data by developing themes (Bryman & Bell, 2015). The reduction of data was systematised and comprised into ten main themes, derived and composed from the focus group interview guide. The primary stage of coding progressed from systematically reading and breaking down each of the groups' answers to the focus group questions. All individual statements that were considered to be of significance to the research question were then summarised in a few words under the same theme. This process was in a consistent matter repeated through all transcripts and interview questions.

The second stage was finding and highlighting commonalities between separate groups' answers to the same questions. If similar responses were recurring, these were grouped together and coded as a collective assessment between the involved groups. The frequency of groups agreeing upon similar conclusions were noted to underline and accentuate its grade of importance. Thirdly, we brought forward the summarised findings together with the ten themes. At this stage the themes and findings could be further comprised down to five themes, concluding with a coopetitive branding alliance's impact on consumers' brand image. At a fourth and final stage, we summarised each of the four focus group's answers based on their unanimous opinion on coopetitive branding alliances, how brand image can be affected and the most essential and central factors that had influenced their arguing when discussing the researched topic. This has been summarised in table 3.

The materials gathered from the thematic analysis, connected with the theoretical background have been the basis for the analysis and result in chapter five.

4.5 TRUSTWORTHINESS

When assessing the quality of a qualitative research it is important that the finished product is trustworthy (Bryman & Bell, 2015) whether it is or not will have a direct impact on eventual findings' relevance from the perspective of other researchers and readers. According to Bryman and Bell (2015) four criterions, namely: *credibility*, *transferability*, *dependability and confirmability.*

Credibility refers to the way of which the researcher interprets and explain the studied social reality (Bryman & Bell, 2015). As stated above, it is the researcher's duty to interpret the social world, this implies that there could be many different yet equally correct interpretations (Bryman & Bell, 2015). To ensure credibility for this thesis we sent the transcripts of our focus groups to the participants in order to give them the opportunity to comment on eventual misinterpretations, and to make sure we understood them correctly.

Transferability of findings originating from a qualitative study is a bit problematic, this due to the nature of a qualitative study compared to that of a quantitative study (Bryman & Bell, 2015). Qualitative findings derive from interpretations of the social world with certain individuals within certain contexts at a certain time (Bryman & Bell, 2015). This make it difficult to replicate the findings even within similar contexts. By providing a thick description would make it possible for others to determine whether the findings are transferable or not (Bryman & Bell, 2015) which is why the interview guide that contains the scenarios that has been discussed are all available in appendix A.

Dependability is argued to be an important criterion to establish trustworthiness (Bryman & Bell, 2015). Bryman and Bell (2015) describe dependability as the transparent and accessible storing of transcripts, field notes, thesis drafts and other important data in case peers would like to review the material to judge the final paper and the way it was conducted. To fulfil this criterion our complete transcripts, field notes and thesis drafts are saved online and local on our computers and will be available if needed.

Confirmability refers to the fact that to stay completely objective in business research is quite frankly impossible (Bryman & Bell, 2015). However, it should be apparent throughout the research and its findings that the researcher does his best to stay objective, in order not to render the findings useless because of the researcher's subjectivity (Bryman & Bell, 2015).

4.6 LIMITATIONS

This thesis includes a few limitations, which can risk the transferability of empirical findings. Firstly, the participant selection was limited to students only. Secondly, the focalized coopetitive branding scenario was limited to one product. The hypothetical product and scenario had been tailor-made to suit and appeal to students as the researched target group. However, due to time constraints and the research's feasibleness, the scope needed to be limited to the one scenario, one product and one homogeneous target group. Thereby, the study risks that focus group participants as consumers may have responded differently to a different scenario, or the potential to conclude a divergent result with input from another social group as representatives. Lastly, although the headphone is a frequently used product among students, there exist individual differences and subjective opinions that substantiate responses as to how closely each participant could relate to and take interest in a product from the technology industry. Managing the role as the focus group moderator, although aware of subjective reasoning among participants, strong attempts have been made not to influence the group ambiance with our subjectivity and to remain as objective as possible.

4.7 ETHICAL CONSIDERATIONS

The ethical aspects of research cannot be ignored, as the manner in which these are considered and treated within the social sciences directly reflect the integrity of the study (Bryman & Bell, 2015). The main ethical concerns of this study have been confidentiality and preserving the safety of our 16 focus group participants' privacy.

For researchers to display interest in responsible business research, the ethical principles do usually revolve around four main areas: Firstly, *whether there are any risks that might expose or harm participants*. Harm does in research ethics not only refer to physical injury but is multi-faceted. By ethical standards, research participants should for instance not be subject to stress or actions that may harm their career or personal development. Secondly, *to which degree there might be a lack of informed consent*. Participants should prior to partaking be provided with as much information as possible, enabling each participant to make an informed decision as to whether or not they wish to be a part of the study, that is giving their consent to the study's purpose and process. Thirdly, *if the research risks to invade the privacy of individuals*. The research participants should not be subject for intrusion in what they consider their private domain, by researchers trying to collect too much information or on the contrary burden participants with self-knowledge that they do not wish to acquire. Thus, researchers need the participant's consent in understanding what the study entails, much similar to the previously discussed aspect of informed consent. Lastly, *whether deception is involved.* Researchers should not mislead or hide the true research agenda and purpose, nor limit participants' understanding of what the research is about (Bryman & Bell, 2015).

Having considered the ethical standards of research, all participants' identity has remained anonymous and each participant is instead represented by a unique number. The researched area, covering coopetitive branding, does not intend to intrude upon or within any private topics and no participant has been forced to partake against their own will. Before the commencement of each focus group, participants were sent a welcoming email, clearly stating the research purpose and clarifying the topic that they would be part in discussing. At the focus group sessions, each individual participant had to give their consent to the discussion being audio recorded and they were at this time also instructed with how materials would be used for the research purpose only. Furthermore, all participants have been given access to their finished transcription in the eventuality that anything has been misinterpreted or risk invading on private domains and they were thereby offered the possibility to suggest alterations before the materials were further analysed. Finally, the literature supporting the study's empirical findings have all been properly referred back to the respective owners, to exercise responsible reference practice and exclude any sense of plagiarism.

5 ANALYSIS AND RESULTS

This thesis has by means of a thematic analysis explored how coopetitive branding alliances impact consumers' brand image and which external causes motivate changes in brand image. The thematic analysis is based of four semi-structured focus group interviews, including a total of 16 participants. We have identified five main themes to help analyse and respond to the research question. These are: the overall attitudes on coopetitive branding, time horizon and consumer involvement, brand loyalty's impact on alliance products, fit and positioning of alliance partners, and the prospect of transferring associations and brand image. Extractions and quotations from the focus group interviews have been translated from English to Swedish. These are not verbatim and have in some cases been altered for readability and easier interpretation.

5.1 OVERALL ATTITUDES ON COOPETITIVE BRANDING

TABLE 2, FOCUS GROUPS' ATTITUDES TOWARDS COOPETITIVE BRANDING

GROUP	OVERALL ATTITUDE TOWARD CB*	IMMEDIATE CHANGES IN BRAND IMAGE
1	Positive	Positive increase
2	Positive	Positive increase
3	Positive	Positive increase
4	Positive	Positive increase

* *CB is short for Coopetitive Branding*

As an introductory theme to the analysis, we commence by briefly presenting the focus groups' general assessment of coopetitive branding alliances and conclude by connecting our findings with literature. In the final stage of the discussion, the focus group participants were asked to conclude their overall stance towards a coopetitive branding alliance. The intention was to access participants' initial, more objective, feelings towards firms engaging in coopetitive branding alliances, without any consideration to the alliance's outcome, the partnering firms that constitute the alliance, which industry the alliance take place and so on.

As is illustrated in table 2 the groups all had a positive outlook of firms that engage in coopetitive branding alliances. Participants based their conclusions in the belief that two firms should be able to jointly create a better product by combining resources, ultimately resulting in an initial positive increase in brand image. Participant 8 expressed his opinion as follows:

> *I would probably go for the joint product, it depends on the product but as an example, a collaboration between a firm with innovation as its main association and a firm with quality as its main association sounds very good (Participant 8).*

Participant 8 clearly expresses interest and curiosity towards a coopetitive branding alliance, as his initial belief is that the two firms' main associations will merge and that the coopetitive branding alliance will result in a superior product compared to those of the individual firms.

This finding leads us to believe that, the mere act of firms that engage in coopetitive branding alliances initially contributes positively to consumers' brand image. This conclusion is in line with findings from Washburn *et al.,* (2004) who also suggest that only by insinuating a co-branding alliance, it can increase consumers' evaluations of the involved brands with a positive increase in brand image, and thus, also verify findings as valid to coopetitive branding. What separates our conclusion from that of Washburn *et al.,* (2004), is that co-branding is not limited to competing firms, whilst the parameters of this study are. Furthermore, our conclusion regards the initial phase, before consumers evaluate the coopetitive branding alliance's outcome. Theirs however, covers the co-branding alliance in its entirety, from start until the end (Washburn *et al.,* 2000).

5.2 TIME HORIZON AND CONSUMER INVOLVEMENT

The time horizon of a coopetitive branding alliance and a consumer's involvement in a certain product or purchasing process, developed into two highly interrelated and focal interview questions. That is because our findings indicate that consumers' reactions differ between coopetitive branding scenarios, which can depend on an alliance's duration and the degree of involvement consumers display in the purchase process. The subject area was first brought up as a follow-up question and was not part of the original interview guide. Thus, from discussions, in which focus groups questioned why competitors engage in coopetitive branding alliances and us acknowledging that research has yet to suggest verified directions on any parallel between derived value and an alliance's duration, these have been especially interesting topics of discussion. Thereby have the focus group participants brought up several valuable aspects, that consider how an alliance's time horizon (i.e. duration) can impact brand image. The focus group discussions have in relation to the duration of an alliance concluded that the degree of consumer involvement suggest differences in the outcome and success of an alliance. This has been reviewed from the perspective of probable impact on brand image.

As mentioned above, a particular finding and reason to explore the time horizon of coopetitive branding alliances has been focus group participants (acting as consumers) reacting differently towards a longer time horizon, from that of a more temporary and shorter alliance. The underlying reason is that in a longer-term alliance, the involved firms risk to damage individual brands and distort their brand image among consumers. Thus, firms are at risk that consumers perceive not only a transfer of secondary brand associations, but an outright change of a firm's core business and attributes. A radical shift in consumers' brand image and the firms being observed as more of a combination than individual brands, can be considered both positive and negative, which depends on an alliance's purpose. Chiambaretto *et al.*, (2016) researched time horizon from the firms' perspectives and provided strong evidence, with similar outcomes, from the evaluation of several different coopetitive branding alliances, comparing benefits with the associated risks. With increased duration, the long-term alliance must increasingly manage more factors to preserve and uphold the collaboration's prosperity, which also increases the risks to damage the alliance partners' individual brands. Participants in focus group three had an interesting interpretation of the implications on an alliance's duration. The following is a summarised and to some extent merged extraction from their dialogue:

> *Participant 9– As we said, one firm's associations can transfer to the other in an alliance. With a longer duration alliance, I think that firms' culture might also pass over between partners. Long term, firms' core attributes risk being reduced and diluted by the firms conjoining, and they become vulnerable against losing their uniqueness.*
>
> *Participant 11– Then it would be better just to create exposure through a month hype, because that would really benefit the firms.*
>
> *Participant 10- It all comes down to the purpose of the alliance. If the purpose is to gain large exposure, perhaps a shorter duration alliance is preferred. But if the firms decide to create something together long term, they risk diluting individual brands and may lose existing customers, while perhaps also attracting new with their collective attributes.*

On the contrary, as mentioned in the above dialogue, the discussion turned to how a shorter time horizon may implicate the alliance. Three of the four focus groups concluded that in a short-term alliance, not perceived as a perpetual partnering and exchange between competitors, the alliance can enable the transfer of consumers' secondary associations with a brand, which in turn have a direct impact on brand image. Chiambaretto *et al.,* (2016) concluded that, in short term, it has been true for all researched coopetitive branding alliances that the benefits outweigh the risks and is thus favourable. Furthermore, the transfer of secondary associations is in short term likely to contribute to a positively increased brand image, however, without exposing firms' individual core businesses to any radical change, which is a risk that firms must accept and manage in long term alliances.

Findings that appertain to the transfer of secondary associations between alliance partners, in both short and long term, correspond to that of the co-branding theory. Kottemann *et al.*, (2017) concluded that through a co-branding alliance, an individual firm's brand equity can be reinforced by means of transferring wanted secondary associations between brands and thereby also increase brand image.

An interesting finding on short term alliances, is the potentially perplex long term effects, that can burden consumers as a result of a shorter-term alliance. The discussed phenomenon can be described as, the allied firms takes one step forward and two steps back, that is to rapidly increase their consumer-based brand equity and then lose more than what was initially gained. This can occur if a consumer favours the alliance product, that has been brought to the market short term, over the two partnering firms' products. This consumer may even have substituted one of the allied firm's products for the alliance outcome. Participant 16 describes his take on this particular sequence of events as follows:

> *In the scenario with headphones, as I am hesitant between firm A's product and firm B's product, I would have preferred the combined alliance product. However, if they after a while decide to terminate the alliance, then I am left standing with a product that no longer exist with these specific attributes. Then I no longer know which individual firm to choose (Participant 16).*

Participant 14 confirmed the above quotation by stating *"you feel discarded by the companies" (Participant 14).* Thus, both of the allied firms risk to lose consumers by terminating the alliance product, perhaps to a competitor which can provide more similar attributes to that of the consumer's preferred alliance product.

With reference to Chiambaretto *et al.,* (2016) who's study reached similar conclusions from an investigation of H&M and Sonia Rykiel, who engaged in what qualifies as a coopetitive branding alliance. They concluded that, as this alliance only extended short term, the benefits of the alliance outweighed the potential risks, put in relation to how brand image was affected. This leads us to the conclusion that, due to the outcome of comparable results, previous findings from the allied firms' perspective on an alliance's duration are also applicable from the consumer perspective and coopetitive branding alliances' impact on brand image. That is, short-term alliances yield stronger benefits than long-term alliances, seen from both the firms' and consumers' perspectives.

The discussion on the importance of duration has lead the study to also explore how consumers' product and purchasing involvement respond to an alliance. That is, if different degrees of involvement have any significance towards altering a consumer's brand image, when the product is associated with a coopetitive branding alliance.

The focus group participants referred to involvement as either how much time a consumer spend before deciding on a purchase or the dependability and degree of personal interest taken in the product. In the matter of low involvement products, the focus groups concluded that impulse and first impressions, such as the product with a better smell, the one with softer texture or that which is most conveniently positioned will be selected, regardless of brand and can thus also be an alliance's product. Thereby, in low involvement purchases consumers do not reflect over which brand they are purchasing and as they display limited product awareness, brand image of both the alliance product and the partnering firms' individual brands remain largely unaffected. The opposite occurs when consumers display a higher degree of involvement. It would, from the focus groups' perspective, only be natural when for instance prices or dependability increases, to research alternatives and consider more aspects, before concluding a purchase. For a consumer that takes interest to research a product, this process naturally increases the consumer's awareness of the product. The immediate effect, if responded to positively, is an increase in brand image of both the alliance product and the partnering firms' brands and vice versa. Participant one said:

> *I believe it present difficulties with larger product purchases (i.e. high involvement) such as for instance a mobile phone. Because this is purchased to last for a few years and in this case, you may prefer one or the other and not the unknown alliance product. A coopetitive alliance product is more in line with smaller purchasing items (i.e. low involvement) where perhaps headphones could be purchased as an alliance product. But when there is more at stake, a higher price and thus a larger perceived risk of not achieving product satisfaction, I would probably not purchase a coopetitive branding alliance's product (Participant 1).*

As involvement has never been researched in relation to coopetitive branding or coopetition and with limited to no attention in co-branding, findings cannot be confirmed in existing literature. Our empirical findings suggest that low involvement purchases imply insufficient consumer awareness to acknowledge and separate an alliance product from individual brands. If consumers do not acknowledge and associate the product either negatively or positively, there are no effects to the alliance product's brand image, or in the individual firms' brand image. On the contrary, when the purchase implies a higher degree involvement, as elaborated on by participant one, consumers dedicate more attention to research and contemplate alternative products, to compare the products' benefits and risks. Thus, upon the product purchase, the consumer is aware of and has found positive attributes that outweigh previously potential alternatives. This sequence of events would contribute to strengthen the alliance product's brand image, which could potentially also transfer back to the alliance partners' individual brands. However, it seems that consumers would be hesitant to pursue the purchase of an alliance product that implies a higher degree of involvement. That is, in situations where the consumer is dependent on a good product, as it from the consumer's perspective when straying away from well tested alternatives, increases the risks not to obtain a satisfactory product.

5.3 BRAND LOYALTY'S IMPACT ON ALLIANCE PRODUCT

Another theme that the focus groups discussed was how the jointly branded product would appear in the eyes of the consumer, with emphasis on the partnering firms' different associations. Participants were asked to discuss whether perceptions of the joint product might differ, because of a consumer's prior preference towards one of the two firms. In the design of this particular question, preference was not intended to equal loyalty but rather a slight preference towards a firm and/or its product. The participants however, put a lot of emphasis on the importance of loyalty towards a brand, when in contact with a coopetitive branding alliance. Brand loyalty is after all, similar to brand image, a part of consumer-based brand equity (Aaker, 1991; Keller, 1993). However, loyalty's major role in a consumer's evaluation of coopetitive branding alliance's firms' brand images, was not anticipated.

Numerous different approaches were considered by the participants. Three out of the four groups thought that the purpose of the product was important in their evaluation. If the product is offered to the market solely to benefit the firms, in terms of market growth or other motives described in coopetition literature (Bouncken *et al.,* 2015), their brand images are likely to be affected negatively. However, if the product's purpose is to benefit the consumer or the greater good (i.e. the environment), brand image is likely to be affected positively.

The alliance product itself was discussed and viewed from two distinct perspectives. Firstly, as a product that could become a favourable mixture of the two firms' main associations, thus, with the potential to satisfy an additional consumer segment - who previously did not favour either of the firms, which as a result would increase brand image. This finding is in line with conclusions from Washburn *et al.*, (2000) who concluded that since a new product lacks associations and/or information on its own, the consumer therefore takes associations from the individual firms in the coopetitive branding alliance. Secondly, a product which essentially is a compromise, where neither of the two firms' main associations are present. The associations might even be mutually exclusive, which the participants feared may result in a mediocre product, that ultimately leads to a decrease in a brand's image. Participant 16 expresses his opinion on the possibility to reach more consumers with a combined product in the following way:

> *I agree with you participant 15, I am also not sure whether to choose firm A or firm B, so I would absolutely see it as something positive. If you must choose between them, but both have things you want, special attributes that I want, so I see it as a win (Participant 16).*

From participant 16's statement, we learn that a joint product can be advantageous to reach consumers who are currently not comfortable or satisfied with either of the individual brands. Thus, a third consumer segment emerges, thanks to the associations that the alliance product receives from the two partnering firms, a previously non-existing mixture.

Furthermore, whether the unique associations of the individual firms are deemed by the consumer to fit or not, will impact their evaluation of brand image. The worst-case scenario would be as described by Geylani *et al.,* (2008), where contradictory brand images could be directly harmful to a brand's image due to consumers' uncertainty and/or confusion.

The product's marketing mix was also found to be a possible factor that could affect the consumer's evaluation of the product. The product would be given a negative evaluation if it were to possess a radically different marketing mix to that of the individual firms' products and vice versa.

As previously mentioned, loyalty was considered an important aspect by the participants, but with mostly negative implications. All the groups discussed loyalty from a perspective in which a consumer who is loyal to a brand, could not simultaneously be loyal to that brand's competitor. If a consumer is very loyal to one of the two firms, the participants determined it likely that the consumer also disliked the other firm. If that was to be true, the loyal consumer could potentially dislike the coopetitive branding alliance to various extents. In certain cases, there could even be a risk of completely shattering a consumer's loyalty, which participant 6 elevated as follows:

> *I agree with what participant 7 says, if you are loyal to one of the firms, maybe you do not feel anything, or you might even dislike the other firm. Then that could make one stop purchasing the product from them completely instead (Participant 6).*

Participant 6 describes a scenario in which he is loyal to one firm in the coopetitive branding alliance and dislike the other firm. He then continues to state that it could even cause him stop purchase from the firm that he was loyal to prior to the alliance.

The four groups did however discuss it in less extreme terms as well. They all described a scenario in which the loyal consumer disapproved of the existence of the coopetitive branding alliance but were simply satisfied with not purchasing the joint product, as well as to stay loyal to one of the individual brands. Only two groups voiced a positive take on loyalty, yet it required the consumer to possess the ability to be rational while remaining loyal. That is a consumer who is able to recognise the positive aspects of the other firm, even though that firm is not the preferred choice.

5.4 THE FIT AND POSITIONING OF ALLIANCE PARTNERS

Similar to evidence retrieved from the co-branding literature, coopetitive branding alliances can develop and take place between a wide formation of competing firms, which do not necessarily need to be positioned identically, within an industry, to be considered competitors. Chiambaretto *et al.,* (2016) identified through their research four main formations of coopetitive branding alliances between firms, namely: direct, indirect, symbolic between direct competitors and symbolic between indirect competitors. This study focus' on the direct and indirect formations of alliances. Thus, the compatibility and positioning of alliance partners caught this study's interest, much due to the implications of loyalty in relation to competitors. For that reason, a central theme of analysis is how the strategy behind the partnering of firms affects consumers' view on the alliance and the respective partnering brands, that is how it influences brand image.

In co-branding research, Van der Lans *et al.,* (2014) have concluded that there is an art to select an appropriate alliance partner. Does their conclusion also apply to coopetitive branding and what are the expected outcomes in scenarios where partnering brands are at different levels of compatibility and brand image? By analysing the four focus groups' responses, we conclude some effects in particular, which set apart the main differences between firms with strong similarities pairing, from that of firms with different positioning and dissimilar recourses.

Firstly, when firms are positioned differently, their individual brands are not targeting the same consumer segment. What constitutes a consumer segment are specific behavioural and psychographic variables, which together create homogeneity within the segment (Jobber & Fahy, 2015). Consumers are grouped into segments so that the products and services offered will be of the highest appeal, due to the nature of consumers' experiences, preferences, lifestyles and so on. When consumers associate positive memories with and favour a particular brand, that increases brand image and thus, also the value of the brand, that is consumer-based brand equity (Keller, 1993). As stated earlier, when two brands with diverse features and attributes pair up, the alliance product can become mutually exclusive and risk not to retain the complete set of attributes that are favoured from the one segment's consumers. To understand a coopetitive branding alliance's effects on brand image, when a brand that is positioned towards one consumer segment engage in an alliance with a brand that targets another, the focus groups brought up some interesting perspectives. The focus groups elaborated upon a situation when what is perceived as a well-known firm pair up with one that is less well known, from the perspective of brand image, and the following is a summarised extraction from a dialogue between participants in focus group one:

> *Participant 2– A strong firm, they could get a worse reputation if they all of a sudden are associated with a worse firm.*
>
> *Participant 3– Yes, when we discuss brand image, of course the larger firm may not be as popular and liked when they pair up, but at the same time, if the different firms can benefit each other then there is a purpose to work together. The importance is to look at brand image, how the large firm can be affected by the smaller firm, because the small one takes no risk.*

To interpret the participants' choice of words, a large firm is regarded as one with strong brand image and a small firm as one with a weaker brand image. In the event of an alliance, consumers consequently associate a considerably increased risk for the firm that they identify as having a strong brand image and no risk for the smaller firm. The focus groups interpreted, in this context, risks as negative associations from the smaller firm that are transferred and taints the larger firm. Moreover, a second potential risk would be the large firm, by the bilateral transfer of associations, to lose strengths and be receptive to absorb weaknesses from the smaller firm, implying that the alliance would be more beneficial to the firm with a weaker brand image. This finding is somewhat contradictory to the co-branding literature where Washburn *et al.,* (2000) concluded the following: The pairing of one high-equity brand (i.e. strong brand image) and one low-equity brand (i.e. weak brand image) does not imply any risk in regard to the firms' reputation and is thus a win/win strategy. Our study concludes that when two brands, with dissimilar features and levels of brand equity (i.e. brand image) partner in an alliance, the smaller firm is granted larger fortune and is likely to reap greater benefits from the alliance than the stronger alliance partner. However, this is in line with Washburn *et al.,* (2000) who also concluded that it is probably more beneficial for the low-equity firm (i.e. weak brand image) to partner with a high-equity firm (i.e. strong brand image), than the other way around. This is motivated by consumers being more likely to recognise, be aware of and connect the high-equity brand with positive associations, which are then likely to transfer over to the low-equity partner.

As the findings in coopetitive branding contradicts that of co-branding's win/win strategy, a partial explanation can be made in relation to consumer loyalty. In the study of coopetitive branding, it is important to remember that no matter brand equity, image or positioning – the alliance partners are exclusively competitors, which is not the case in co-branding. As briefly introduced and elaborated upon, segmentation and positioning separate and divide markets based on similar consumer characteristics. Hence, products that are marketed and positioned outside a particular segment are at best noticed in a consumer's peripheral. On the other hand, a product that is only in the peripheral of one consumer segment may be in the centre of another. As consumer-based brand equity and brand image in particular is determined by all of a consumer's associations and memories of a brand (Keller, 1993), a product that appeals to one segment and has a strong brand image, may be revoked by another. Participant four described this scenario with a practical example:

> *For instance, if you perhaps like expensive Mercedes' or Porches and one of these were to collaborate with Fiat. The Mercedes or Porsche customer would likely doubt the alliance product, because in some way Fiat does not represent that same image (Participant 4).*

Participant four takes into consideration the coopetitive branding alliance's partners fit, that build on the discoveries of consumers' loyalty. An important aspect to regard is the paring of two brands, who essentially manufacture and sell the same product, but are positioned differently. The German automotive manufacturers are likely to possess a stronger brand image among the general population than what Fiat does. However, as these are positioned differently, consumers to each brand have likely made a decision based on brand-specific features and perhaps to some extent also loyalty. Both brands exhibit individually strong brand images but have built these upon different features and attributes. One aspect considered by customers could be price[1]. As Mercedes is regarded a luxury car, in a hypothetical alliance, Fiat consumers who have purchased a Fiat due to personal financial constraints may appreciate the brand to now share associations with Mercedes. On the contrary, the Mercedes owner, who spent additional money to enjoy a car associated with luxury, may interpret the alliance as Mercedes losing some of its exclusivity. Thus, consumers

[1] Mercedes' entry model, the A-class has a starting price of 275 900 SEK (Mercedes Benz, 2018). The comparable model from Fiat, the Fiat 500, has a starting price of less than half of the Mercedes', 129 900 SEK (Fiat, 2018).

can see very different upon a coopetitive branding alliance and from the firms' perspective the alliance may not be mutually rewarding. Participant one said:

> *I think some firms are perfect for such a collaboration, but some firms can absolutely not do it because they are going to lose these customers who really only want their products (Participant 1).*

Thereby, the fit between partnering brands are crucial and although one brand's consumers may find the alliance good, there is no guarantee that the others will. Instead, they may risk losing the purists who have a strong loyalty towards their brand only, which would make brand image suffer and consumer-based brand equity would thus decrease. Hence, from the analysis of this particular example, from the perspective of brand image, with two competitors that are positioned differently - we can also relate back to co-branding theory. Geylani *et al.,* (2008) point out that contradictory brand images of co-branding partners could due to customers' uncertainty and/or confusion be directly harmful to a brand's image. This is applicable and true also between the pairing of competitors, that is coopetitive branding alliances.

Secondly, as a continuance, stronger similarities between partnering firms could perhaps avoid consumers' confusion and set sight on both firms achieving greater results from the coopetitive branding alliance. Similarities in coopetitive branding alliances that concern resources, positioning and brand image can occur between well-known global brands, but also between less known, smaller brands. Participant one expressed this as follows:

> *It does not matter if firms are large or small, but they need to at least be equally known. Yes, because then they can benefit each other more (Participant 1).*

Participant one determined that the partnering of similar firms, regardless of size, but in terms of resources, positioning and image - will be more beneficial than alliances in which partners exhibit larger dissimilarities. A major finding by Chiambaretto *et al.,* (2016), from the perspective of the allied firms, was that close competitors (i.e. direct competitors) obtain greater benefits from a coopetitive alliance than indirect competitors with greater dissimilarity. Their motives are that direct competitors, due to resource similarities and business practices, have a better mutual understanding of each other and can thus, due to a naturally better fit, take advantage of each other in a coopetitive branding alliance. Coopetition researchers Bouncken *et al.,* (2015) suggest that coopetition is a valid path for competitors, as partnering firms often share many similarities which enables a smoother and more efficient exchange. To reflect back at consumers and brand image, with a good fit between competitors, in an alliance that from a consumer's viewpoint is perceived as a natural fit, a smooth transaction between competitors as alliance partners will resonate in positive consumer responses. There are no general guidelines as to what determine good fit. The focus groups declared that much depend on the industry and what the product is, put in relation to the fit of the partnering firms. Participants nine and ten elaborated on a coopetitive branding alliance, where partners are positioned differently, as follows:

> *Participant 10– So much depend on the finished product. I think I would look more on the product than I would back at the firms behind it, at least I would like to think that I would.*
>
> *Participant 9– Of course, you become a bit sceptical, but looking and believing in the best outcome you might think that they have taken each other's individual strengths. Say if one is known for good quality and the other for design, then you would hope that the product is made up of the one firm's knowledge in quality and the other's design.*

Similarities between partnering firms is for that reason not a necessity for a product to appeal towards consumers. Participant nine and ten's path of thought indicates a large portion of rationale, which may on the other hand, due to the hypothetical circumstances not reflect consumers' path of reasoning in a real situation. However, with the partnering firms' individual strong brand attributes, an alliance product does not necessarily need to exclude the partnering brands' strengths. Instead, firms can be selective in the alliance product's development process, to implement individual brands' strengths that consumers perceive as the best of both worlds. Thus, can an alliance with partners that are positioned differently contribute and find unique attributes of appeal, to yield and benefit brand image.

Additionally, even though alliance partners seem to have a natural fit, much of the prosperity that is shown through brand image is highly dependent on consumers' subjectivity, which is difficult for firms to analyse and take into consideration beforehand.

Lastly, Chiambaretto *et al.*, (2016) concludes their research and states that two brands that partner in a coopetitive branding alliance, which consumers perceive as a bad fit, can be directly harmful as it risks confusing consumers. With support in our findings, this study confirms the conclusion of Van der Lans *et al.*, (2014), which validates the importance of fit between alliance partners and that there is an art to select and identify the right partner. Thus, the pairing and purpose of partners is critical for a coopetitive branding alliance's success and how it affects brand image.

5.5 ASSOCIATIONS TRANSFER AND BRAND IMAGE

The focus group participants were asked to consider if it can be possible to transfer associations between the two partnering firms' brands in a coopetitive branding alliance, which is also known as spill-over effects. Spill-over effects represents a vital role in this thesis, as its existence can help answer the research question. This is because, even minor changes in what a consumer associate with a brand, will result in a change of the overall brand image. What differentiates this from the previous discussion is where the associations end up. In previous sections of this thesis, associations have been discussed from the perspective of the joint product and from where the alliance product receives its associations. Instead, this segment refers to the context in which an association that belongs to one of the alliance partners' firm, can transfer to be associated with the other firm, that is a transfer in consumers' minds, and if so under what circumstances.

As was mentioned in chapter 5.2, an alliance's time horizon is from the consumer perspective and brand image an important aspect for firms to consider. However, interestingly, when the discussion regarded spill-over effects, the focus groups concluded that the transfer of core associations (i.e. spill-over effects) would be more likely in long-term alliances than it would in short-term. Participants argued that this could be because it takes time for spill-over effects to develop, transfer and find traction with consumers. They concluded that a main purpose of spill-over effects should be to generate substantial changes to brand image, which would only be plausible over longer periods of time. Thus, we conclude that spill-over-effects, in terms of secondary associations, can occur on a short-term basis, but associations that represents the core of a consumer's brand image requires more time to transfer to be even remotely possible. The transfer of secondary associations has been concluded a possibility in co-branding research as well, however, it has not been researched in relation to an alliance's duration (Kumar, 2005).

One group in particular discussed the possibility to change brand image from a different perspective. This was in relation to H&M which over time has engaged in several alliances with different designer brands. Below is a summarised version of participant 9's thoughts:

> *But that might have changed the image on H&M, perhaps not quality but when it comes to the hype that encircle it, or how interested one is of H&M in general. That it still increases when you feel that a firm is continuously presenting new products, not just following the same old path, but rather that something is happening (Participant 9).*

From the dialogue above, we can interpret that participant 9 thinks it is possible to change (in this case to the better) a consumer's image towards a brand, through a coopetitive branding alliance. However, not necessarily via the transfer of associations between the two collaborating firms, but rather because they are collaborating repetitively and continuously providing consumers with new products, different from their typical line of clothing. In other words, it is due to the many short-term alliances, which provides consumers with perceived change, that the firm yield positive consumer responses, which ultimately benefits brand image. The many short coopetitive branding alliances, instead of a single long-term or a single short-term alliance, was appealing to consumers (i.e. focus group participants). We therefore conclude that a competitive advantage was created in the case described above, due to the reinforced brand image and by the firm finding a unique approach to use the benefits from a short-term alliance with multiple partners, to also reap benefits associated with long-term. This is in line with what other researchers portrayed as a possible perk, that is, when a strong brand image is achieved it also contributes to a competitive advantage (Aaker, 1991; Keller, 1993).

All of the groups stressed the potential risk of afflicting damage to a consumer's brand image or even strengthening the consumer's brand image of the competitor (i.e. the alliance partner). The participants discussed the possibility of a consumer that arrives to the conclusion that the other firm, who the consumer previously did not view as the preferred alternative, now is a viable option. This is in line with Chiambaretto *et al.,* (2016) who concluded the possibility for a consumer to switch brands, due to newly found insights through a co-branding alliance. Thus, we conclude that in coopetitive branding alliances there is a risk to nurture one's competitor. The participants rationale is possibly due to the paradoxical nature of a coopetitive branding alliance, where the firms are collaborating as well as competing (Raza-Ullah *et al.,* 2014).

Moreover, the participants discussed risks in the outcomes of an eventual scandal, which has been mentioned in both co-branding and coopetition literature and can appear as opportunistic behaviour or knowledge-leaking (Chiambaretto *et al.,* 2016). No matter from which of the partnering firms the problems originate, in the eyes of the consumer, both could be at fault as the two firms are collaborating. Thus, any wrongdoing, from either partner, regardless of variables such as loyalty or duration, it could potentially convert into serious negative consequences for both partners in terms of a consumer's worsened brand image

6 DISCUSSION

The abductive research approach has enabled this study to consider and validate empirical findings with support in existing alliance literature, while also contributing new insights to the effects of coopetitive branding on consumers' brand image. This chapter summarises and makes clear the most substantial findings.

TABLE 3, DETERMINING FACTORS

GROUP	OVERALL ATTITUDE TOWARD CB	CHANGES IN BRAND IMAGE	DETERMINING FACTORS
1	Positive	Positive increase	Industries, time and involvement
2	Positive	Positive increase	Satisfaction in CB-product
3	Positive	Positive increase	Positioning and fit
4	Positive	Positive increase	Industries, involvement and fit

* *CB is short for Coopetitive Branding*

In table 3, which is an extension from the table found in the analysis' opening chapter, we have added a column with determining factors. From the analysis and transcriptions, we have been able to identify independent groups' most critical assessments in support of their reasoning, to justify their overall attitudes towards coopetitive branding alliances as positive.

The general, overall approach, has been based of the belief that two firms allying, using combined resources and knowledge, should entail the capability to create a better performing product. Thus, the mere act of firms insinuating a coopetitive branding alliance, suggest positive initial reactions from consumers, which also indicates an increase in brand image.

However, from the first stage of consumers' initial reaction to a concluded alliance, there are several aspects worthy to consider.

Findings accentuate the importance of time, where the positive or negative effects on brand image have different tendencies that depend on an alliance's duration. In short-term alliances, the potentials to gain a consumer's support with a positive brand image, are superior to a coopetitive branding alliance's associated risks. Thus, when compared with long-term alliances, the shorter-term alliances yield greater benefits to both the alliance product and in terms of transferring positive secondary associations between partners. In longer-term alliances, partnering firms are exposed to damage their individual brand images by consumers perceiving a change in a firm's core business and attributes. The negative connotations of change are due to consumers' perception and image that firms are observed as to some extent having merged together. However, also long-term alliances are considered beneficial, in terms of benefits exceeding the risks. If long-term alliances are well managed, the transfer of core associations between firms, can be regarded as a positive exchange of sought after attributes (i.e. spill-over effect), which can contribute to a strengthened brand image. However, no alliance is risk free and in short term, although tendencies to gain rapid positive responses to brand image, firms risks that consumers feel discarded once the alliance has concluded. When consumers are dissatisfied with a firm, consequentially brand image also decreases. Thus, short-term exposure can reward short-term gains in brand image, but if the long-term effects from having purchased the alliance product turn out to be negative from the consumer's point of view, the firms risk losing more than what was initially gained.

Involvement became a focal element of the focus group discussions and is considered as one of the study's main findings. As a variable that affects brand image, involvement encompass multifaceted factors that differ between what consumers perceives as either a low or high involvement purchase. An alliance product, that consumers in their purchasing process consider as low involvement, is likely to not affect the product's brand image or the partnering firms' brand images. Our findings suggest that low involvement purchases are influenced by a consumer's instincts. Thus, consumers display little awareness in the purchased product, its attributes and the brand. Thereby can an alliance, in terms of sales, benefit from products within the low involvement purchases category, however, with very limited benefit and risk to affect brand image. The opposite occurs in high involvement purchases, as consumers display increased awareness in the product and factors such as brand loyalty become relevant. In high involvement purchases we can conclude that, when a purchase is of greater significance to the individual consumer, they do more in-depth research and decisions are likely affected by emotions, rather than instinct. Hence, a consumer's voluntary product awareness increases brand image, if the consumer approves of the alliance products attributes and the opposite if attributes are disapproved. If a consumer is very loyal to one of the alliance's firms, findings suggest that the alliance may provoke negative emotions. A particular consequence can be that the loyal consumer frowns upon the alliance and disapprove of the partnering firm, which in turn transfer negative associations back to the previously favoured firm. Thus, firms run the risk of eradicating loyalty by associating their individual brands with something that contradicts the consumer's brand image. However, findings also imply that an alliance can yield positive opportunities by appealing to a new, "third segment", who prior to the alliance's product did not favour either of the two alliance partners' individual products. The combination of firms' resources would thereby fulfil the possibility to achieve a product that emerge into existence, which by consumers is perceived to be uniquely built upon the most sought-after attributes from two separate worlds. Hence, by positive consumer responses, the partnering firms have developed a new source, through the "third segment", to strengthen brand image.

To avoid the identified risk of eradicating consumer loyalty, the study's results suggest that consumers must perceive a natural fit between the two alliance partners and that there is an intricate art to find the appropriate partner for a coopetitive branding alliance. If consumers perceive the partners as a bad fit, the alliance can become directly harmful and risks damage individual firms' brand images. As alliance partners can be both direct and indirect competitors, the partnering firms do not need to be positioned identically. From our discovery can both similar and dissimilar positioning among partners generate favourable benefits in terms of consumers perceived value and brand image. However, unfortunately there are no universal guidelines to what makes partners a good fit. Although, transparency towards consumers is critical. It is first when consumers understand and can make sense of the alliance's purpose and partnering, that they can leave their subjective opinions, look at the alliance from a neutral perspective and determine if partners are a good fit or not. The alliance can thus, by being transparent, yield substantial benefit in terms of brand image to both the alliance and firms' individual brands, and to some extent control the risks of eradicating consumers' loyalty towards the individual brands.

At first, several focus group participants questioned the purpose of coopetitive branding alliances, as firms that simultaneously compete and collaborate, by selling and marketing a joint product, in practice is somewhat contradictory. In spite of their initial scepticism, focus group participants' final assessment and general attitude indicate that coopetitive branding, at least in theory, is a viable strategy for competitors to implement. However, in practice there are no assurances that it will strengthen the partnering firms' brand images. Much depend on how well the referred to findings are managed and on what market and/or consumer research the alliance is based upon. As a consumer's attitude and image of a brand is highly subjective, findings indicate that much of an alliance's success depends in what industry it takes place. The particular industry, put in relation to high or low involvement products and consumer loyalty within that industry, can make or break the success of a coopetitive branding alliance. That is, whether the involved firms can benefit from transferring associations (i.e. spill-over effects) back to individual brands, without negatively distorting consumers' perspective of the brand. Moreover, for a consumer to approve of an alliance, it is important that the alliance's product propose consumers with what is perceived as an enriched experience, with greater perceived benefits and product attributes.

With that, we determine coopetitive branding a viable strategic alliance, that allow for improved consumer brand images, and thus, also strengthening the values of partnering firms through brand image enhancing consumer-based brand equity.

7 CONCLUSION

7.1 SUMMARY OF THE THESIS

This thesis explored how a coopetitive branding alliance affects a consumer's brand image of both the alliance's product and the partnering firms' individual brands. As previous research had focused on coopetitive branding, from the perspective of benefits and risks, between different characteristics of partnering firms, our research took a different angle and hoped to contribute some original findings to the coopetitive branding theory. For that reason, we focused our study in the consumer perspective, to investigate what aspects of a coopetitive branding alliance created value with consumers, that is consumer-based brand equity in which brand image is an essential component.

To understand how consumers responds to coopetitive branding alliances, the study took a qualitative approach and performed four semi-structured focus groups, which explored the researched area with help from a hypothetical scenario. As coopetitive branding is essentially a merge between the separate co-branding and coopetition literature, an abductive approach was adopted, to validate empirical findings in the existing literature. However, as some findings were not covered, we presented the focus groups' motives to support the findings' relevance in the context of coopetitive branding.

All four focus groups concluded that they had positive outlooks on coopetitive branding alliances and that two firms, regardless of them being competitors or not, should by shared means be able to create a superior product, compared to what firms could achieve with individual resources. Participants also helped to conclude that coopetitive branding alliances could facilitate spill-over effects, which are associations that are transferred between the two partnering firms' brands and/or from the jointly branded alliance product. We found that the following four factors had large influence on consumers and possess' potentials to affect brand image, that is to increase or decrease consumers' perceived value of a brand (i.e. consumer-based brand equity): *consumer involvement, time horizon, loyalty and fit between the two firms.*

A consumer's involvement varied between different types of products. A high involvement product lead consumers to take a cautious approach and evaluate alternatives, which was the opposite with low involvement products, where a consumer's instinct was the main driver. We therefore concluded that high involvement products, due to consumers' increased awareness, would yield higher rewards, but also with increased risks.

Time horizon referred to the alliance's duration and we concluded that a short-term alliance's benefits outweighed its risks, which differed when alliances stretched long-term. Short-term was concluded to be the favoured choice as it had the possibility to transfer secondary associations from one firm to the other, without risks to distort the individual brands' images. Instead, long-term alliances incorporated elements that could transfer firms' core attributes, which risked to confuse consumers and distort their brand images of both the alliance product and the partnering firms' brands. Long-term alliances did also suggest increased tensions between firms and needed more managerial attention.

The impact of *loyalty* should not be underestimated. We found that a loyal consumer may express negative emotions towards an alliance, if the partnered brands are not perceived as a good fit and contradicts the attributes that consumers valued in the one firm. Thus, a consumer's negative associations would damage brand image and firms could even be at risk to lose loyal consumers.

The fit between two alliance partners, in terms of positioning and associations, showed to be rather complex and to find a suitable firm to partner with was described as an intricate art. Whether the firms were direct or indirect competitors did not affect results, as it was a consumer's subjective perceptions that would justify whether the two partnering firms' brand images were perceived as either contradictory or a natural good fit.

To answer our research question. In most cases, a coopetitive branding alliance can contribute to a consumer's increased, positive brand image. However, there are several factors that must be considered, before a coopetitive branding alliance can create value in the eyes of consumers. Every alliance is unique, and every consumer have different experiences and perceptions – which is why every unique case needs to be evaluated and explored individually.

7.2 CRITICAL REVIEW AND FUTURE RESEARCH

The limitations associated with this thesis can also be viewed as opportunities for future research. Therefore, it would be of interest to apply a similar methodology, however, with different hypothetical scenarios and products to determine to what extent the findings of this thesis are transferable. Additionally, four focus groups have been conducted with a total of 16 participants. We were not able to pursue a fifth focus group, due to time constraints, but managed to collect sufficient high-quality data from the four groups. However, we do still recommend future researchers to gather more data. The 16 participants were all students and the use of students in consumer research has been criticized (Peterson, 2001). It would therefore be of interest to use non-students in a similar study, to determine the transferability of our findings. Lastly, a quantitative approach would be of interest, to measure the correlation between brand image and the four identified factors (i.e. loyalty, the fit and positioning, consumer involvement and time horizon).

7.3 MANAGERIAL IMPLICATIONS

This study explores coopetitive branding alliances effects on consumers' brand image, and this thesis contributes new findings and provides insights into what consumers find relevant and react on, in a coopetitive branding alliance. Current research targets firms' financial value development by analysing the benefits and risks associated with different types of coopetitive branding alliances' partnering firms. The consumer perspective is imperative for the success of a coopetitive branding alliance and needs to be considered in the managerial community. Our findings shed light on and suggest managerial factors to consider outside the physical alliance and between partners. As a coopetitive branding alliance, in the eyes of consumers, may be perceived as a somewhat contradictory encounter of competitors collaborating - their reactions and perceptions may not reflect over the alliance's outcome as valuable as the partnering firms had anticipated.

In managerial contexts, a firm's operative procedures are oftentimes successful in terms of profit. However, firms are not always aware of what factors particular success belongs to. Through our research, as coopetitive branding alliances is regarded a growing trend (Chiambaretto *et al.*, 2016), managers can acquire valuable consumer information and educate themselves at an early stage. For firms that have unintentionally implemented what qualifies as a coopetitive branding strategy, that are perhaps unaware of its existence and fundamental constituents, can either identify what brought success to their alliance or which improvements can be made to increase positive consumer responses in future alliances.

Focalising managerial resources to the consumer and taking into consideration the four main findings, will allow firms to understand which aspects can help influence consumers with a positive brand image. In turn, finding consumer support in an alliance has the potential to reward firms with a stronger valuation through increased consumer-based brand equity.

7.4 THEORETICAL CONTRIBUTIONS

This research contributes a groundwork on what specific aspects consumers value in a coopetitive branding alliance. We sought to explore how a coopetitive branding alliance influences consumers and what it takes to alter a consumer's brand image, as this area of research is largely unexplored.

Chiambaretto *et al.*, (2016) proposed future research to evaluate the efficiency of coopetitive branding alliances and suggested to include the consumer perspective with parameters such as: product evaluations, purchase intentions/behaviours and brand attitudes. This study has focused on the efficiency of a coopetitive branding alliance, from the perspective of consumers' brand image. Findings propose four criterions to affect consumers' brand image and thus also the prosperity of a coopetitive branding alliance – these are: loyalty, positioning and fit, involvement and time horizon. Co-branding literature covers several aspects on the importance of consumers' perceptions. With similar conclusions, the time horizon and positioning and fit can be validated in the co-branding literature. However, involvement and loyalty add new insights that only appertain to coopetitive branding alliances. This indicates that the paradoxical nature of simultaneous competition and collaboration bring about different consumer parameters to evaluate, that are not consistent with the consumer perspective in co-branding.

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APPENDIX A – FOCUS GROUP GUIDE

Firm A:

Firm A has over time become one of the market's biggest players in terms of manufacturing and selling of different types of headphones to a wide range of consumers, and their brand is well-known today. Firm A primarily target consumers who are willing to pay for high-quality headphones with a lot of features. Their consumers have a lot of trust for the firm and its technically advanced products. Firm A's main competitor is Firm B.

- Quality, premium, many features, trust, technically advanced, wide range of products and consumers.

Firm B:

Firm B is a well-known firm with a lot of experience from manufacturing and selling of a certain type of headphones to one big segment. Consumers associate firm B with: their willingness and ability to create innovative products, outstanding product design, user-friendliness and status as a lifestyle product. Firm B's headphones are priced towards a premium segment and their main competitor is Firm A.

- Innovation, status, simplistic, design, premium, one product, one big segment.

- ✓ A short summary of what they just read.
- ✓ Participants are asked if they feel any personal preference towards either of the two firms.
- ✓ One answer, A or B, the participants are asked to write down their favoured firm on a separate piece of paper. Not to be shown to anyone until the end of the session.

- ✓ Please consider yourself as a consumer in the coming discussion.

Press release - Kristianstad, April 2018

Firm A and Firm B, two global leaders in terms of manufacturing and selling of headphones, announced today that they have entered a partnership in which they will share resources to jointly manufacture and sell a new version of headphones. All of the costs and profits will be shared 50/50 and both of the firms' brand logotypes will be clearly visible on the product.

The Swedish journal Kristianstad Hi-Fi embraces the news and look forward to follow the partnership's development, considering the last decade's intense rivalry between the two.

Questions:

Please consider the product as neutral in terms of its success in the market. It is not groundbreaking, nor terrible.

- Is anyone of you familiar with such a partnership? (If not share examples below)
    - Vans – Spitfire
    - Japan Airlines – Air France
    - Pillsbury Brownies - Nestle
- The two firm's logotypes will be clearly visible on the headphones. How is it perceived by you as consumers? Keep in mind that the two firms are characterised with different associations.
    - Do you think the product could be perceived differently if the consumer preferred one of the firms prior to the partnership?
- You have been introduced to Firm A and Firm B, and that consumers associate the two firms with different distinguishing properties such as innovation and quality. Let us assume that the joint product is made of associations from the two firms.

Would the consumer's view of the brand change or could individual associations transfer between the firms? A new association for one of the firms so to speak.

- Could a consumer's overall view of the individual brands change? Please consider positive and negative aspects. (Reputation, image, what they represent)

- If you were the moderator, what would you ask the group? Are there any aspects we have missed?

- Considering the aspects that have been discussed this far, what are your feelings towards such a partnership? That is, two competitors who jointly manufacture and brand a product?

- Imagine two firms, one of them is well-known and/or with good reputation, the other is less known and/or poor reputation? What could happen? Positive and negative?
- Imagine two firms, either less known or with poor reputation, what could happen? Positive and negative?
- Do you think that the time horizon matters for a coopetitive branding partnership?

Introductory statements:

Welcome to this focus group… My name is… My assistants name is… Our topic today is…
The outcome of this focus group will be used in our thesis…
Guidelines:
You do not have to agree with one another, there are no correct or faulty answers…
We are recording… ask for consent…
Please speak one at a time since we are recording… please listen respectfully to other participants…
Please turn off your phones… If you are awaiting an important call you can answer but please do so quietly and come back as soon as you can…
I will only guide the discussion…
Please talk and discuss with each other…

APPENDIX B – WELCOMING EMAIL

Welcome!

We appreciate that you have showed interest to participate in our study. The study will be in the form of a focus group, which is similar to a group interview, where participants are invited to freely discuss the questions that are brought up by us. Your contribution will help us explore and understand the researched area from a whole new perspective.
In preparation to the focus group session and to ease your understanding of our research topic, we have provided a practical example between clothing brands H&M and Karl Lagerfeld, that we would like for you to read.

In 2004, the world-famous clothing brands H&M and Karl Lagerfeld engaged in a coopetitive branding alliance, that is an alliance where two competing firms from the same industry choose to cooperate and by shared means provide consumers a new product, which is branded by both alliance partners. H&M and Karl Lagerfeld launched a clothing line that was visually branded "Karl Lagerfeld for H&M", fulfilling the primary requisite for co-branding. Furthermore, although H&M and Karl Lagerfeld as individual brands are positioned differently, they operate within the same industry, manufacturing and designing apparel. Thus, they qualify as competitors and did both contribute physical, as well as knowledge-based resources in the development process of the clothing line, which is enough to fulfil the requirements for coopetition (Chiambaretto, Gurău, & Le Roy, 2016).
The purpose of this thesis is to explore how a consumer's image of a brand (brand image), can be affected by two competitors that collaborate and offer a jointly branded product to the market, that is coopetitive branding.

We appreciate your participation and look forward to interesting discussions.
We look forward to meet all of you on (day)… at (time)…
Address:
Very sincerely yours
Oskar Gudmundsson & Joel Leteus
Email: