



Master's Degree Program in Marketing

Department of Business and Management

Course of Product and brand Management

***Brand Chemistry: What makes Co-Branding
Strategies Work?***

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ACADEMIC YEAR: 2024/2025

Abstract

With saturation defining modern markets, fragmentation of attention, and heightened anticipation for genuineness, co-branding has emerged as a strategic tool for answering the challenges of differentiation as well as cultural relevance. While collaborations are widely utilized across markets from high-end fashion to tech, there is yet to be a synthesis of analysis on whether or not these efforts consistently generate positive returns to brand value and consumer engagement. This thesis addresses this literature gap by investigating the impact of co-branding on consumer perceptions of accessibility, authenticity, prestige, and dilution risk, and examining the function of consumer scepticism as a moderator. The study combines a literature review of brand and consumer engagement with an experimental methodology based on a Qualtrics survey. Participants were assigned randomly to be shown either of two versions: a luxury brand launching a lower-priced product either with or without a streetwear collaborator. They were measured using established scales and analyzed by independent-samples t-tests, as well as moderation analysis conducted using PROCESS.

The results support that cooperation strongly increases perceptions of accessibility across a single launch, without decreasing perceptions of authenticity, prestige, and symbolic power. Second, although the interaction between skepticism and launch type was not found to be statistically significant, conditional effects revealed that medium and high levels of skepticism consumers reacted more positively to the cooperative launch. This suggests that collaborations can serve as signals of credibility for skeptical consumers, confirming strategic progress towards accessibility. The findings are theoretically additive in the sense that they account for when co-branding is successful in driving engagement and how consumer traits need to be integrated into models of brand alliance effectiveness. Managerially, the findings are comforting to decision-makers that co-branding can drive reach without sacrificing luxury position and highlight the importance of tailoring approaches to audience profiles. In sum, the thesis demonstrates that collaboration can be a fair middle ground between inclusivity and exclusivity, offering brands an efficient tool with which to remain relevant culturally without sacrificing symbolic capital.

Table of contents

Abstract	2
Introduction.....	4
<i>Chapter 1</i>	9
<i>Theoretical foundations I: Co-Branding and strategic alliances</i>	9
1.1 Defining Co-Branding: concepts and typologies	9
1.2 Strategic objectives and expected Benefits	17
1.3 Determinants of Co-Branding success and failure.....	25
1.4 Case-based reflections from existing literature	28
<i>Chapter 2</i>	33
<i>Theoretical foundations II: customer engagement and brand dynamics</i>	33
2.1. Understanding Customer Brand Engagement	33
2.2 – Antecedents of Brand Engagement in Digital and Co-Branded Contexts.....	40
2.3 – Consequences of Engagement in Co-Branding Strategies	44
2.4 – Gaps and Limitations in Current Research	48
<i>Chapter 3 – Empirical study</i>	56
<i>Testing the chemistry of Co-Branding</i>	56
3.1 Research Design and Methodology	58
3.2 Data Analysis	61
3.3 Discussion of empirical results.....	63
3.4 Conclusions	66
References	70

Introduction

In an era where market differentiation is both a strategic imperative and a constant challenge, branding has emerged as a decisive factor in securing consumer loyalty and achieving long-term competitive advantage. In this context, co-branding, the strategic collaboration between two or more brands, has evolved from a niche tactic to a sophisticated mechanism for value creation, brand storytelling, and cultural engagement. Far from being a mere marketing tool, co-branding operates at the intersection of business strategy, consumer psychology, and cultural production. Its power lies in the unique alchemy generated when two brand identities combine to produce a value proposition that is greater than the sum of its parts.

At a moment when differentiation in the market is simultaneously a strategic imperative and a perpetual challenge, branding has emerged as a decisive factor for the capture of consumers and the building of long-term competitive edge. In this sense, co-branding, the strategic alliance of two or more brands, has evolved from a niche strategy to an evolved mechanism for value creation, storytelling, and cultural dialogue. So much more than just a promotional tool, co-branding sits at the intersection of business tactics, consumer mindset, and cultural creation. The magic lies in the manner that two brand equities combine to equate to a value proposition bigger than the sum of its parts. Co-branding tactics can now be found in nearly every industry, from fashion and tech to autos, food, and entertainment. From Nike and Apple's mythical partnership to other more experimental partnerships such as Google x Levi's or Supreme x Louis Vuitton, co-branding initiatives capture the attention of media, customers, and investors. The projects can be short-term and opportunistic or rooted and long-term, but they are always channels via which we can observe changing customer tastes, brand dynamics, and the companies' strategic agendas. The arrival of digital media, influencer culture, and lifestyle branding has helped reinforce the trend still further, co-branding becoming among the most versatile and expressive tools in the contemporary brand management arsenal.

Yet despite the proliferation of brand partnerships on both high street and internet, there is no agreement as to what success in co-branding really means. Marketing

executives enter such partnerships with great enthusiasm and creativity, only to discover that the intended consumer response fails to materialize. Why are some co-branded promotions viral and gain cultural capital, while others are met with disregard or even hostility? What explains why the consumer embraces the alliance or rejects it as inauthentic? These questions underscore the necessity of examining the mechanisms behind co-branding successes in a more systematic and descriptive way.

Although co-branding success can be converted into brand equity, increased market coverage, and stronger consumer engagement, co-branding failure can produce opposite consequences of brand dilution, consumer confusion, and reputation damage. The two-edged potential of co-branding, the power it holds to reinforce or weaken brand value, makes it an extremely fascinating academic subject. In order to understand why a given co-branding strategy can work whereas another does not thus requires an interdisciplinary perspective, one that incorporates not just strategic and operational factors, but also symbolic alignment, consumer comprehension, and cultural significance. Therefore, this thesis situates co-branding not just as a marketing device, but as symptom and reflection of deeper tensions and changes within consumer culture today.

This research explores the dynamics of co-branding through focus on one under-explored but increasingly crucial aspect: customer engagement. While there have been several studies examining the influence of co-branding on brand equity, purchase intention, or product assessment, there have been fewer focusing prolonged attention on whether and how these alliances shape the emotional and behavioral engagement of consumers. Engagement is a sign of dynamic interaction on the part of a consumer with the brand, through social media, repeat purchases, advocacy, or content co-creation, and often a measure of both short-term sales and long-term equity.

And sure enough, engagement has moved beyond buzzword territory to become an essential measure by which to gauge brand health in the digital age. Brands today compete not just on price or product attributes, but on the strength of the relationships they create with their publics. Co-branding is both possibility and pitfall in this context. On the one hand, a successful collaboration can bring new avenues of contact for

interaction, rev up brand communities, and strengthen emotional bonds but on the other hand, a misaligned collaboration can annihilate brand narratives and alienate loyal customers. Therefore, the research of the conditions under which co-branding stimulates participation is valuable both to academic theory and to practice in marketing.

The aim of the present study is to investigate the influence of co-branding strategies on customer participation, and the factors that distinguish successful from unsuccessful collaborations. Specifically, the research question is: How do co-branding strategies influence customer participation across different sectors, and what determines the success or failure of these collaborative efforts? To establish the above, the thesis combines theoretical analysis with empirical analysis, drawing on academic literature, case studies, and primary data collection.

Theoretically, the research borrows from foundational theories of consumer behavior, brand management, and strategic alliances. The research begins by defining definitional boundaries and typologies of co-branding as well as detailing the strategic explanation for firms seeking brand alliances. It then investigates the prevailing factors cited in the literature as co-branding success or failure drivers: brand fit, narrative consistency, governance arrangements, and market timing supplemented by recent results from research in cultural branding and digital participation. Particular care is taken to account for brand identity and consumer meaning construction: how do consumers interpret co-branded products, how do they perceive brand collaboration, and how does motivation emerge from symbolic congruity as well as utilitarian functionability.

In order to ground theoretical analysis in pragmatic reality, the thesis revolves around a chain of paradigmatic case studies across different industries. These vary from strongly publicized successes such as Apple x Nike, Louis Vuitton x Supreme, or Starbucks x Spotify, to high-profile failures like Fiat x Gucci or the aborted Coca-Cola x Nestlé partnership. Comparative case analysis is employed in the study to analyze the specific mechanisms whereby certain collaborations work with consumers and others fail. Special attention is paid to communication tactics and cultural positioning

applied in each case, offering an understanding of how co-branding functions as a tool for brand storytelling.

In addition to the growing relevance of co-branding in contemporary markets, it is crucial to recognize how recent evolutions in consumer culture and digital communication have reshaped the conditions under which such collaborations succeed or fail. The proliferation of digital platforms has amplified consumer voices, enabling individuals not only to react to branding initiatives but to actively participate in shaping their narratives. In this participatory environment, co-branding no longer functions solely as a top-down managerial decision but as a dynamic dialogue between brands and audiences. This shift has elevated the stakes for firms: while a collaboration can ignite enthusiasm and foster brand communities, any misalignment is quickly exposed, often leading to skepticism, negative word-of-mouth, and reputational damage. The literature has long acknowledged the dual potential of co-branding, yet consensus is still lacking on the mechanisms that explain divergent consumer reactions. Some scholars emphasize strategic and operational factors such as governance structures, contractual arrangements, or resource complementarities. Others highlight symbolic drivers, such as cultural fit, authenticity, and perceived brand congruence. Still, empirical findings remain fragmented, and relatively few studies have systematically connected these variables to consumer engagement, particularly in digital environments where perceptions evolve in real time. This lack of clarity leaves an important theoretical and managerial gap: understanding not just whether co-branding works, but why it works for certain consumers and not for others. Addressing this gap is especially relevant in the context of shifting consumer expectations. Contemporary audiences increasingly demand transparency, ethical alignment, and cultural sensitivity from the brands they support. For luxury companies, for instance, collaborations with mass-market or lifestyle brands may open pathways to broader accessibility, but they also risk undermining prestige if not carefully managed. Conversely, for emerging brands, co-branding with established players can provide visibility and legitimacy, though it may also create dependencies or perceptions of inauthenticity. These trade-offs highlight the importance of investigating co-branding as a relational process, one that unfolds at the intersection of corporate strategy, consumer psychology, and cultural meaning. From a managerial

perspective, the implications are profound. Executives often approach co-branding as an opportunity to generate short-term attention or to penetrate new market segments. However, without careful consideration of consumer attitudes—such as levels of trust or skepticism toward marketing practices—these initiatives may fail to deliver the intended outcomes. By examining how engagement varies across contexts and consumer profiles, this thesis aims to provide actionable insights that help practitioners design more effective collaborations. Ultimately, the value of co-branding lies not only in the resources or creative ideas that partners bring to the table, but also in the way these alliances are interpreted, negotiated, and embraced by consumers themselves.

Chapter 1

Theoretical foundations I: Co-Branding and strategic alliances

1.1 Defining Co-Branding: concepts and typologies

In today's highly saturated and competitive markets, where consumer expectations are shaped by increasing access to information and constant innovation, co-branding has emerged as a critical strategic tool. Defined broadly, co-branding refers to the deliberate alliance between two or more brands to create a joint product, campaign, or experience, with the aim of leveraging mutual brand equity to deliver enhanced value to the consumer. (Helmig et al.2007)

Co-branding is more than a simple marketing tactic, it embodies a sophisticated mechanism of strategic alliance rooted in brand synergy. The foundational rationale behind co-branding lies in the principle of brand association transfer: when two brands collaborate, the consumer's perception of each brand can influence and modify the perception of the other. This reciprocal influence can generate a higher level of trust, differentiation, and even aspirational appeal, especially when the partnering brands possess complementary identities or symbolic attributes. (James, D. O. 2005).

Scholars have proposed different typologies to classify co-branding practices. Aaker distinguishes between ingredient co-branding, where one brand integrates another as a component (e.g., Intel Inside in Dell computers), and composite co-branding, where two or more brands are presented jointly as co-creators of value. (Aaker, D. A. 1996). Meanwhile, Keller emphasizes a spectrum that ranges from symbolic partnerships, based on shared image associations, to functional alliances, which focus on enhancing the product's performance or credibility through combined expertise. (Keller, K. L. 2013).

These typologies are not mutually exclusive. Rather, they reflect the diverse strategic intents and market positions that brands might pursue. For instance, luxury and streetwear co-branding exemplifies a symbolic alliance that seeks cultural relevance and viral resonance, whereas partnerships in the tech or food industries often reflect functional goals such as innovation or access to new distribution channels.

The nature of the collaboration, whether vertical (between brands in different stages of the value chain) or horizontal (between brands occupying similar market levels), also contributes to the strategic framing of co-branding typologies. (Kapferer, J.-N. 2012). Understanding these frameworks is essential for decoding both the motivations behind co-branding initiatives and the mechanisms through which they influence consumer perception and market performance.

While typologies help structure our understanding of co-branding, they only partially capture the complexity and versatility of such partnerships in real-world application. Co-branding strategies often operate at the intersection of strategic alignment and market innovation, requiring compatibility not only in terms of target audience and brand values, but also across organizational cultures and levels of risk aversion.

The degree of brand equity parity between co-branding partners is commonly recognized as a central element in alliance success. Partnerships between brands of comparable reputation and market strength are often perceived as authentic and mutually reinforcing. Conversely, when the alliance involves a brand with lower equity, consumer skepticism may arise if the association appears opportunistic or asymmetric. Nonetheless, well-executed asymmetrical co-branding, such as ingredient branding or expertise transfer alliances, can still result in value creation, particularly when the secondary brand adds functional credibility or niche relevance (Washburn et al. 2000).

Beyond product development, co-branding encompasses a spectrum of collaborative activities: joint communication campaigns, experiential retail, multi-service bundling, and even cross-platform content integration. These emerging forms of brand partnership, visible in fashion–tech or media–consumer goods collaborations, illustrate how co-branding can evolve into a flexible architecture for innovation and cultural relevance (Harvard Business Review)

What makes co-branding especially powerful is its potential to generate new layers of meaning for consumers. The value of co-branded products is often semiotic as much as functional: consumers decode the interaction between brand narratives, symbolic universes, and values, leading to a richer and more emotionally engaging brand experience. In this sense, co-branding becomes a medium of brand storytelling, where

the narrative of collaboration itself becomes a key element of perceived value (Helmig et al. 2007).

Despite its potential, co-branding is a double-edged sword. If poorly conceived or executed, these alliances may result in brand dilution, consumer confusion, or even mutual reputational damage. One of the most critical risks involves the incongruence between brand images: when consumers perceive a mismatch in identity, tone, or market positioning, the partnership may appear forced or opportunistic. This is especially pronounced when brands differ substantially in symbolic values or cultural capital, leading to dissonance rather than synergy.

Another challenge arises from differential consumer expectations. In co-branded offerings, each brand brings its own promise and set of associations; when these are not aligned or one partner underdelivers, the consumer experience can suffer. This often leads to negative spillover effects, where dissatisfaction with one brand contaminates perception of the other. Studies have shown that such adverse outcomes are particularly acute when the perceived fit between the brands is low, both in terms of product category and brand personality.

In today's highly competitive and saturated markets of the modern day, where consumers' expectations are shaped by increasing access to information and continuous innovation, co-branding has emerged as a strategic priority. Co-branding, in a general sense, is conceived as the active partnership of two or more brands in creating a jointly offered product, campaign, or experience, with the aim of leveraging mutual brand equity to offer enhanced value to the consumer. (Helmig et al.2007).

Co-branding is not a light-hearted marketing tactic, but an evolved form of strategic alliance founded upon brand synergy. The rationale behind co-branding is the principle of brand association transfer: if two brands are allied, each brand's perception by the consumer has the potential to influence and modify the other brand's perception. This bilateral influence can establish a higher level of trust, differentiation, and even aspirational appeal, especially if the partner brands possess complementary identities or symbolic meanings. (James, D. O. 2005).

Scholars have proposed a number of typologies for classifying co-branding practices. Aaker distinguishes between ingredient co-branding, where one brand uses another as

an ingredient (e.g., Intel Inside in Dell computers), and composite co-branding, where two or more brands are presented together as co-creators of value.(Aaker, D. A. 1996). Meanwhile, Keller emphasizes a continuum ranging from symbolic partnerships, based on shared image associations, to functional partnerships, which seek to enhance the performance or credibility of the product through joint expertise.(Keller, K. L. 2013).

These typologies are not mutually exclusive. Rather, they reflect the different strategic intentions and market positions that brands can aspire to. Luxury and streetwear co-branding, for instance, is a symbolic collaboration that is gunning for cultural relevance and viral buzz, whereas tech or food collaborations are more likely to reflect functional intentions such as innovation or access to new distribution channels.

The orientation of the alliance, whether vertical (between brands at different stages of the value chain) or horizontal (between brands at similar market levels), also contributes to the strategic delineation of co-branding typologies. (Kapferer, J.-N. 2012). These models are crucial to both the explanation of why co-branding initiatives are pursued and the manner in which they influence consumer perception and market performance.

While typologies help to structure our understanding of co-branding, they do so only partially and cannot capture the richness and fluidity of such partnerships in action. Co-branding ventures are often operating at the intersection of strategic fit and market growth, requiring compatibility not only in the areas of target market and brand values, but also in organizational cultures and risk tolerance levels.

The degree of brand equity parity between co-branding partners is commonly recognized as one of the determinants of alliance success. Alliances between brands of equal reputation and market influence are likely to be perceived as sincere and collaborative. But when the alliance is with a lower equity brand, consumer cynicism is certain if the association is perceived as opportunistic or lopsided. But well-executed asymmetrical co-branding, such as ingredient branding or expertise transfer alliances, can still generate value creation, particularly if the secondary brand adds functional credibility or niche salience (Washburn et al. 2000).

Aside from new product creation, co-branding encompasses various collaborative activities: joint communications campaigns, retail experiences, bundling of more than one service, and even platform-agnostic content integration. Such novel manifestations of brand collaboration, as seen in fashion–tech or media–consumer goods tie-ins, imply that co-branding is emerging as an adaptive model for innovation and cultural pertinence (Harvard Business Review).

What is especially powerful about co-branding is the way that it can institute new levels of meaning for the consumer. The value of co-branded products is often semiotic as much as functional: consumers read the meeting of brand narratives, symbolic universes, and values, and this produces a more intricate and emotionally engaging brand experience. Here, co-branding becomes a platform for brand storytelling, and the narrative of collaboration itself becomes a visible component of perceived value (Helmig et al. 2007). Despite all its potential, co-branding is a double-edged sword. Poorly designed or executed, these partnerships can result in brand dilution, customer confusion, or even reciprocal reputational damage. One of the greatest dangers is incongruence of brand images: when customers perceive a mismatch in identity, tone, or market positioning, the partnership may appear forced or opportunistic. This disparity is especially sharp when brands differ radically in symbolic values or cultural capital, creating dissonance rather than synergy.

A second difficulty arises from differential consumer expectations. Each brand brings its own promise and set of associations to co-branded offerings; if these are incompatible or if one partner does not deliver, the consumer experience is diluted. This usually creates negative spillover effects, in that the dissatisfaction with one brand contaminates perception of the other. Studies have shown that these adverse effects are strongest when there is a low perceived fit between the brands, both in brand personality and product category.

To mitigate these dangers, successful co-branding efforts require an exceedingly cautious alignment of brand identities, operating goals, and value propositions. This is not confined to surface-level similarities in tone or design but must extend as far as strategic intent and long-term brand architecture. The most effective co-branding efforts are likely to be the result of extensive pre-partnership research, wherein each partner evaluates brand equity reciprocity, market synergy, and consumer expectations

via strategic complementarity (Helmig et al. 2007). This is Keller's brand resonance planning: an active effort to ensure that the shared narrative developed by the alliance resonates with each brand's core consumer.

Done correctly, not only does this approach head off cognitive dissonance in consumers' minds, but it actually enhances brand salience and builds loyalty through novelty, perceived exclusivity, and reaffirmed trust. For example, when both brands are in unrelated but adjacent categories, i.e., fashion and auto or food and entertainment, the collaboration can enable both to access adjacent markets and leverage hybrid consumption spaces (Rao et al. 1999). Also, co-branding increasingly functions as a cultural signaling technique, enabling brands to tap into prevailing social discourses, aesthetic codes, and lifestyles of the consumer.

Properly harnessed, such cultural leverage permits co-branded initiatives to occupy a liminal position: one that is simultaneously symbolic and commercial, familiar and disruptive. This is particularly apparent in the luxury sector, where high-end fashion brands co-brand with streetwear or sportswear brands to infuse their brand with relevance, energy, or subcultural capital (Forbes)

These practices are indicative of a shift in brand logic, away from the stagnant management of siloed identities and toward the dynamic orchestration of brand systems. Under this framework, co-branding is more than an operating alliance, but a dynamic portal by which brands make and negotiate meaning in the moment across platforms, markets, and social spaces (Kapferer, J.-N. 2012).

This increasing interdependence of brand worlds requires businesses to adopt a more relational approach to branding, in which value is less in what each brand independently represents but in the way they converse with, complement, or refigure one another through the partnership. Rather than viewing co-branding as a transactional relationship based on one product or campaign, innovative companies view it as a strategic co-evolution tool whereby brands grow through exposure to each other's audiences, platforms, and symbolic space (Helmig et al. 2007).

In this model, the duration and depth of the partnership are then in turn variables. Some co-branding arrangements are short and short-term, created to exploit ephemeral trends or events; others are conceived in terms of long-term strategic interpenetration. The latter are more likely to imply greater investment in collaborative innovation, cross-

brand content co-creation, and even shared brand governance arrangements. In such cases, the tie-up goes beyond co-promotion and becomes an issue of joint construction of identity, in which a brand quietly incorporates some expression of the other into its own value narrative.

But this interpenetration of identity also poses infuriating challenges to independence and control of the brand. The more interactive the co-branding activities, the more boundaries between distinct brand voices are liable to blur, increasing the risk of message dilution or strategic drift. It is therefore essential that each brand possesses a clear expression of its core values and communicative style, as it engages in collective storytelling (Simonin, B. L., & Ruth, J. A. 1998).

The most effective partnerships are those that balance the tension between independence and integration—capitalizing on combined potential without sacrificing brand identity.

In addition, co-branding is at the mercy of market dynamics and consumer fragmentation. In rapidly evolving cultural and economic environments, the viability of an alliance depends not only on internal coherence, but also on adaptive adjustment of narratives across touchpoints, responding to social commentary, and coping with evolving audience expectations (Harvard Business Review – Co-branding strategies in dynamic consumer markets.). Co-branding thereby becomes an adaptive branding exercise, where flexibility, interpretive sensitivity, and strategic vision are required.

Perceptual asymmetry between consumer segments is another level of complexity in co-branding. The same co-branded initiative may be viewed differently by different consumer segments based on personal experience with the brands, cultural impact, or prior consumption experiences. This interpretive fragmentation challenges the single brand message concept and forces business houses to design multi-faceted communication plans, efficient in stimulating segmented groups without compromising on consistency (Keller, K. L. 2013).

In response to this, brands subsequently prefer narrative layering, in which more than one symbolic point of access is inserted within the same campaign, allowing multiple reads within a master thematic unity. A fashion brand partnering with a technology brand, for example, can at the same time emphasize innovation, selectivity, and design restraint, each positioned for a different consumer subset but with one value

proposition. This story approach takes co-branding out of simply co-presence to co-construction of meaning, wherein brand identities come together through shared themes rather than the very same words (Washburn et al. 2000).

Moreover, platform architecture plays an important role in magnifying, or distorting, the effect of co-branding. In digital spaces, where users orchestrate content flow and comments are real-time, brand partnership success is partially dependent on how the brand partnership is told, remixed, and repurposed culturally by web fans. Brands must monitor not just how the collaboration is deployed, but also how it socially develops, language-wise, and appearance-wise in real-time on social media such as Instagram, TikTok, and YouTube (Forbes – Social media influence on brand storytelling and viral diffusion.).

In service of this, digital co-branding has rendered brand partnerships living media objects—things being continually rewritten by their users in memes, remixes, hashtags, and off-the-cuff narratives. As this shift is accomplished, co-branding is no longer the sole control of brand owners; it also becomes user-authored by the audiences, whose interactions can both validate the intended meaning or produce meanings unintended.

Lastly, the success of a co-branding program depends on the strategic congruence of the identity of the alliance and the expectations in the market. The capacity to generate perceived added value is not just the result of the combining of reputations or logos, but is the consequence of a deeper congruence among brand purpose, emotional connection, and cultural significance. Co-branding, when executed with strategic depth and storytelling richness, can build brand equity by associative leverage, unleashing symbolic potential not available to each brand alone.

But this possibility needs to be counterbalanced with discipline and design. The co-branding activity ubiquity across categories, some fleeting and commercial in purpose, has produced an inflationary environment around the practice, reducing its strength and leading to consumer fatigue. In response, the best co-branding initiatives are those that avoid opportunism and build instead on strategic intentionality, viewing the collaboration not as a short-term promotional tactic but as a designed path to long-term brand transformation.

In this perspective, co-branding is a cooperative brand creation process, whereby all of the stakeholders together create a collective value structure without diluting its unique character. It is this very equilibrium, of togetherness and diversity, novelty and tradition, that defines the most successful examples of co-branded success. Thus, accomplishing co-branding today entails more than typological or functional analysis, but an inclusive interpretive structure that examines consumer knowledge, cultural context, and digital mediation as co-determinants of value (Helmig et al. 2007).

1.2 Strategic objectives and expected Benefits

In an era marked by hyper-competition, brand saturation, and increasingly fragmented consumer attention, co-branding has evolved into a sophisticated strategic mechanism aimed at generating multiple layers of advantage. While the most visible objective may be short-term revenue enhancement, the true potential of co-branding lies in its capacity to advance long-term strategic goals such as brand differentiation, market expansion, and consumer loyalty reinforcement.

One of the most compelling strategic motivations behind co-branding is its ability to facilitate access to new customer segments. Through partnership, a brand can leverage the credibility and consumer base of another to enter unfamiliar markets or demographic niches, effectively bypassing the inertia typically associated with organic market penetration (Helmig et al. 2007). For instance, when a luxury brand partners with a tech company, it not only gains exposure to a digitally native audience but also updates its image with associations of innovation and relevance.

In addition, co-branding provides a mechanism for risk sharing, particularly in product innovation. Developing and launching new products involves uncertainty—financial, reputational, and operational. By joining forces, brands can pool resources and divide risk exposure, increasing the feasibility of bold strategic moves (James, D. O. 2005). This risk mitigation function is especially relevant in industries characterized by high fixed costs, short product life cycles, or volatile consumer preferences, such as fashion, automotive, and tech (Business of Fashion – Industry analysis on innovation and co-branding dynamics.).

Beyond tactical benefits, co-branding can act as a catalyst for repositioning. A well-calibrated alliance can help a brand shift or broaden its identity by associating with complementary values or symbolic territories. This repositioning does not necessarily imply abandoning core brand attributes; rather, it enables image enrichment through association, allowing the brand to remain true to its essence while signaling adaptive vitality.

Another central benefit of co-branding lies in its potential to enhance perceived product quality by associating with a trusted or expert partner. This dynamic is particularly evident in cases of ingredient branding, where the contribution of a secondary brand lends credibility or functional superiority to the offering in the eyes of the consumer (Washburn et al. 2000). Consumers tend to interpret such collaborations as signals of quality assurance and innovation, especially when the allied brand is perceived as a specialist or leader in its category (Rao, A. R., Qu, L., & Ruekert, R. W. 1999). The psychological mechanism underlying this effect is often described as transfer of brand equity, where trust, expertise, or prestige are symbolically extended from one brand to another.

In addition, co-branding can act as a powerful lever for revitalizing mature brands. Long-established companies may struggle to remain relevant in rapidly evolving markets, particularly among younger or more trend-sensitive consumers. Through partnership with more dynamic or culturally resonant brands, they can refresh their image and inject cultural currency into their identity. This strategic refreshment is often more efficient and less risky than launching a new sub-brand or rebranding entirely, as it allows the parent brand to retain its heritage while simultaneously signaling change (Helmig et al. 2007).

Moreover, co-branding can significantly increase media visibility and campaign virality. The convergence of two distinct audiences and creative voices typically attracts broader attention, both in traditional media and across digital platforms. This visibility is not only beneficial in promotional terms, but also enhances top-of-mind awareness, as the novelty and uniqueness of the collaboration often generates word-of-mouth and user-generated content. In this sense, co-branding becomes a multiplier of communicative reach, especially when leveraged through storytelling formats that emphasize the interplay between the two brand identities.

Beyond tangible economic returns, co-branding serves increasingly as a mechanism for intangible value creation, particularly in reinforcing brand meaning and fostering emotional engagement. In a market landscape dominated by parity of performance and commodification of features, what distinguishes one brand from another is often the narrative coherence and symbolic depth it projects. In the era of hyper-competition, brand clutter, and widely disparate consumer attention, co-branding as a multifaceted strategic weapon was built to generate various levels of benefit. While the most obvious objective may be short-term revenue boost, the true leverage of co-branding lies in its capacity to propel long-term strategic efforts such as brand differentiation, market creation, and consumer loyalty re-enforcement.

One of the most compelling strategic motives for co-branding is that it can allow access to new markets of consumers. A brand by association can leverage another's reputation and base of customers to enter new markets or age segments, effectively circumventing the inertia typically associated with organically entering a market (Helmig et al. 2007). To illustrate, when a luxury brand partners with a tech company, it gains not only exposure among digitally native consumers but also reinvents its image with associational meanings of innovation and contemporary relevance.

In addition, co-branding provides a vehicle for risk sharing, particularly in product innovation. Innovation in new products involves uncertainty, monetary, reputational, and functional. By collaboration, companies can pool resources and share risk exposure, making aggressive strategic moves more possible (James, D. O. 2005).

This management of risk is especially relevant in industries having high fixed costs, industries with a short product life cycle, or mercurial customer preferences such as fashion, automobile, and IT (Business of Fashion – Industry analysis on innovation and co-branding dynamics.).

Besides strategic benefit, co-branding can be a catalyst for repositioning. A strategically matched alliance can help a brand change or expand its identity by associating with opposite values or symbolic room. Repositioning is not necessarily a disavowal of essential brand features; rather, it allows image upgrading via association, where the brand retains its origin while projecting adaptive dynamism.

Another fundamental strength of co-branding is the potential to enhance perceived product quality via association with a well-established or authoritative partner. This

feature is particularly observed in cases of ingredient branding since value addition by a secondary brand brings authenticity or functional benefit to the product in the consumer's mind (Washburn et al. 2000). Such partnerships are likely to be perceived by consumers as quality assurance and innovation, especially if the partner brand is perceived as a specialist or leader in its category (Rao, A. R., Qu, L., & Ruekert, R. W. 1999).

The psychological process involved in this phenomenon is known as transfer of brand equity, where trustworthiness, competency, or esteem comes to be symbolically transferred from an existing brand to another.

In addition, co-branding can be an effective reinforcer of established brands. Mature firms may struggle to keep pace with changing markets, particularly among young people or more fashion-conscious customers. By partnering with more trendy or culturally aligned brands, they can revamp their image and bring cultural currency to the brand. This strategy refresh is often more successful and less risky than launching a new sub-brand or completely rebranding, as it allows the parent brand to retain heritage while simultaneously conveying change (Helmig, B., Huber, J. A., & Leeflang, P. S. 2007).

In addition, co-branding tends to have a significant effect on media attention and campaign viralization. The convergence of two distinct audiences and creative voices tends to attract broader attention, both in conventional and online media. Such exposure is not only advantageous from a marketing standpoint, but also enhances top-of-mind awareness, as the novelty and novelty of the cooperation often prompt word-of-mouth and user-generated content. Here, co-branding thus acts as an amplifier of communicative extension, especially when employed through storytelling vehicles centering on the convergence of the two brand identities.

Besides immediate economic reward, co-branding is used as a conduit for intangible value creation more and more, with particular emphasis on the development of brand meaning and emotional bonding. In a parity-of-performance-driven marketplace and commoditized attributes, what differentiates brand from brand increasingly is the sense of story and symbolic depth that it conveys. Through co-branding, businesses are able to leverage their story power by mutual myth-making, whereby the blending of brand

stories generates richer, more sophisticated stories that resonate with customers emotionally.

This affective identification is most precious in high identity-based consumption categories like fashion, technology, or lifestyle goods, where consumers seek not only function, but also conformity with values, beauty, or cultural capital. With co-branding, brands are able to carry more than one symbolic register simultaneously: one can signal exclusivity and availability, tradition and modernity, luxury and transgression—depending on the partnership type.

In addition, co-branding can function as an innovation signalling device. Even in those sectors where technology-based innovation is not a primary selling feature, cooperation for business in itself can be interpreted as an indicator of forward-thinking and experimentation (James, D. O. 2005).

Such an image has the capacity to strengthen a brand's cultural and technological alignment positioning, without necessarily altering its core product or strategic direction. In such cases, the symbolic act of partnership can build disproportionate brand value compared to the size of operations of the alliance.

Finally, co-branding may support internal strategy objectives, such as promoting cross-functional collaboration within the firm or generating a culture of innovation and openness. By external partnerships, companies are likely to push internal innovation processes, forcing teams to think outside traditional boundaries and embrace interdisciplinary thinking. These indirect effects, although intangible, become increasingly significant in organizational cultures focused on agility, adaptability, and sustainable brand health.

One other strategic advantage of co-branding is its ability to create trial among consumers and spur product adoption. Particularly in categories with low involvement or repetitive purchase, such as packaged food or personal care, consumers rely on heuristics as an effortless way of deciding. Under such circumstances, a well-known brand acting as a sponsor for an unknown or new partner can be a powerful cognitive short cut, improving trial by reducing perceived risk (Washburn et al. 2000).

Empirical evidence has substantiated that co-branded products are more likely to be accepted at higher rates initially than comparable stand-alone counterparts,

particularly when the alliance is perceived as credible and the product–brand fit is felt to be good (Simonin, B. L., & Ruth, J. A. 1998).

These early adoption gains are not transient; if supported by product performance and communications, they are able to result in long-term loyalty, thereby validating the brand's market position in new as well as old segments.

Further, co-branding enables brands to steer pressure competition by differentiating their product amidst a throng. When products cannot be sorted on features or price, the symbolic and associative capital built with co-branding can be leveraged as a moat to repel market share loss and ward off commoditization. Here, the partnership is not just a marketing tactic but a defense tactic in order to remain relevant in a world with increasing options.

Finally, brand alliances may be a consideration of perceived legitimacy of a product or service, especially when it involves forays into regulated or reputation-sensitive markets. In markets such as finance, healthcare, or environmental products, partnering with an institutionally credible or trusted brand can enhance stakeholder trust and convey compliance with broader social, ethical, or environmental standards (Harvard Business Review – Trust, ethics and institutional credibility in branding partnerships.). Co-branding here shifts from being a process of differentiation to strategic legitimation, which acknowledges the brand's ability to thrive in complex stakeholder environments.

Apart from product and market advantages, co-branding can be an effective way for enhancing brand equity if the partnership reaffirms value perceptions, quality perceptions, and differentiation. In this context, co-branding serves not just as an extension of reach but also as a mechanism of brand consolidation for building up established relationships in the consumer's mental map. Such an effect is most common in collaborations that reaffirm dominant attributes, prestige, trustworthiness, or innovativeness, through symbolic endorsement from an otherwise highly valued and esteemed other brand (Kapferer, J.-N. 2012).

Additionally, the co-branding process has a tendency to produce a halo effect in that positive association with one brand is extended to the partner, especially when the partnership is framed as authentic and win-win (Helmig, B., Huber, J. A., & Leeftang, P. S. 2007). Such association transfer can significantly enhance perceived credibility

in new or lower brands, enabling them to shorten the time needed for trust and familiarity building in competitive markets. Even for long-standing brands, these collaborations offer the potential to rediscover or redefine their image in today's consumer culture, which increasingly is about notions of co-creation, community, and brand interactivity (Business of Fashion – Brand equity renewal through cultural relevance.).

Co-branding also plays a strategic role in leveraging brand narratives across media platforms. In a fragmented digital universe, with customers exposed to brands in non-linear and diverse ways, brand collaborations offer the vehicle for crafting multi-platform narratives more enticing and more flexible. Two distinct yet complementary storytelling voices working together can enhance the message's richness and effectiveness, especially when boosted by influencer media, interactive promotion, or in-store experiential marketing (Forbes – Multi-channel storytelling and brand collaboration.).

Also, where traditional advertising is reaching saturation or declining relevance, co-branding is a sneaky form of branded communication, embedded in experiences, products, and cultural moments rather than straight promotional vehicles. Such indirectness has the effect of heightening consumers' receptiveness, since the collaborative form is perceived as newer, more natural, and more value-oriented (James, D. O. 2005).

In addition to consumer-facing value, co-branding can also yield significant advantages in stakeholder imagery and corporate positioning. In reputation-sensitive or highly competitive markets, co-branding with well-known brands can project strategic stability, long-term thinking, and corporate alignment with safe players (James, D. O. 2005).

This signaling effect is particularly valuable in sectors where authenticity and ethical alignment are central to legitimacy of operations, for instance, finance, healthcare, sustainability-driven industries, and the circular economy.

Co-branding can then be utilized as a vehicle for reputation transfer, allowing companies to inherit or reflect the institutional values of their collaborators indirectly (Rao, A. R., Qu, L., & Ruekert, R. W. 1999).

Such an influence not just shapes customer perception but also resonates with investors, regulators, and media stakeholders, who increasingly monitor brand behavior for transparency, accountability, and social responsibility (Kapferer, J.-N. 2012).

As a result, brand collaborations are no longer merely seen as strategic marketing vehicles, but also as tools of institutional trust building and corporate diplomacy.

At the same time, the value of co-branding to organizational culture must not be underestimated. Co-branding alliances do tend to require cross-functional collaboration, forcing functions such as R&D, marketing, legal, and supply chain to communicate in ways beyond standard siloed behavior. This coherence has the potential to foster a culture of openness, experimentation, and shared ownership that contributes to greater organizational agility and an integrated orientation to innovation (Helmig, B., Huber, J. A., & Leeflang, P. S. 2007). Through such a perspective, co-branding is an internal change driver that brings together external strategy with internal capability and mindset.

Furthermore, effective brand alliances can generate longitudinal learning effects, because companies learn to master managing complex partnerships, brand governing negotiations, and assessing synergistic outcomes. Once such skills are learned, they may be applied to future collaborations, enabling the company to evolve into a more network-oriented brand player, which can operate easily as part of ecosystems rather than as an independent corporate company.

Lastly, the strategic strength of co-branding lies in its flexibility across different brand lifecycle stages and market scenarios. For new brands, it is a stepping stone into rapid credibility building, where they get to benefit from the trust, familiarity, and distribution clout of more seasoned partners (Rao et al. 1999).

For brands with heritage, it is a path to revive market presence, reframe brand narratives, and test new positions without diluting underlying equity (Kapferer, J.-N. 2012).

It is not visual or marketing message co-alignment that distinguishes successful co-branding initiatives, but the presence of a coherent strategic reasoning, an unstated vision of shared value creation through long-term thinking. This involves a high degree

of brand complementarity, whereby both parties bring unique yet complementary assets, whether symbolic, functional, or relational (Helmig et al. 2007).

The best collaborations are not those whereby one brand simply sponsors another, but where both engage in a conversation of identities, bringing into existence a third space of storytelling that is richer, more compelling, and distinct from what either could otherwise achieve in isolation.

In this respect, co-branding transcends the traditional limit of marketing to become a multi-dimensional strategic tool that improves brand building, operating power, cultural awareness, and even organizational learning. To gain such benefits, however, companies must invest in partnership creation, brand compatibility testing, and adjustment models of communication that respect each brand's integrity while facilitating synergy (James, D. O. 2005).

As co-branding gets even more complex and broader, spanning industries, cultures, and platforms, it is not only a means of expanding brand capital, but it is also a means of charting the future of branding, where partnership is no longer an exception, but a principle of strategic differentiation (Harvard Business Review – The future of branding through strategic alliances.).

1.3 Determinants of Co-Branding success and failure

While the strategic potential of co-branding has been appreciated for years in both academic literature and business experience, the success of any such alliance is far from guaranteed. Many co-branding ventures have delivered dismal results or even utterly imploded in their faces, damaging both firms' reputations and sapping consumer trust. Familiarity with the significant determinants which are instrumental in determining co-branding success or failure is therefore paramount—not only in developing successful alliances, but also in terms of preventing strategic missteps and to insulate against reputational risk.

Most likely of all significant determinants of co-branding success is the perceived congruence. This is how similar the co-partnering brands are, in terms of market position, publics targeted, values, and symbolic or visual identity. It has been shown time and again through studies that high perceived fit positively affects customer

attitudes towards the co-branded product, but low fit increases wariness among consumers and decreases purchase intention (Simonin, B. L., & Ruth, J. A. 1998). Consumers tend to view brand alliances as narratives, and if the relationship between the brands appears logical and coherent, then the alliance appears authentic. Conversely, when the partnership appears to be opportunistic or artificial, it creates cognitive dissonance and may lead to a backlash effect—a negative reaction not only to the product but to the brands as well (Helmig et al. 2008). This is especially true in symbolic or prestige markets, where emotional congruity and brand identity are most essential.

A second determinant, one very much linked with fit, is relative brand equity of the two parties. When brands collaborate, they essentially co-sign for each other, a process involving a transfer of reputational and symbolic capital. That transfer will best be achieved when both brands have comparable levels of equity. Symmetric collaborations are considered to be mutual collaborations, but asymmetric collaborations have the potential to generate feelings of exploitation or credibility misfit. However, asymmetry is not necessarily a failure. In some cases, such as ingredient branding or B2B co-branding, this imbalance in brand equity can be leveraged strategically to reinforce perceived expertise or functional superiority. It is value trade perceived: the customers must be aware of what every brand offers and why the partnership makes sense (Voss, K. E., & Gammoh, B. S. 2004).

Strategic complementarity, the fit and synergy among each brand's differentiated competencies, is one of the leading determinants of successful co-branding. Successful partnerships naturally bring forth brands with their strengths in other but complementary areas (for instance, one brand possesses innovation and the other, heritage or distribution power). The combined effort must produce something that it otherwise cannot. Such a collaboration is greatest in cross-category partnerships, such as technology and fashion, where brands have co-created hybrid value offerings at the same time. Perceived novelty of the partnership is based on the fluidity of such capability's integration. If the partnership feels superficial or doesn't produce a distinct co-product, consumers will question if it makes a difference (Blackett, T., & Russell, N. 2000).

Though brand fit and abilities may be consanguineous, how the co-branding program is deployed, particularly its messaging, can dismantle or build it. Consumers employ brand narratives to interpret joint propositions. So tone, message, or design inconsistencies can cause confusion or diluted effects. Successful co-branding initiatives are likely to possess congruent, unified storytelling to highlight the rationale for the alliance and why it differs. This is not only alignment in marketing assets but also in PR, social, and customer touchpoints. If the narrative is incoherent or fails to point out the co-created value, the campaign will be perceived as noise, not signal (Leuthesser, L., Kohli, C. S., & Suri, R. 2003).

Consumer psychology cannot be disregarded. In-depth involvement with a brand and the level of loyalty can support or distract from the perception of success of a co-branding venture. For example, loyal consumers would be more open to novel pairings featuring their beloved brand, especially when the co-brand presents itself as an extension of what they already know. Conversely, loyalists can also be as critical if they feel co-branded offerings sully the brand's purity or dilute its singularity. It is especially germane in high-end or niche categories, wherein the consumption value encompasses brand purity (Park, C. W., Jun, S. Y., & Shocker, A. D. 1996).

Co-branding advertising is launched to cultural and temporal settings that can significantly influence whether they are received or not. A partnership that will seem visionary under certain circumstances may be described as tone-deaf or out of touch under others. Market timing and sensitivity are therefore inherent aspects of strategic planning. Certain recent research on brand activism and purpose branding suggests that co-branding efforts linked to current social issues or subcultural phenomena are most likely to be more meaningful to younger consumers. But misunderstanding such emotions, or superficially trying to capitalize on them for exploitation, will lead to backlash and brand loss (Sarkar, C., & Kotler, P. 2018).

Finally, the organizational side of co-branding demands critical consideration. With every successful partnership, there is a lot of internal coordination, such as legal agreements, supply chain harmony, IP management, and brand governance processes. Misalignment at the operating level can cause delays, inconsistency, or post-launch

resistance. For alliances that span for more than the long term, brand ownership and decision control issues come to the forefront. Disputes will occur regarding creative control, revenue splits, or representation of the brand if roles and responsibilities are not spelled out. The failures of most prominent joint ventures are more usually the outcome of governance arrangements gone awry rather than consumer rejection per se (Kiley, D. 2002).

1.4 Case-based reflections from existing literature

While theoretical frameworks and strategic models give us helpful insights into the dynamics of co-branding, empirical evidence is the most powerful tool available for discerning the actual success and failure dynamics in real-world environments. Case studies enable us to look at outcomes as well as the nuances of implementation, consumer reaction, situational factors, and side effects. In this chapter, we look at a variety of outstanding co-branding initiatives from a series of different industries—some of which were successful over the long term, and others that did not survive. The examples show how theoretical drivers such as brand congruity, narrative consistency, and cultural alignment function in practice.

One of the best-known instances of effective co-branding is that of Nike and Apple. Their collaboration, begun through the launch of the Nike+iPod Sport Kit in 2006 and later evolving into the Apple Watch Nike edition, is a classic example of functional and symbolic synergy.

Nike added brand equity for athletic performance and youth culture; Apple added technological simplicity and minimal design. Addition of wearables fitness tracking to Nike's product space was a clearly defined complementarity of virtues, and shared aspirational values of innovation and individual empowerment resonated with both sets of customers. Academic opinion has credited the partnership with increasing consumer participation and establishing each brand's position synergistically (Holt, D. 2016).

Notably, the alliance succeeded because it didn't merely couple two brands on one product, it created a symphonic hybrid experience anchored by a single brand narrative across online and offline touchpoints. Conversely, Fiat's co-branding experiment with Gucci is something to learn from. In 2011, the two Italian firms rolled out the Fiat 500 by Gucci, a custom variant of Fiat's iconic urban car that connected Gucci's fashion sense with Fiat's small but highly sought-after urban automobile. While the alliance made sense on the surface, both brands used "Italian style" and city cool, the market response was lukewarm. It was faulted for a lack of authenticity and synergy: the co-branded product came across as more a surface styling exercise than a genuine melding of brand values. Additionally, the price positioning and positioning did not resonate with either Gucci's luxury shoppers or Fiat's nostalgic buyers. The collaboration highlighted the risks of low perceived brand fit and strategic asymmetry and reconciliation of customer expectation with product fulfillment. In retrospect, experts have called it a failure to plan for brand resonance as well as segmentation of audiences. (Kapferer, J.-N. 2012). A second, more experimental example is the luxury and streetwear mashup model spearheaded by Louis Vuitton and Supreme.

This 2017 collaboration defied tradition by combining a storied luxury fashion house and subcultural skate brand. At first glance, the brands appeared to exist on different cultural universes, Louis Vuitton representing elitism and heritage, Supreme representing rebellion and youth countermodernism. But the success of the campaign was in precisely this tension. The alliance served as a deliberate act of provocation, appealing to a consumer generation attuned to irony, cultural hybridity, and postmodern flair. Instead of brand identity dilution, the marriage resulted in each other's image elevation: Louis Vuitton gained cultural stature among young consumers, while Supreme elevated its stature through association with luxury craftsmanship. Experts have credited the success of the campaign in multilayered storytelling, visual coherence, and use of pop-up installations to be the dominant drivers of consumer passion and media hype (Chevalier, M., & Mazzalovo, G. 2018).

Above all, the collaboration was successful through the celebration of cultural friction as a contrast to evading it, with the use of contrast as symbolic excess. In the technology sector, the collaboration between Google and Levi's on the Project Jacquard smart jacket illustrates another form of cross-industry co-branding.

The partnership combined Levi's expertise in fashion and wearables with Google's innovation in conductive fabrics and touch-sensitive interfaces. While initial reactions were positive, the product faced challenges in long-term adoption. Critics noted limited functionality, high cost, and unclear consumer value. Despite these setbacks, the case is worth it in that it draws out the challenge of experimental innovation and first-mover disadvantage. The co-branding venture was innovative and visually consistent, but the preparedness of the market for such a product lagged behind the conceptual innovation. This demonstrates how well-fitting partnerships can fail if external conditions such as consumer education and technology integration are underestimated (Moore, C., & Pareek, R. 2019). Perhaps one of the most contentious co-branding flops is The Coca-Cola Company and Nestlé's failed 2002 partnership for "Beverage Partners Worldwide" (BPW). Intended to take hold of the global ready-to-drink tea market, the partnership failed due to strategic incompatibility and conflict of operations. Although the two companies had excellent international distribution channels and brand recognition, their organizational cultures were in conflict. Coca-Cola had emphasized efficiency and centralized decision-making, whereas Nestlé had offered a decentralized and locally responsive strategy. The joint venture was unable to bring these strategies together and was subject to delays, conflicting communications, and lost market opportunities. The failure demonstrates the importance of internal governance and cultural compatibility as preconditions to successful co-branding, especially for large ventures. (Doz, Y. L., & Hamel, G. 1998). In the realm of digital entertainment, the Spotify-Netflix alliance represents a more agile and campaign-focused approach to co-branding,

The alliance was comprised of carefully curated playlists for Netflix original series (e.g., "Stranger Things," "Bridgerton") and online experiences that merged visual and audio brand elements. Such light-weights, such as this effective collaboration, illustrate the potential of co-branding even in high-engagement, low-commitment

platforms. The campaign exploited the intersection user base, live content promotion, and social media virality. Such collaborations have been referred to by scholarly literature as "platform-based brand ecosystems," wherein co-branding is cultural content curation rather than physical product combination (Holt, D., & Cameron, D. 2010). Another educational instance is the collaboration between BMW and Montblanc, which created a one-time-only writing instrument inspired by the BMW 7 Series.

The co-branded product showed symbolic congruence: both companies were established on German engineering, precision, and business-class chic. The campaign targeted an elite target segment through private previews, exclusives, and personalized packaging. Though narrow, the alliance reinforced the sophistication and prestige of both brands. This case suggests the possibilities for micro-targeted co-branding, when executed with great fidelity to brand DNA, to earn reputational returns even in limited efforts. Finally, the ongoing alliance between Starbucks and Spotify provides a more service-oriented perspective.

By integrating Spotify playlists into the Starbucks app and allowing baristas to regulate in-store music, the brands created a collectively shared experiential space. This not only amplified brand interaction but also tagged Starbucks with digital personalization and cultural curation implicitly. The partnership illustrates how co-branding can evolve from product-level deployment to environmental design and lifestyle inclusion, building a lingering brand experience. These tactics are particularly effective when brands share values (e.g., creativity, discovery) and work platforms (mobile apps, APIs). These examples collectively identify some key learnings. First, successful co-branding does not necessarily involve shared logos or visual compatibility, but rather the coherence of the underlying narrative and the authenticity of the value exchange. Second, timing and cultural context count: collaborations need to resonate with the zeitgeist without appearing opportunistic. Third, internal coordination is often the behind-the-scenes determinant of success or failure, with organizational fit being as crucial as external alignment. Finally, innovation alone is not sufficient; the jointly constructed product or experience must deliver transparent consumer value and emotional resonance. Whatever the duration or depth of the collaboration, its success

hinges on strategic intentionality, execution quality, and deep understanding of audience dynamics. Ultimately, case-based studies affirm that co-branding is not a one-size-fits-all affair but a flexible strategic tool. Success depends on the synergy of brand architecture, storytelling, design of operations, and meaning-making by the consumers. As markets evolve and audiences become increasingly sophisticated, only the collaborations that offer rich, relevant, and balanced experiences will rise above the noise.

Chapter 2

Theoretical foundations II: customer engagement and brand dynamics

2.1. Understanding Customer Brand Engagement

In an increasingly interconnected and attention-fragmented marketplace, the concept of *customer brand engagement* (CBE) has gained prominence as a central construct in understanding how consumers interact with brands in dynamic and multidimensional ways. Engagement, once considered a mere byproduct of satisfaction or loyalty, is now conceptualized as a distinct psychological state that reflects a deeper level of brand–consumer interaction. It transcends transactional behavior and encompasses emotional, cognitive, and behavioral dimensions that collectively shape how consumers relate to brands across touchpoints and over time (Hollebeek et al., 2014).

Customer brand engagement can be broadly defined as “a consumer’s positively valenced brand-related cognitive, emotional, and behavioral activity during or related to brand interactions” (Hollebeek et al., 2014). This definition captures the multidimensional nature of the concept, recognizing that engagement is not a static outcome but a dynamic process that evolves through ongoing interactions and co-creation episodes. It positions consumers not merely as passive recipients of brand messages, but as active participants in shaping brand meaning, value, and visibility. The academic literature has converged around three core dimensions of brand engagement: cognitive, emotional, and behavioral. The **cognitive dimension** refers to the level of mental investment, interest, and absorption a consumer experiences when interacting with a brand. This includes attention, awareness, and brand-related thought processes (Brodie et al., 2011). The *emotional dimension* concerns the affective attachment and feelings of excitement, enthusiasm, or pride derived from the brand experience (Vivek et al., 2012). Finally, the *behavioral dimension* captures the tangible actions consumers undertake, such as word-of-mouth, content sharing, participation in brand communities, or repeat purchases, driven by their engagement (Sprott et al., 2009). Unlike traditional constructs such as satisfaction or loyalty,

engagement is inherently interactive and participatory. While loyalty may imply a repeated pattern of behavior, engagement reflects the underlying psychological drivers that sustain and enrich this behavior over time. A consumer may be loyal to a brand without being engaged, but genuine engagement almost always fosters a deeper form of loyalty, one that is more resistant to switching and more likely to translate into advocacy and brand co-creation (Bowden, 2009).

Brand engagement also plays a crucial role in co-creating value. Within the service-dominant logic framework, value is not delivered unilaterally by firms but emerges from interactions between consumers and brands (Vargo & Lusch, 2008). In this context, customer engagement becomes a key mediator of value creation: it enables consumers to derive personal and symbolic meaning from brand interactions and to actively contribute to the brand narrative through participation and content generation (France et al., 2015). This is particularly relevant in digital ecosystems, where engagement is no longer confined to physical touchpoints but extends into social media, gamified experiences, and online brand communities.

The digital revolution has profoundly reshaped the contours of customer engagement. Platforms such as Instagram, TikTok, Reddit, and YouTube provide fertile grounds for consumers to interact with, critique, remix, and even parody brand content. This democratization of brand discourse empowers consumers to become *prosumers*, simultaneously producers and consumers of brand meaning, blurring the boundaries of authorship and shifting the control of brand identity away from firms (Dessart et al., 2015). As a result, engagement today is as much about interpretation and response as it is about brand messaging. Moreover, engagement is increasingly recognized as a dynamic and context-sensitive process. It is influenced by a multitude of factors, including brand personality, consumer motivations, cultural background, media channel, and even temporal aspects such as frequency and recency of interaction. Some scholars argue that engagement fluctuates across the customer journey and must be understood as episodic rather than stable over time (Bijmolt et al., 2010). This has important implications for measurement, as static indicators may fail to capture the full complexity of engagement patterns.

From a managerial perspective, understanding engagement is vital for designing effective branding strategies, especially in environments where brand differentiation is based less on functional attributes and more on experiential and emotional value. Highly engaged consumers are not only more loyal, but also more valuable in terms of lifetime value, brand advocacy, and their role in content dissemination. They can amplify brand reach through word-of-mouth and user-generated content, and they often act as informal brand ambassadors, defending or promoting the brand within peer communities (Keller, 2013).

The emergence of engagement metrics, such as social media interactions, net promoter scores, click-through rates, and content contribution ratios, has further highlighted the strategic importance of CBE. However, scholars warn against relying solely on behavioral proxies, which may not accurately reflect the depth of cognitive and emotional involvement (Calder et al., 2009). Effective measurement of brand engagement thus requires a multi-method approach that combines behavioral tracking with attitudinal and psychographic data, often obtained through surveys or ethnographic observation.

In co-branding contexts, engagement becomes even more complex. The presence of two (or more) brand identities introduces additional cognitive and emotional dynamics, such as perceived fit, value synergy, and cultural alignment. Engagement may be facilitated when the collaboration enhances the consumer's sense of identity or provides access to new symbolic or functional benefits. Conversely, if the partnership generates confusion or dissonance, it can erode engagement by undermining the perceived authenticity or coherence of the brand experience (Simonin & Ruth, 1998). Additionally, research suggests that consumer engagement with co-branded offerings is often influenced by *relational transfer*, the extension of pre-existing emotional and cognitive ties from one brand to another. In such cases, the degree of engagement with the primary brand may condition the consumer's openness and responsiveness to the secondary partner (Park et al., 1996). This mechanism underscores the importance of strategic alignment and storytelling in co-branding initiatives: without a coherent narrative and perceived complementarity, engagement may remain superficial or even deteriorate.

Finally, the role of *identity and self-congruity* in driving engagement should not be underestimated. Brands are often chosen not for their intrinsic properties, but for the symbolic value they confer to the consumer's self-image. When a brand aligns with a consumer's personal or social identity, engagement tends to deepen and stabilize (Escalas & Bettman, 2005). Co-branded offerings that reflect multiple aspects of a consumer's identity, such as taste, values, or aspirations, can therefore produce even more powerful engagement effects, provided that the alliance is perceived as credible and relevant.

In a more networked and distraction-prone market, the concept of customer brand engagement (CBE) has developed as a central construct in understanding how customers interact with brands in dynamic and nuanced ways. Engagement, once the passive aftereffect of satisfaction or loyalty, has been understood as an autonomous psychological state reflecting a more nuanced level of brand–consumer interaction. It extends beyond transactional behavior and encompasses emotional, cognitive, and behavioral factors that collectively determine how customers engage with brands via touchpoints and over time (Hollebeek et al., 2014).

Customer brand engagement can be thought of in a general sense as "a consumer's positively valenced brand-related cognitive, emotional, and behavioral activity during or related to brand interactions" (Hollebeek et al., 2014). This definition encompasses the multi-dimensionality of the construct, recognizing engagement as not a state but an emergent process that evolves through iterations of engagement and co-creation moments. It positions consumers not merely as passive recipients of brand messages but active co-creators of brand meaning, value, and visibility. Three dimensions have been converged upon by scholarship as central to brand engagement: cognitive, emotional, and behavioral. The cognitive dimension refers to the degree of mental involvement, interest, and focus a consumer experiences while interacting with a brand (attention, awareness, and mental processes concerning the brand) (Brodie et al., 2011). The emotional dimension is concerned with affective tie and delight, excitement, enthusiasm, or pride evoked through the brand experience (Vivek et al., 2012). Finally, the behavioral aspect encloses tangible actions that consumers undertake, such as word-of-mouth, content sharing, brand community involvement, or

repeat purchase, driven by their engagement (Sprött et al., 2009). Engagement differs from timeless constructs such as satisfaction or loyalty since engagement is interactive and participatory in its nature. Loyalty might be said to connote a pattern of repeated behavior, yet engagement includes the inherent psychological forces that sustain and intensify the behavior over time. A consumer can be engaged but not loyal, but real engagement will almost always come with a more extended form of loyalty, one that is less prone to defect and more likely to become advocacy and co-creation of the brand (Bowden, 2009).

A brand engagement is also a primary mover of co-creating value. In the service-dominant logic paradigm, value is not provided by firms unilaterally but is co-created in interactions between consumers and brands (Vargo & Lusch, 2008). In this context, customer interaction plays a significant mediator role in value creation: it enables consumers to impart personal and symbolic meaning to brand interactions and to actively contribute to the creation of the brand narrative through participation and content generation (France et al., 2015). This holds particularly in digital ecosystems, where touch is not only limited to physical contact points but extends to social media sites, gamified experiences, and online brand communities.

The digital revolution has dramatically reshaped the contours of customer engagement. Social media outlets such as Instagram, TikTok, Reddit, and YouTube provide fertile grounds for consumers to connect with, criticize, remix, and even mock brand content. This democratization of brand discussion allows consumers to become prosumers, not only producers and consumers of brand meaning but also drawing lines between authoring and repossessing control over brand identity from businesses (Dessart et al., 2015). This means that engagement nowadays is as much response and interpretation as the message of the brand. Additionally, engagement is increasingly viewed as an action that is dynamic and context-dependent. It is influenced by numerous variables, including brand personality, motivation of the customer, culture, medium, and temporal variables like frequency and recency of contact. Some scholars argue that engagement is different along the customer journey and should be theorized as episodic, rather than constant over time (Bijmolt et al., 2010). This makes a big

difference in measurement, because static measures fall short in capturing the subtlety of engagement patterns.

Management-wise, understanding engagement is essential to developing effective branding strategy, especially in environments where brand differentiation is not so much about functional differences as it is about experiential and emotional ones. Deeply involved consumers are more than merely loyal, but are also of higher lifetime value, word-of-mouth support, and their role in content sharing. They are able to promote the brand through word-of-mouth and user-generated content, and turn into informal advocates for the brand, defending or promoting the brand among groups of peers (Keller, 2013).

When co-branding is the case, engagement is only more complicated. The action of two (or more) brand identities introduces additional cognitive and affective dynamics, such as perceived fit, value synergy, and cultural congruence. It can be made possible when the partnership strengthens the consumer's sense of self or gives them access to new symbolic or functional advantages. However, if the union creates confusion or dissonance, it weakens engagement by attacking the perceived authenticity or coherence of the brand experience (Simonin & Ruth, 1998). In addition, research shows that consumption involvement for co-branded offerings typically is set by relational transfer, utilizing prior existing cognitive and affective connections in one brand to the other. In these situations, involvement with the lead brand might precondition the consumer's responsiveness and openness to the secondary partner (Park et al., 1996).

This process identifies the need for strategic complementarity and narrative in co-branding operations: in the absence of narrative coherence and complementarity perceived, participation can be confined or, worse yet, worsened.

Lastly, don't overlook the power of identity and self-congruity in engaging via brands. Brands are chosen often because of their symbolic meaning rather than their inherent attributes, which impart the desired symbolic meaning to the self-concept of the consumer. Whereas a brand fits into a consumer's social or personal self, the level of engagement increases and stabilizes (Escalas & Bettman, 2005). Co-branded items

that reflect multiple aspects of a consumer's self, e.g., taste, values, or aspirations, can therefore create even deeper engagement effects, provided the alliance is perceived as credible and applicable.

Overall, customer brand engagement is a multifaceted and dynamic phenomenon at the center of modern branding strategy. It is participatory in its nature, multidimensional in structure, and socially embedded within networks and relations, reflecting not only what consumers do with brands, but also what brands empower consumers to be. Hence, an understanding of engagement dynamics is important for firms that wish to build authentic relationships, establish brand equity, and gain long-lasting competitive advantage, especially in a climate more characterized by collaboration, co-creation, and empowered consumers.

Lastly, as brands more and more are competing on functional use, but also on symbolic meaning and cultural significance, engagement is the necessary link between brand intent and consumer meaning. It is engagement that consumers filter through and interpret brand stories, constructing them into individual and social meaning. For marketers, this implies a shift away from broadcasting towards conversation, from message control to curating spaces for co-authorship. Particularly in co-branded initiatives, where identity, worth, and audience dynamics are more multifaceted, engagement becomes a measure of resonance and a great driver of success. Failure to consider or design engagement undermines the very strategic value that co-branding aims to produce. Therefore, any brand alliance that aspires to cultural momentum and long-termevity must make engagement not as a second-order KPI, but as a first-order design requirement from the outset. Besides the academic and managerial connotations, the need for customer engagement also confers upon the ethical and social dimensions of branding a certain timeliness. Now, especially Millennials and Gen Z, are extremely sensitive to brands' socio-political stances, environmental values, and diverse narrative. Engagement is increasingly driven by this cultural and ethical awareness: consumers no longer engage with brands merely to be entertained or for utility but also to affirm identity, be part of movements, and advocate for values alignment. To this end, brand interaction forms a form of cultural citizenship that involves brand encounters as practices of agency and belonging in broader society

(Thomson et al., 2005). This behavior has potential and also risk. While purpose-based branding has the potential to mobilize engagement and build emotional capital, gaffes or perceptions of hypocrisy will lead to backlash, boycott, or reputational harm, especially for co-branded partnerships in which the reputational risk of one partner compounds on the other. Thus, engagement management for co-branding requires not only narrative congruence and experiential congruence, but also cultural fit and ethical compatibility. Lastly, engagement's future will be determined by emerging technologies such as augmented reality, artificial intelligence, and blockchain-enabled experiences that create new avenues of interactivity and personalization. These technologies stretch the engagement continuum, from passive consumption to immersive, adaptive, and even decentralized brand experiences. In co-branding, for instance, they could enable multi-level structures of engagement, each brand bringing its own platform, community, or level of experience to the shared environment. As brands move further from fixed identities and toward fluid ecosystems of interaction, engagement must be redefined not just as a marketing success, but as a strategic direction, one that informs product innovation, storytelling, organizational culture, and partnerships. Under this restructuring, co-branding as a high-end site of experimentation and value creation since it entails harmonizing two engagement strategies into one and rich experience.

2.2 – Antecedents of Brand Engagement in Digital and Co-Branded Contexts

Participation in co-branding does not occur spontaneously but is instead a result of a rich mix of pre-condition factors that affect consumers' perception, interpretation, and behavior toward a partnership. These antecedents occur before the co-branding venture itself appears in the marketplace and set the fertile or barren ground on which the alliance will be perceived to have its presence. Here, engagement antecedents are conceptualized as a multi-dimensional system of brand-based, consumer-based, contextual, and market-based variables that all interact interdependently to anticipate probability and intensity of consumer engagement. The identification and management of such antecedents strategically is essential to any co-branding initiative with the goal

to develop more than superficial interest, turning initial interest into enduring emotional, cognitive, and behavioural investment.

A main antecedent is brand familiarity, and it has a strong impact on the speed at which consumers process and engage with a co-branding effort. Familiarity serves as a mental shortcut, diminishing uncertainty and enabling the spillover of positive associations from a co-branded partner toward the collaborative effort (Keller, 1993). When in a high-familiarity situation, consumers put in less effort to interpret the meaning of the partnership, and thus they are more likely to put in attention and emotional effort. For example, in the Apple-Nike instance, existing knowledge of the two companies' track record of innovation prepares customers to be looking for a high-end, high-impact partnership. Familiarity is not reciprocally held, however: one brand may be global in reputation while the other is local or specialist. In such cases, engagement patterns usually work in favor of the bigger partner, perhaps overwhelming the smaller brand but also giving it a platform whereby it can be brought into the limelight (Leuthesser et al., 2003). The asymmetry-familiarity dynamic is thus strategic: although a well-known anchor brand can be legitimate, there lies a risk of over-dependence in case the less-well-known partner fails to create its own drivers of engagement.

Most closely linked is brand credibility, the extent to which the consumers perceive the brands as competent, capable, and consistent with their stated values (Erdem & Swait, 2004). Credibility in co-branding operates on two dimensions: one of individual credibility for each of the involved brands and a perceived credibility for the collaboration itself. A collaboration of two reliable brands can lead to a trust synergy that enhances commitment, while involvement by a brand of questionable practice can undermine enthusiasm even for a very trustworthy partner (Washburn et al., 2004). Apply the critique of high-end brands partnering with mass-market stores alleged to exploit workers; these partnerships, if poorly explained, are hypocritical, eliminating involvement by causing dissonance between what is anticipated and how the brands behave. Credibility here is not merely reputational but relational, it hangs on whether or not the value guaranteed in co-branding is done correctly.

The other powerful antecedent is perceived fit among the brands on functional, symbolic, and cultural dimensions (Simonin & Ruth, 1998). Functional fit would be

used for complementary abilities, such as Intel and Lenovo doing laptops, while symbolic fit involves shared values, beauty, or identity symbols. High fit alliances are less likely to face resistance because they align with consumers' schemas. But low fit is not always bad; when properly supported, it can generate surprise and fascination by novelty (Zhang et al., 2014). The magic is in framing stories: customers need a coherent story for why the alliance makes sense. For instance, the unexpected collaboration between LEGO and IKEA was initially confusing, but the narrative of promoting creativity and family time filled in the space of perceived newness, making newness become relevance.

Aside from brand attributes, consumer involvement also has a significant role in determining the probability of engagement. Involvement refers to the degree of personal relevance a consumer assigns to the product category, brand, or cooperation theme (Zaichkowsky, 1985). High-involvement consumers are likely to invest time and mental effort into exploring the co-branding program, particularly if it is of interest or relevance to themselves. For example, within the sneakerhead community, co-branding releases among sportswear companies and street artists are likely to be a source of high-level involvement because the group has a vested emotional interest in sneaker culture. In contrast, low-involvement consumers may require stronger concrete rewards, to overcome the fence and become actively involved.

Emotional attitude towards the brands or collaboration concept is another important antecedent. Positive affective associations create consumer predispositions to view the co-branding positively, while negative ones may be barriers for brands to overcome (Hollebeek et al., 2014). Nostalgia-driven co-branding promotions, such as Nintendo tie-ups with fashion companies to introduce retro-style apparel, leverage emotional predisposition to create buzz and word-of-mouth. Conversely, the lugging around of past controversy baggage hurts whenever a brand engages in a partnership.

The concept of consumer-brand identification, the consumer's self-concept matching the identity of a brand, is especially relevant to co-branding (Bhattacharya & Sen, 2003). When both brands hold values or lifestyles which are desirable to the consumer, identification will be maximised so that increased involvement will take place. Such dual identification can engender a strong feeling of belonging, as in the example of co-branding between outdoor clothing brands and nature preservation associations, where

customers perceive that by purchasing or promoting the co-brand product they are reinforcing their self-concept as green. However, inconsistencies between brand identities can drive customers to a value conflict negotiation, which at times leads to disengagement.

Relevance to prevailing societal discourses significantly influences engagement from a cultural perspective. Brands positioning their collaboration in cultural causes, such as inclusivity, sustainability, or online creativity, tap into broader emotional and symbolic currents beyond product utility. Cultural salience may also be time-sensitive; timing a partnership during significant events or social dialogue can increase engagement, while out-of-sync timing can render otherwise solid partnerships tone-deaf. Notably, cultural connection is not the same across geographies; what stimulates engagement in one marketplace can be immaterial or worse, offend, in another, and so cultural knowledge becomes essential in global co-branding plans (Steenkamp, 2005). Perceived authenticity is now an unwavering co-branding prerequisite in contemporary times. At a time of heightened cynicism on the part of the consumer, co-branding initiatives appearing to be opportunistic or purely profit-driven stand to be rejected as inauthentic (Morhart et al., 2015). Authenticity stems from a mutual convergence in values, histories, or abilities. Cause-related collaborations, such as Ben & Jerry's partnership with social justice advocacy non-profits, are motivated by their perceived genuineness of commitment. Its opposite, perceived greenwashing or virtue signalling, can erode consumer trust in a hurry and spawn negative engagement. Finally, market structures and competitive pressures shape how antecedents are being translated into actual engagement. Competitive marketplaces provide the context for co-branding to be a selective discriminator, prompting consumers to be interested in the novelty. In low-competition markets, participation could be more based on perceived value contributed to the partnership instead of differentiation. Economic conditions are also applicable: consumers may focus on functional benefit during recession, and novelty and expression during booms. Moreover, in industries that are prone to quick innovation, such as technology or fashion, speed of execution and first-mover advantage can be the difference between strong antecedents being turned into actual engagement before replication by competitors or surpassing the lead.

Overall, antecedents of engagement in co-branding are varied and contextually reliant. They include brand-level factors such as familiarity, credibility, fit, and authenticity; consumer-level factors such as involvement, emotional predisposition, and identification; cultural factors such as relevance and timing; and market factors such as competition and economic climate. They all operate not in isolation but in interplay, and the outcome is a dense web of conditions for brands to negotiate. By recognizing these dynamics and organizing collaborations that activate a constellation of antecedents simultaneously, marketers can increase the likelihood that their co-branding efforts will be observed and sustain significant, long-term involvement of their customers.

2.3 – Consequences of Engagement in Co-Branding Strategies

Consumer involvement in co-branding efforts has a ripple effect that resonates long after the partnership has taken place. It is not a passive outcome but an ongoing process, shaping brand attitudes, market performance, and even corporate strategy in the long term. Such impacts occur at multiple levels, psychological, behavioural, social, and organisational, and can be either positive or negative. The same forces that amplify brand equity and loyalty can also magnify reputational risks or act out strategic dependencies. It is essential for scholars and managers to understand the scope and complexity of engagement outcomes, not only to achieve maximum benefits but also to anticipate and buffer against potential negatives.

One of the most widely acknowledged outcomes, among many others, is the enablement of brand equity. Engagement reinforces the cognitive and affective associations that consumers hold for the allied brands, supporting mental availability and perceived value (Keller, 1993). Strong engagement in a co-branding initiative can facilitate the transfer of positive associations between the brands. This is a two-way exchange: a sport brand partnering with a luxury fashion brand may acquire a halo of exclusivity, and the luxury brand becomes more legitimate in performance and lifestyle markets. A good example is Louis Vuitton x Supreme, in which Supreme's streetwear cred assisted in infusing Louis Vuitton with youth-oriented relevance, and Louis Vuitton's craftsmanship provided a boost to Supreme's brand prestige. This

synergy in equity co-creation can have enduring effects, influencing future purchase behavior even outside the specific partnership.

Side by side is the entrenchment of brand loyalty. Engagement cultivates loyalty by instilling a sense of personal connection and emotional involvement. Consumers who are actively engaged in co-branding efforts, whether through purchasing, sharing, or attending, become more likely to form loyalty that is less susceptible to competitor advances (Brodie et al., 2011). In some cases, loyalty can accrue not only to each of the individual brands but to the co-branded entity itself. Long-standing alliances, such as that between Michael Jordan and Nike, have formed self-perpetuating sub-brands, Air Jordan, whose loyal following transcends the original partnership environment. In this case, engagement has formed a brand-within-a-brand with the possibility of generating standalone cultural and commercial value.

A second important result is the magnification of advocacy and word-of-mouth. Engaged consumers will also act as unpaid brand ambassadors, recommending the partnership to others, encouraging user-generated content, and stretching the campaign's reach through social media outlets (van Doorn et al., 2010). Co-branding advocacy will normally have higher credibility since it's perceived to be a result of real excitement rather than strategic business communication. GoPro's partnership with Red Bull is a great example: co-created extreme sports content was shared passionately by enthusiastic fans, extending brand reach far beyond what would have been possible through paid media. In these cases, engagement-driven advocacy is a form of earned media, delivering both cost efficiency and authenticity.

Influence also has an effect on market positioning, allowing brands to reposition or solidify themselves within competitive markets. A successful co-branded activity can make a brand stand out by associating it with new categories, values, or lifestyles. Apple's collaboration with Hermès for custom Apple Watch straps repositioned the smartwatch not just as a technological product but as a fashion accessory, providing Apple with access to fashion consumers at the upper end of the market while establishing the timeliness of Hermès. In developed economies, even such

repositioning might be crucial in sustaining further growth and averting commoditisation.

Beyond positioning, active consumers contribute towards innovation and product creation. Co-branding efforts will have discussion between brands and consumers capable of giving feedback in order to inform future products (Füller, 2010). LEGO's collaboration with NASA, for example, generated educational products and STEM programs, broadening the value proposition of the brand from play to learning. If engagement includes co-creation, for example, by requesting consumers to vote on product concepts, brands can mitigate market uncertainty and maximize the chances for launch success.

Collaboration effects are not all beneficial. Brand dilution is one of the risks, in which the distinctiveness of a brand is attacked by its association with a partner whose values or reputation are not compatible (Simonin & Ruth, 1998). This is especially undesirable when a premium brand is allied with a mass-market or provocative partner for whom there seems to be no strategic rationale. For example, if high-fashion brands collaborate with discount stores without aligning product quality or storytelling, they risk losing their prestige. In this case, high involvement generates short-term buzz at the cost of long-term brand credibility.

Another drawback is increased management of consumer expectations. Active consumers anticipate continuous satisfaction of the promises made in a partnership. Where experience, quality, or availability does not deliver, revenge is ruthless and fast. Rare sneaker releases yield a rich case: while scarcity may fuel desire and interest, relative disparity of access may provoke public anger, as with numerous Nike x Off-White releases. The higher the pre-release participation, the greater the disappointment at unmet expectation (Fournier & Avery, 2011).

Participation further heightens interdependence in reputation. In highly involved partnerships, the behavior of one brand will reflect on the other, even beyond the boundaries of the partnership. If one partner is involved in a scandal or consumer boycott, the other will suffer negative spillover. This was seen when one celebrity partner of Pepsi was involved in a controversy, and the brand received public backlash despite not being directly involved. The more active consumer base, the more sensitive association is to such reputation contagion.

Organisational level engagement can change distribution and channel dynamics. Co-brands can require specialty retail approaches, such as single-off pop-ups, online drops, or event-based selling, that facilitate direct-to-consumer relationships but stretch at wholesale relationships. Adidas' Yeezy collaboration diverted significant sales volume from conventional retail partners to direct channels, pushing up margins but creating channel conflict. Thus, in this way, engagement can redefine value chain relationships, with trade-offs and opportunities.

The consequences of engagement also extend to investor reputation and stock performance. The highly engaged relationships can affect share market reactions, as analysts view them as signals of innovation capability, brand power, or market growth potential. When Tesla rolled out its co-branded surfboard with Lost Surfboards, although a niche and symbolic product, the move was viewed as reinforcing Tesla's lifestyle brand stance, temporarily boosting market mood. This shows how interaction is able to generate intangible financial value through signalling effects.

From the social and cultural perspective, engagement can create cultural embedding of the alliance, which becomes a part of social ritual or collective memory. The example of the Coke and FIFA World Cup alliance, for example, has become so much a part of global cultural awareness that it shapes the image of both brands during every tournament cycle. This is a form of cultural capital that may endure for decades, influencing the meaning of the brand decades following the specific campaign.

Nevertheless, engagement can also contribute to consumer empowerment which is against brand control. Highly engaged consumers feel a sense of ownership of the partnership so that they can respond against brand decisions found as exploitative or contradictory. Social media platforms facilitate this aspect, as the most vocal consumer groups can mobilize protests against actions that they do not appreciate. This was evident when enthusiastic fans of a video game franchise protested against a co-branded game that altered fundamental gameplay elements, which led to public petitions and negative reviews.

Another substantial, albeit less widely remarked, impact is on internal brand culture. Very visible, very committed co-branding initiatives have the power to mobilise employees, generating pride and identification with the company's creative possibilities. Conversely, if a partnership is openly criticised, employees can become

demotivated or disengaged. Involvement consequently has internal as well as external cultural effects, shaping organisational morale and identity.

Finally, the consequences of engagement must be measured through robust measurement mechanisms. Measurements must quantify both tangible and intangible outcomes (sales, market share, customer acquisition) as well as intangible outcomes (brand perception, voice share, cultural alignment). Harrigan et al. (2018) opine that while direct measures are necessary so that ROI can be determined right away, long-term worth usually comes from relational and cultural bases that are less quantifiable but critical to sustainable competitive advantage.

Collectively, the consequences of engagement in co-branding efforts are multifaceted, mutually related, and conditional. They include tangible benefits such as enhanced brand equity, loyalty, advocacy, innovation, and market differentiation, along with liabilities such as brand dilution, reputational spillover, and disappointment due to unrealized expectations, and channel conflict. The managerial problem of strategy is building alliances that leverage the power of engagement while putting management filters in place to mute its volatility. In itself, engagement is not good or bad, it's a force multiplier that can accelerate success or failure depending on how it is built and managed.

2.4 – Gaps and Limitations in Current Research

In spite of a growing body of research on customer engagement and co-branding strategies, there are still substantively large gaps and confines in scholarly understanding of how these constructs are related and evolve. Whereas studies have increasingly acknowledged engagement as a multidimensional and context-dependent phenomenon (Brodie et al., 2011), most of the current literature continues to discuss it in relatively fixed or piecemeal terms. This rigidity of conceptualisation is then likely to result in models that cannot capture the iterative and dynamic nature of engagement, especially in the case of co-branding initiatives where customer attitudes, partner brand reputations, and market circumstances can alter significantly over time. Further, much research tends to isolate individual drivers of engagement or consequences without considering how the variables interact as components of a composite, systemic process

(Hollebeek et al., 2014). In the specific case of co-branding, theoretical integration is lacking from the literature in an important way. While there is extensive literature on brand alliances (Simonin & Ruth, 1998), and a parallel stream on participation online and offline (Calder et al., 2016), these threads have rarely been integrated together into a unified framework capable of explaining how participation develops in co-branded settings. The result is a patchwork of conclusions which, worth in themselves, are unable to produce the over-arching theory needed to provide generalisable results. This shortage is again exacerbated by the fact that co-branding activity remains under-theorised given the changing new digital contexts where platform regimes, algorithmic sorting of content, and participatory cultures of the consumer play vital roles in shaping the frequency and mode at which interactions occur. Empirically, evidence of usage of co-branding environments is often constrained by methodological issues. Many studies rely on findings predominantly from self-reported survey self-assessments, which, while useful in determining attitudes and intentions, are susceptible to social desirability bias and do not necessarily reflect true behavioural usage (Dessart et al., 2016). Experimental methods, when employed, typically suffer from ecological validity, emulating lab-like simplified brand interactions that do not capture the nuances of actual co-branding campaigns. Longitudinal designs—essential for determining how engagement builds and may eventually decay—are the exception. Without temporal depth, the literature may be overstating the durability of engagement effects, neglecting how novelty, media fatigue, and changing cultural narratives can reverse engagement.

A second limitation is the limited coverage based on distinct consumer segments and markets. Much of the existing empirical work is concentrated in Western, urban, and relatively affluent contexts using convenience samples of university students or digitally active consumers (Steenkamp, 2005). This demographic and locational bias limits external validity as engagement behaviour might be quite different in the emerging economies, rural towns, or for older audiences less connected to digital consumer culture. Cross-cultural variation, in attitude towards brand partnerships, contrasting trust generation dynamics, and differing symbolic meanings under co-branding, also remains in need of research even with findings that demonstrate cultural values play significant roles in shaping engagement processes (Hofstede, 2001).

Moreover, the literature has not yet adequately described the impact of evolving media ecosystems on co-branding participation. With attention fragmented across diverse channels and platforms, participation is increasingly intermediated by technological ecosystems, social media algorithmic terrains, influencer networks, gamification mechanics, that completely transform the conditions under which co-branding initiatives succeed or fail (Ashley & Tuten, 2015). Yet little research describes how these platform-specific dynamics enhance mainstream brand equity principles to influence consumer behavior and attitudes. There is still a lack of critical perspectives regarding engagement consequences. While much research emphasizes the potential of co-branding engagement to enhance brand equity, loyalty, and word-of-mouth, there are fewer studies that focus on the risks of over-engagement, such as consumer exhaustion, blurring of the brand, or reputational spillover. Academic literature is likely to assume that engagement is inherently positive, overlooking instances of excessive levels of engagement amplifying negative emotions or propagating brand crises at a quicker rate (Scholz & Smith, 2019). In the absence of some balance in comprehending both positive and negative trajectories of engagement, brand managers will be inclined to use strategies that are overly positive but less immune to market volatility.

In total, co-branding customer involvement scholarship remains disjointed, methodologically restricted, and culture-restricted. In order for the field to progress, upcoming scholars must select integrative theory methodologies, embrace longitudinal and cross-cultural methodologies, and critically examine both the enabling and potentially ruinous aspects of consumer involvement. It is only through such inclusive scholarship that thought can provide insights both theoretically valid and practically relevant to the multifaceted aspects of contemporary brand alliances.

Perhaps the most striking limitation is overreliance on quantitative approaches and their consequent tendency, often rooted in self-reported survey measures. Though these attempts have yielded rich data on antecedents and consequences of engagement, they tend to reduce engagement to simplistic behavioral surrogates, shares, likes, purchase intent, without digging beneath these superficial cognitive or affective foundations. This method threatens to miss the richness of consumer-brand

interactions, particularly in co-branding, where symbolic, affective, and identity-based considerations are frequently pivotal. In addition, survey research is usually short on ecological validity; it measures engagement as a snapshot in time, not as a lived, unfolding process. By contrast, qualitative methods such as netnography, in-depth interviews, or ethnographic observation remain underemployed in this field, despite their potential to provide insights into how engagement is fabricated, differentiated, and negotiated across time (Hollebeek et al., 2014).

A second significant gap is concerned with the fragmented management of co-branding settings. The majority of research focuses on product-oriented co-branding within fashion or consumer goods, failing to consider co-branding strategies in industries like technology, finance, health, or public organizations. This industry focus restricts external validity and may mask industry-specific participation dynamics. For instance, co-branding in the technology sector often entails not just emotional resonance but also functional compatibility and integration across ecosystems, issues not usually addressed in mainstream co-branding research. Similarly, service-based co-branding, such as airline-hospitality brand partnerships, demands unique touchpoints and co-creation opportunities that disrupt traditional brand engagement paradigms.

A second limitation is on the assumption of positive engagement consequences. Much of the literature has the inclination to treat engagement as a universally beneficial thing, both for consumers and brands. But this optimistic slant ignores the potential for dysfunctional or negative types of engagement—brand exhaustion, parasocial over-involvement, or poisonous brand communities. In co-branding relationships, negative interaction can be particularly damaging, as it may extend not only to the separate brands but also to their associative network. For example, when a partnership is perceived to be deceptive or exploitative, damage to reputation can "spill over" from one to another of the partners, even when blame is asymmetrically apportioned (Fournier & Avery, 2011). Few have addressed such spillover effects in a systematic manner or investigated how brands can address disengagement or backlash in co-branded promotions.

Most in line with this is the undertheorized idea of consumer agency in co-branding interaction. Much of the research continues to treat consumers as reactive agents responding to cues from branding, and not as active participants in meaning making. In real fact, interaction is more and more dominated by consumer action, meme, reinterpretation, protest, remixing, which may reinforce, subvert, or redirect brand narratives. In co-branding, this participatory logic is especially applicable because consumers must navigate two brand systems of meaning and sets of cultural codes. However, current models do not usually account for this interpretive labor or the possibilities for resistance and irony as legitimate means of participation (Cova & Dalli, 2009). The discipline could stand to integrate more cultural studies, media theory, and consumer resistance scholarship to better reflect on the depth of engagement as a power and negotiation act.

A further significant gap in literature is related to the paucity of cross-cultural comparison studies in terms of participation in co-branding initiatives. Engagement is not a value-free phenomenon but one that is deeply influenced by root cultural values, dominant communication norms, and the structural properties of local markets (Hofstede, 2001; de Mooij, 2019). But much existing empirical research has been conducted in Western, and indeed Anglo-American, contexts that predispose to emphasizing individualism, novelty-seeking, and self-brand identity expression as key drivers of consumer–brand relationships. The resultant Western bias risks producing conclusions that are neither context-transcendent nor sensitive to the degree to which cultural context significantly modifies the meaning and drivers of engagement. For example, within Western streetwear partnerships such as Supreme x Nike, exclusivity and rarity have a tendency to act as powerful drivers of engagement, spurring hype cycles and consumer competition for limited launch drops (Kapferer & Bastien, 2012). Engagement in these cases can take the forms of competitive consumption, social signaling, and symbolic capital accumulation among peer groups. Conversely, in collectivist cultures, for example, those characteristic of much of Southeast and East Asia, involvement might be inspired less by a personal need to be noticed and more by the desire to be associated with respected, socially accepted brands that seek to build harmonious group relationships and shared identity (Triandis, 1995). In these markets, relational trust, social cohesion, and adherence to group norms might be able

to outweigh novelty or exclusivity in determining consumer reactions to co-branding initiatives. Emerging economies deliver yet another layer of complexity. Brand engagement within these markets might be heavily influenced by aspirational patterns of consumption and perceptions of global brand legitimacy (Steenkamp, 2005). Co-branding between a high-end global brand and a local brand with credibility can be extremely powerful indicators of cultural inclusivity and sensitivity, hence facilitating greater engagement by consumers seeking products that are both globally resonant and locally relevant. In the absence of sensitivity to local values of consumption, however, these co-brands can also be interpreted as opportunistic or culturally tone-deaf, hence leading to disengagement or even backlash. For instance, Western firms venturing into Asian markets with co-branding strategies that project too strong Western lifestyle cues without meaning in local symbolism have from time to time been criticized for cultural insensitivity, disconnection, and dilution of brand equity (de Mooij, 2019). Digitally engaged cultures add yet another batch of differences to the equation. In nations with nearly ubiquitous smartphone and social networking usage, such as South Korea, Japan, or the United Arab Emirates, co-branding participation can be facilitated more quickly and intensely by the velocity of online communication and frequency of dialogue between consumers and brands. But the very same markets are more responsive to what they perceive as authenticity and transparency, and co-branding efforts must have clear messaging and not oversaturate in order to create and retain interest long-term (Okazaki & Taylor, 2013). Symbolic capital in these markets also changes very rapidly, with authentic brand reputation relying not only on history or product superiority but also on fit with fast-moving digital subcultures. The symbolic capital of other brands also varies enormously from place to place, in deciding whether or not co-branding partnership would appear to be harmonious or authentic in the local markets. An iconic brand in one market can be unknown or even stigmatized in another. Such an imbalance could distort the perceived mutualism of the alliance, where one brand is viewed as the stronger value creator and the other as the beneficiary, weakening the engagement dynamics. For example, an alliance between a leading global sportswear brand and a local specialist fashion designer will be aggressively promoted in the home country of the designer but will not illuminate elsewhere except when the local partner has a bad brand image there. Global branding

initiatives will otherwise be based on ethnocentric assumptions that fail to attract multicultural consumer segments without systematic, comparative, cross-cultural studies. These are likely to produce value proposition errors, suicidal communications, and missed opportunities for true connection. Cross-cultural research, ideally conducted through a combination of qualitative and quantitative approaches, must expose the subtle specifics in which participation is generated, conveyed, and recreated in different cultural, economic, and technological settings. This data would not only serve to advance theoretical knowledge in the academic realm, but it would also enable practitioners better to construct co-branding strategies that are both globally consistent and locally appropriate (Steenkamp, 2005). The concept of engagement metrics also poses unresolved issues. While research identifies most work as linking engagement to performance measures such as ROI, customer lifetime value, or brand equity, it is unclear how engagement is linked to these results. Does emotional engagement stimulate loyalty, or is loyalty a driver of engagement? Do co-branded activities create additive or multiplicative value in consumer perception? The causal relationships are too easily presumed, rather than established. In addition, present measures privilege tangible, quantitative behaviors over less tangible but equally valuable metrics—such as narrative linkage, symbolic resonance, or emotional identification. Therefore, managers would instead adopt superficial KPIs (e.g., views, likes) which are unable to quantify greater consumer engagement or long-term strategic significance (Pansari & Kumar, 2017). A rapidly expanding category that remains significantly under-researched is engagement in the face of ethical, political, or cause-driven co-branding. As brands more and more position themselves as forces for social change—whether through environmental partnerships, LGBTQ+ advocacy, or DEI initiatives—the dangers of engagement rise. Consumers no longer are evaluating co-branded offerings on solely functional or visual grounds, but also on values congruity and perceived authenticity. But it is only in recent times that the literature has started to analyze how such moral facets of involvement function in co-branding alliances. How do consumers interpret one of the partners as being more committed to the cause than the other? How are consumers interpreting greenwashing or virtue signaling within a co-branded initiative? The moral dimensions of involvement are conceptually underdeveloped and methodologically underresearched (Schmeltz, 2012). Finally,

there are too few processual and longitudinal studies that follow engagement longitudinally. Most of the available evidence captures engagement at one point in time, often during or just after a campaign. But engagement is a temporally dynamic process that shifts across stages: anticipation, experience, reflection, advocacy, and memory. In co-branding, these stages can be initiated by numerous drivers such as the timing of release, narrative through the brand, cultural events, or the actions of competitors. Without using longitudinal methods, it is difficult to understand the decay or reinforcement of engagement, the role of nostalgia in repeat collaborations, or when engagement is translated into loyalty. Later research would most benefit from process-oriented designs, including panel studies, ethnographies, or trace analyses based on digital data that follow consumer participation trajectories over time (Harrigan et al., 2018).

In brief, while academic studies of brand engagement and co-branding have evolved dramatically in the last decade, they remain circumscribed by methodological bias, theoretical deficiencies, and contextual omissions. The field would be enriched if more methodological diversity, interdisciplinary concentration, and critical interrogation of assumptions about engagement studies were embraced. Overcoming these limitations is not an academic exercise, it is a step that is necessary in building more effective, inclusive, and morally justifiable engagement strategies in an era in which brands are no longer selling products but engaging in cultural discourses and social imaginaries.

Chapter 3 – Empirical study

Testing the chemistry of Co-Branding

The first two chapters of this thesis set a wide theoretical foundation for understanding the roles of collaborative and sustainable branding strategies in shaping consumer attitudes and brand equity. Chapter 1 established the conceptual framework of branding and consumer trust, taking cognizance of how credibility and authenticity are central to enabling long-term relationships between consumers and brands. Chapter 2 built upon these concepts to analyze the challenges for luxury brands to balance exclusivity and accessibility, threats, and promise within co-branding efforts in other industries. Chapters titled consumer trust, perceived authenticity, and accessibility as the mediating variables that account for the success of the branding effort, especially where luxury brands are looking to expand their audience. The chapter transitions from theory to empirical research. While the previous sections highlighted the influence of brand positioning, co-branding fit, and cynicism among consumers, the purpose of this chapter is to study these issues within an experimental setting. The empirical research specifically studies how consumers react towards two other strategic options under which luxury brands may embark in an attempt to "democratize" their image and reach a mass market. The main question that guides the research is whether or not luxury brands should collaborate with third parties as a way of doing so, or they can simply apply their brand name and internal capabilities.

The question is particularly relevant in the present market climate. Luxury brands have been experimenting with more and more in the last ten years collaborations for the sake of reaching younger or more mass-market consumer bases, including the more widely reported collaborations like those between Louis Vuitton and Supreme, Gucci and Adidas, or Dior and Nike. The collaborations generated significant media speculation and cultural relevance, but also brand-dilution issues and potential loss of prestige. At the same time, many luxury brands have opted to unveil "entry-level" products independently, such as less pricey sneakers, perfumes, or add-ons, usually designed to serve as "gateway" items into the luxury world. These efforts make the brand more accessible but allow the brand to have full control over its identity.

Although they gain increasing popularity, studies have yet to reach consensus regarding whether collaborations fare better than single releases if the goal is to widen access. On the one hand, collaborations have the potential to amplify perceptions of newness, cultural fittingness, and value but carry risks of compromised authenticity and possible loss of rarity. Conversely, stand-alone launches maintain more control over brand storytelling and can protect prestige but might be perceived as less newsworthy or less entertaining for consumers used to cross-brand synergies. In light of this context, the current study aims to offer empirical insights on these different approaches. An experimental survey was conducted via Qualtrics in which participants were randomly allocated to one of two conditions. In the first condition, participants viewed an advertisement displaying a high-end brand, AURELIA, launching an affordable capsule collection in collaboration with a fictional streetwear brand, KIN-9. In the second condition, participants viewed the same advertisement but with AURELIA launching the same type of budget-friendly capsule collection but designed and put out independently without any co-partner. Significantly, the two scenarios were manipulated: the same product type (sneakers and small leather accessories) was used, the same price point was indicated (€190), and the same brand story was told, except that whether or not the effort was framed as a collaboration or a standalone endeavor was the only variation. Following stimulus exposure, participants responded to a semistructured questionnaire measuring perceptions of accessibility, authenticity, prestige, dilution, and trust, and behavioral intentions for purchase, loyalty, willingness to pay a premium price, and word-of-mouth. Consumer skepticism regarding advertising was also measured as a moderating variable, since skeptical consumers will respond differently to co-marketing initiatives than to stand-alone introductions. For instance, critical consumers may reward alliances if they perceive that they deliver tangible benefits or cultural value, but they would be selective about individual initiatives that appear as opportunistic ventures into market growth. The analysis is performed in three general steps. Descriptive statistics and reliability checks are first provided to confirm the scales used in the survey. Second, independent-samples t-tests are conducted to examine whether collaboration impacts significantly on perceived accessibility and whether collaboration negatively affects perceptions of authenticity, prestige, or exclusivity. Third, moderation analysis through PROCESS is

conducted to examine whether consumer skepticism moderates the impacts of collaboration on perceived accessibility. This is also important, since it indicates the heterogeneity in consumer reactions and shows "for whom" collaboration is most effective. By integrating these analyses, the chapter aims to answer two critical questions: (1) Do collaborations help luxury brands appear more accessible without undermining their prestige and authenticity? and (2) Are collaborations especially effective for consumer segments characterized by high levels of advertising skepticism?

Academically, the study makes a contribution to the co-branding and luxury management literature by providing controlled experimental evidence of consumer reactions to different democratization strategies. The study also complements existing research on consumer scepticism in that it reveals it to act as a moderator of perceptions of accessibility. Practically, the findings have obvious implications for luxury businesses weighing up whether or not to embark on collaborations or standalone launches. If partnerships enhance reach without damaging reputations, and especially if they speak to resistant consumers, they could be a strategically useful weapon for building reach without diminishing brand value.

In total, this empirical chapter makes a connection between the theoretical framework elaborated in chapters one and two with practical evidence, providing a rich understanding of how democratization strategies in luxury branding unfold in consumer perceptions. The rest of this chapter outlines the research design and methodology, then the results of the statistical analyses and what they imply.

3.1 Research Design and Methodology

The empirical study was carried out as a controlled experiment with a between-subjects design with two experimental conditions. The reason for this design is that it allows one to compare directly a number of different alternative strategic paths through which a luxury brand can attempt to become more accessible to larger groups of consumers. By assigning subjects randomly to either of two conditions, the research

ensures that any difference in outcome can be explained by the manipulated condition and not by subject difference. Subjects were treated with either of two different treatments for the hypothetical luxury brand AURELIA. In both instances, the brand debuted a capsule collection at a reduced entry price level (€190) that was framed as being more affordable than its typical sales proposition. The two conditions differed only in delivery mode. In the partnership state, AURELIA launched the price-conscious capsule in collaboration with an imaginary streetwear collaborator, KIN-9, as sneakers and accessories were the result of a union between high-end craftsmanship and streetwear style. In the alone condition, AURELIA launched the same price-friendly capsule exclusively in-house, without any third-party collaborator, placing the collection as re-interpretation of the brand codes in an even more stripped-down and minimalist way. By controlling product category, price point, and story length across the two conditions, the study ensured that any difference in consumer perceptions was due to the strategic choice of collaboration versus independent launch.

The manipulations in the experiment were brief written vignettes that were combined with visual mock-ups mimicking digital advertisements. The vignettes introduced the launch setting and contained the same information across conditions, save that sometimes they referred to or did not refer to the streetwear collaborator. The images added to this manipulation: under collaboration, the product image displayed both the AURELIA and the KIN-9 logo, while in the independent condition the identical product was shown but only with the AURELIA logo. Multimodal presentation was employed to boost ecological validity and make the scenarios more interactive for participants.

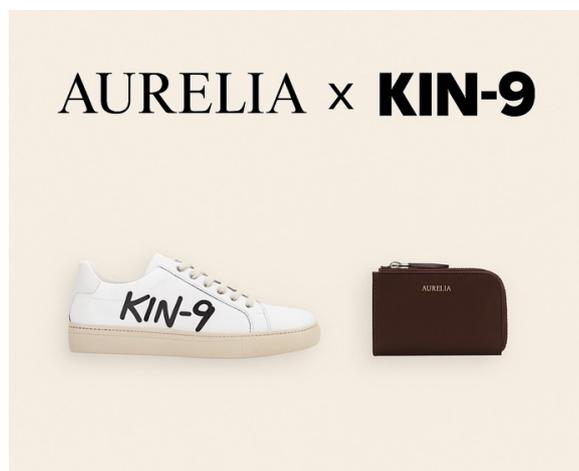


Figure 1: capsule collection AURELIA x KIN-9



Figure 2: price friendly collection without collaborators

The survey was completed online through Qualtrics. Participants were recruited through convenience sampling and allocated to the two conditions randomly through the randomizer feature of the survey. Participants then read through the vignette, viewed the visual stimulus, and completed a set of questionnaire items that measured perceptions and attitudes toward the initiative. It took around 7–8 minutes on average to complete the survey. The final sample consisted of around 140 participants. The sample included men and women with a mean age of 27 years. Data on education level and the residence country were also collected to provide a more comprehensive description of the respondents and to facilitate potential control variables in the analysis.

All constructs were measured through standard multi-item scales adapted to the study setting, and items were rated on seven-point Likert scales (1 = strongly disagree, 7 = strongly agree), unless otherwise indicated. Perceived accessibility was the most critical dependent variable and was rated with three items, of which the second and third were utilized in the main analysis following advice from the supervisor. Skepticism about advertising was also measured in terms of four items, with the second and third items used as the moderating variable in the analysis. Other scales were measured to capture potential secondary effects of the manipulation. These included authenticity, brand dilution risk, perceived prestige, and trust or ad credibility. Outcome measures were adapted to include attitude towards the initiative, purchasing intention, brand loyalty, word-of-mouth intentions, and willingness to pay, measured via a percentage slider ranging from 0% to 30%. Finally, moderators and control

variables were added at the end of the questionnaire. These included AURELIA familiarity, price sensitivity, fashion involvement, skepticism towards advertising in its full form, and demographic information. This design was assured to offer an inclusive data set suitable to test both the main effects of the experimental manipulation and the moderating effect of consumer attributes.

3.2 Data Analysis

After the returns of the survey had been collected, I first constructed the composite variables for analysis. Perceived accessibility was construed as a mean of item 2 and item 3 of the accessibility scale and employed as the main dependent variable. Advertising skepticism was also computed in the same way, averaging item 2 and item 3 of its scale, and then added as a moderator in the interaction model. The other scales (authenticity, brand dilution risk, and perceived prestige) were computed on all items of their respective measures and served as additional checks to ascertain whether collaboration can inadvertently harm fundamental aspects of luxury branding.

With the scales at hand, I performed a series of statistical tests. The first test was an independent-samples t-test of perceived accessibility between the two experimental conditions: (0) independent launch of the lower-priced product, and (1) launch of the same product as a co-branded collaboration with another brand. The test did reveal a stark difference between the groups. Participants in the collaboration condition rated the product as more accessible ($M = 5.42$, $SD = 1.15$, $n = 53$) than participants in the independent launch condition ($M = 4.92$, $SD = 1.35$, $n = 57$), $t(108) = -2.05$, $p = .042$. This result shows that this same product is judged to be more accessible when it is launched through collaboration than when it is launched independently. In practical terms, collaboration brought the brand nearer and more accessible, reducing the feeling of distance typically linked to luxury.

Second, I examined if collaboration had undesirable side-effects on authenticity, dilution, or prestige dimensions. Three additional t-tests were run. For authenticity, the two conditions differed almost negligibly (independent: $M = 4.92$, $SD = 1.23$, $n = 56$; collaboration: $M = 4.92$, $SD = 1.28$, $n = 53$), $t(107) = -0.033$, $p = .974$. For brand

dilution risk, the difference was also negligible (independent: $M = 4.59$, $SD = 1.16$, $n = 55$; collaboration: $M = 4.50$, $SD = 1.36$, $n = 53$), $t(106) = 0.375$, $p = .708$. Finally, in regards to prestige, the result was essentially the same under all conditions (independent: $M = 4.67$, $SD = 1.31$, $n = 54$; collaboration: $M = 4.67$, $SD = 1.24$, $n = 52$), $t(104) = 0.025$, $p = .980$. These findings indicate that while collaboration makes accessibility better, it does not reduce authenticity, does not give rise to dilution concerns, and does not reduce prestige.

Then, I analyzed whether these results varied according to consumers' skepticism towards advertising. To this end, I conducted a moderation analysis using PROCESS (Model 1). In this case, perceived accessibility was the dependent variable, condition was the independent variable (0 = independent launch, 1 = collaboration), and skepticism was the moderator. The condition \times skepticism interaction was positive but was not statistically significant ($b = .274$, $p = .196$). The combined model explained around 5% of accessibility variance ($R^2 = .049$; model $F(3,102) = 1.74$, $p = .164$). From a statistical perspective, this indicates the non-support of the moderation hypothesis at conventional significance levels.

The conditional effects, however, showed a significant pattern. With low-skeptical respondents, there was no significant difference between the collaborative and independent launch on perceived accessibility. Conversely, for average or high-skeptical customers, the collaboration effort led to higher accessibility scores than independent release. This suggests that skeptical consumers are less impressed by an upscale brand lowering its barriers alone but respond more positively to the same action being taken through a collaboration. Collaboration thus seems to emit an external legitimacy signal which reconfirms consumers who would otherwise doubt the strategy. Together, the analyses confirm that collaboration increases access without compromising authenticity, dilution, and prestige. Also, though the moderation was not statistically significant, the conditional effects suggest that the positive impact of collaboration might be especially relevant among doubting consumers. This provides a nuanced perspective: for audiences who are already open to marketing tactics, the route of launch does not matter much, but for those who are more critical and difficult to persuade, a collaboration appears to be a more effective and credible strategy.

3.3 Discussion of empirical results

The empirical examinations conducted in this study provide valuable insights into how co-branding influences consumer attitudes toward luxury brands when the latter attempt to maximize their mass appeal with the addition of more budget-friendly products. While the statistical examinations provide precise results in numerical terms, their interpretation should be within the context of a broader appreciation of the theoretical principles that surround luxury branding, consumer skepticism, and brand equity management. This chapter develops such an interpretation by describing the main findings, setting them against the backdrop of existing academic literature, and outlining their implications for theory and practice.

The main and most significant finding is the significant difference in perceived accessibility between the two experimental conditions. The t-test indicated that when the same product was introduced through a collaboration with another brand, the luxury brand was rated as significantly more accessible by the respondents, compared to when the brand released the product independently. This result is highly relevant to the research question in the sense that it directly addresses whether or not the use of collaboration is a lever that can be utilized to "open up" luxury to the masses. Theoretically, this finding is aligned with existing research that suggests collaborations are bridges between different consumer cultures and identity worlds (e.g., the intersection of exclusivity and mass-market focus). By partnering with another brand, luxury brands signal a kind of openness that doesn't so much dilute their core identity as reimagine accessibility as strategic intent. Consumers, on their end, appear to interpret collaboration as a signal of legitimacy: the brand isn't "cheapening itself" by lowering barriers on its own, but creating value in collaboration with another established player. This rationale also has reverberations within co-branding research, which emphasizes the role of partnerships in association transfer across brands (e.g., Simonin & Ruth, 1998). In this case, however, the transfer effect is unlikely to deal with functional attributes but symbolic meaning: co-operation conveys inclusiveness and cultural relevance. For upscale consumers who vacillate between the desire for status and the pursuit of novelty, this joint positioning can assist in making the idea of accessibility less offensive.

Also noteworthy are the results of the other t-tests, which determined if co-branding endangered other essential luxury branding dimensions, i.e., authenticity, risk of brand dilution, and prestige. On all three constructs, no differences were noted between the co-branding and single launch conditions. This uniform absence of negative effect is a strong result in itself. One of the most important managerial issues in the release of more affordable products is that their launch will besmirch the symbolic capital of the brand. Luxury is founded on its aura of exclusivity, tradition, and prestige, and any move that is perceived as incongruent with this aura risks reducing brand equity. But the data shows that collaboration provides an insurance: it raises accessibility without undermining authenticity, nor does it risk prestige. Consumers do not find the brand to become less "true to itself" or less exclusive simply because it collaborates to launch a more pocket-friendly capsule. These findings align with recent studies pointing out that co-branding in luxury can create complementary rather than competing associations (Kernstock et al., 2018). The co-creation itself recontextualizes the action: instead of seeing accessibility as a one-sided compromise, consumers perceive it as a joint effort and thus protect the brand's symbolic core. Practically, managers can rest assured that accessibility through collaboration need not entail reputational risk, at least not on core dimensions investigated here.

The least subtle part of the analysis comes from the moderation test using consumer skepticism. Despite the fact that the formal interaction term in the PROCESS model failed to be statistically significant, the conditional effects reveal an intriguing and theoretically plausible pattern. Specifically, low-skeptical consumers showed no statistically significant difference between collaboration and independent launch. To them, under both conditions, accessibility was considered equally important, showing that they were relatively insensitive to the introduction path. Compared to average or high-skeptical consumers, the alliance was perceived as much better at making the brand accessible than the launch on its own. This result can be interpreted in terms of consumer trust and persuasion research. Cynical consumers will be wary of the motivations of brands, particularly when they notice discrepancies between traditional positioning of a brand and new developments. In this study, these consumers can have viewed the standalone launch of a lower-priced product as dubious, maybe as a watering down of the luxury positioning of the brand. The alliance, however, brought

an external source of legitimacy. By aligning with a rival brand, the luxury company appeared to take a stake in the launch, which lessened the opportunity-driven nature of the move and increased its credibility.

In practice, this means that partnership is a legitimation tool for critical audiences. With extensive skepticism, legitimacy signals become a necessity, and partnerships are able to deliver those signals. This perspective is complementary to signaling theory, according to which alliances and partnerships can be seen as high-quality and commitment credentials (Spence, 1973). For luxury brands, whose credibility is always at issue, partnership thereby mitigates risks of consumer skepticism.

The findings add depth to academic debate in several ways. First, they add to the new literature for sustainable paths to accessibility in luxury branding and show that the pursuit of accessibility can be achieved without compromising core brand values if collaboration is involved in the process. Second, they highlight the importance of consumer skepticism as a boundary condition: while the interaction wasn't significant at the statistical level, the conditional patterns show that skepticism moderates the interpretation of accessibility strategies. This pushes future research to consider skepticism not only as an annoyance variable but as a central framework for how consumers respond. Further, the study emphasizes the need to move beyond main effects to study heterogeneity between segments of consumers. Consumers are not equally responsive to accessibility initiatives, and segmentation on attitudinal factors such as skepticism might be more insightful than demographic segmentation.

For managers, the study leaves several practical lessons. If the goal is to render a luxury brand more accessible, collaboration is an assured and low-risk strategy: it expands reach without damaging authenticity, dilution, or cachet. Particularly beneficial in a time when luxury brands are forced to expand their publics while at the same time protecting their symbolic capital, it is worth doing here as well. The study also points out that collaboration can be very important when dealing with skeptical audiences. To questioning consumers, having the release of a low-cost product independently can be suspicious and less credible. Conversely, framing it as being co-created is external validation that reassures such consumers. This means that collaboration is not only a strategy for growth but also for building trust.

Even with the encouraging results, they are also to be considered with suspicion. The lack of significance of the interaction term means that skepticism's moderating influence cannot be claimed unequivocally. The reported conditional patterns should thus be regarded as exploratory, indicating possible dynamics to be explored in future studies with larger samples and more diverse contexts. In addition, skepticism was measured with just two items, which, although focussed, could have decreased the scale's sensitivity. Subsequent research can utilize larger scales or qualitative methods to continue developing an understanding of how skepticism affects consumer response.

Overall, emphasis of empirical results highlights three general points. First, collaboration clearly increases the perceived accessibility of a luxury brand, confirming its value as a means of engaging broader consumers. Second, collaboration does so without compromising authenticity, prestige, or symbolic power, dispelling a fundamental managerial anxiety. Third, the skeptical conditional effects suggest that co-branding efforts are particularly justified where there are skeptical consumers involved, for whom signals of extrinsic legitimacy are essential. Collectively, the findings provide theoretical contributions to the literature on co-branding in luxury as well as constructive counsel to brand managers navigating the fine balance between distinctiveness and mass popularity.

3.4 Conclusions

Investigation in this thesis has delivered a close analysis of the ways in which co-branding strategies shape consumer attitudes and, reciprocally, how these attitudes influence the way brands create and sustain value. What emerges most clearly is that partnerships are not a game of exposure on the surface level, but a robust strategic instrument that can redesign the connection between brands and their audience. Through theoretical reasoning and empirical experimentation, the research has demonstrated that co-branding can increase perceived accessibility without eroding the symbolic foundations of luxury and that its effectiveness is moderated by the psychological orientations of consumers themselves.

Statistical results confirmed that accessibility was indeed higher when a product was introduced in collaboration compared to alone. This means that consumers see partnerships as a more authentic and credible way of increasing access, so collaboration can act as a bridge between exclusivity and inclusivity. For the brands traditionally associated with scarcity and distance, this is especially helpful in that it allows access to wider audiences without explicitly contradicting the values on which prestige is based. Just as importantly, the findings demonstrated that co-creation does not lead to reduced authenticity, heightened risk of dilution, or lower prestige. The absence of negative effects suggests that consumers are increasingly able to discern between attempts that detract from a brand's value and attempts that expand its cultural reach without sacrificing coherence.

In the meantime, the moderation analysis uncovered consumer skepticism as an essential boundary condition. While low skeptics didn't care one way or the other about whether a launch was independent or collaborative, high skeptics were strong supporters of the collaborative solution. This division says it all: for consumers who are most likely to question the intentions of brands, collaboration offers a kind of third-party seal of approval, guaranteeing that the move towards accessibility is not opportunistic but collective and genuine. It is precisely such reassurance that strengthens the illusion of accessibility without sacrificing core values. That is, co-branding has less to do with whom the partners are, but what the partnership signifies to different consumer groups. In aggregate, these findings invoke grander debates over branding and consumer culture.

They suggest the classic binary of openness and closedness is not enough to explain the complexity of today's markets. It is not a matter of the level of accessibility but the manner in which accessibility is offered and narrated. Collaboration provides a narrative of bonding, cultural understanding, and imaginative synergy that appeals to people today. This is especially crucial in a world where consumers need not only commodities but also experience, stories, and connections.

Aside from empirical results, the thesis also lays out major considerations for the future. One is the growing importance of digitalization. As partnerships increasingly

unfold in virtual spaces—be they influencer partnerships, metaverse events, or limited-edition virtual collectibles—the access, authenticity, and prestige equations will only keep evolving. Virtual environments at once maximize potential for engagement and maximize exposure to backlash, making collaboration management all the more delicate. A last point concerns sustainability. As consumers place greater emphasis on environmental and ethical concerns, partnerships will increasingly be judged not only on their creativity or exclusivity but also on the degree to which they embody broader social values. Partnerships that are perceived as being responsible and transparent will perhaps carry even more validity than those based on novelty or hype.

From a management point of view, the research provides reassurance as well as guidance. It shows that co-branding can be tried without incurring the automatic loss of the brand's symbolic capital and that it can be particularly handy for managing skeptical or demanding consumers. For managers, this means that co-branding should not be employed as a shortcut or marketing gimmick but as a carefully planned strategy taking into account not only fit between brands but also target consumer attitudes. For scholars, the thesis contributes to the cumulative attempt to understand the cultural and psychological dynamics of branding, illustrating how trust, legitimacy, and skepticism shape strategic action.

Last but not least, the observations of this thesis affirm that branding is not a static positioning exercise but an active negotiation between firms and consumers. Co-branding, here, is not just a strategic choice: it is a reflection of how brands interpret and react to cultural evolution, how they balance openness and exclusivity, and how they form relationships in an environment marked by velocity, engagement, and visibility. By demonstrating that co-branding can enhance accessibility without compromising prestige and authenticity, and by demonstrating how this effect varies with consumer skepticism, the research creates a more nuanced understanding of both the promise and the boundaries of co-branding.

Ultimately, the research suggests that the secret to brand value creation in the future lies in an ability to reconcile two forces heretofore believed to be mutually exclusive:

the desire for exclusivity and the need for inclusivity. Collaboration offers one of the most promising bridges between these tensions, enabling brands to be culturally current while still being true to their heritage. The challenge to academics and practitioners is to continue to investigate how this balance can be achieved in ever more complex markets, where the voice of the consumer is louder, expectations are higher, and the gulf between success and failure is narrower than ever.

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