THE ROLE OF CO-BRANDING IN BRAND LOYALTY

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ABSTRACT

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Abstract

The relatively recent phenomenon of co-branding has attracted the attention of both researchers and brand managers due to the possibility of exploiting synergies between brands and achieving competitive advantage. In turn, the value of brand loyalty has been long recognized as it enables companies to establish long-term relationships with customers. However, the linkage between co-branding and brand loyalty remains under-studied and particularly the customer viewpoint seems to be overlooked.

The main objective of this study was to increase the understanding on what meanings co-branding has for customers in building and preserving their brand loyalty. Secondly, this study aimed to identify co-branding elements that are important for customers' loyalty. The third key objective was to discover how co-branding can strengthen or weaken the loyalty of customers.

The empirical research was conducted between March and April, 2024 focusing on a genuine co-branding alliance between Marimekko and Adidas. A qualitative approach with semi-structured interviews were chosen as method to gain profound insights on the topic from the ten participants. To analyze the findings, thematic analysis and an inductive approach were applied to capture the participants' experiences and meanings regarding the phenomenon.

The findings of this research indicated that the meanings of co-branding, as well as customers' perceptions towards the brands and the brand alliance, can reflect on both attitudinal and behavioral loyalty. Furthermore, co-branding can lead to recommendations and prevent brand switching. Important co-branding elements for customers' loyalty were observed to revolve around the launch of cooperation, compatibility of the brands, brand backgrounds, availability, and other alliances. Co-branding experience, added value, and repetition and reach were identified as elements that can strengthen or weaken brand loyalty.

This study contributes to the academic discussion through supporting extant knowledge and displaying novel observations to the phenomenon. The qualitative research approach helps deepen the understanding and expressing customers voice on the topic. Additionally, managerial implications and suggestions for further research pave way for future practices and discoveries.

Key words: co-branding, brand alliance, brand loyalty, brand perceptions, Marimekko, Adidas

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TIIVISTELMÄ

Tekijä	
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Tiivistelmä

Yhteisbrändäyksen suhteellisen uusi ilmiö on herättänyt tutkijoiden ja brändijohtajien huomion, koska sen avulla on mahdollista hyödyntää brändien välisiä synergioita ja saavuttaa kilpailuetua. Brändiuskollisuuden merkitys puolestaan on kauan tunnistettu, sillä se voi auttaa yrityksiä luomaan pitkäaikaisia asiakassuhteita. Yhteisbrändäyksen ja brändiuskollisuuden välistä suhdetta on kuitenkin tutkittu vähän, ja erityisesti asiakasnäkökulma vaikuttaa sivuutetun.

Tämän tutkimuksen päätavoitteena oli lisätä ymmärrystä siitä, mitä merkityksiä yhteisbrändäyksellä on asiakkaiden brändiuskollisuuden rakentamisessa ja ylläpitämisessä. Tutkimuksen tavoitteena oli myös löytää yhteisbrändäyksen tekijöitä, jotka ovat tärkeitä asiakkaiden uskollisuuden kannalta. Lisäksi pyrittiin selvittämään, miten yhteisbrändäys voi vahvistaa tai heikentää uskollisuutta.

Empiirinen tutkimus toteutettiin maalis-huhtikuussa 2024 keskittyen todelliseen yhteistyöhön Marimekon ja Adidaksen välillä. Menetelmiksi valittiin kvalitatiivinen lähestymistapa ja puolistrukturoidut haastattelut, jotta saataisiin selville haastatteluun osallistuneiden kymmenen henkilön syvällisiä käsityksiä aiheesta. Tulosten analysoinnissa käytettiin temaattista analyysia ja induktiivista lähestymistapaa osallistujien kokemusten ja merkitysten tallentamiseksi.

Tutkimuksen tulokset osoittivat, että yhteisbrändäyksen merkitykset sekä asiakkaiden näkemykset brändeistä ja brändiliitosta voivat vaikuttaa sekä asenteelliseen että käyttäytymiseen perustuvaan uskollisuuteen. Lisäksi yhteisbrändäys voi johtaa suosituksiin ja estää brändin vaihtamista. Yhteistyön käynnistämiseen, brändien yhteensopivuuteen ja taustatekijöihin, saatavuuteen sekä muihin yhteistöihin liittyvien tekijöiden havaittiin olevan brändiuskollisuuden kannalta tärkeitä. Yhteisbrändäyskokemus, lisäarvo sekä toistuminen ja ulottuvuus tunnistettiin tekijöiksi, jotka voivat vahvistaa tai heikentää brändiuskollisuutta.

Tämä tutkimus tuo osansa akateemiseen keskusteluun tukemalla olemassa olevaa tietämystä ja esittelemällä uusia havaintoja ilmiöstä. Tutkimuksen laadullinen lähestymistapa auttaa syventämään ymmärrystä ja ilmaisemaan asiakkaiden näkemystä aiheesta. Lisäksi tutkimuksen johtopäätökset ja jatkotutkimusehdotukset viitoittavat tietä aiheeseen liittyville tuleville käytännöille ja löydöksille.

Asiasanat: yhteisbrändäys, brändiliittouma, brändiuskollisuus, brändimielikuvat, Marimekko, Adidas

Säilytyspaikka: Jyväskylän yliopiston kirjasto

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1 INTRODUCTION

In today's competitive environment, brands are faced with continuous challenges of differentiating themselves from their competitors and finding innovative means to achieve competitive advantage. As a possible solution, brands are increasingly engaging in cooperative arrangements to overcome some of these challenges (Grieco & Iasevoli, 2017). The phenomenon of co-branding has significantly attracted researchers' attention in recent years, with an increasing number of studies published since the mid-1990s (Helmig et al., 2008), reaching its highest spike in publications in the mid-2010s (Pinello et al., 2022). Co-branding is a strategy in which two or more brands are presented in a joint offer (Cooke & Ryan, 2000; Rao et al., 1999). Through co-branding, the brands' image and reputation can be enhanced by leveraging the brand associations of the brands involved (Cooke & Ryan, 2000). Indeed, with the possibility of exploiting the synergies between the brands involved (Pinello et al., 2022), co-branding is used increasingly by marketers to transfer positive associations of the partner brands to a newly formed co-brand (Washburn et al., 2000). At best, brands collaborating in a joint offer can ultimately be a win-win proposition for both partnering brands (Abratt & Motlana, 2002; Washburn et al., 2000). Co-branding can therefore be seen as a topical and interesting phenomenon today.

While the benefits of co-branding for brands are widely acknowledged, its reflection to customers' feelings and actions is somewhat unidentified. Attitude and behavior toward brands are commonly seen to construct the concept of brand loyalty. Loyal customers are described to be emotionally attached, less vulnerable to rival action and engage in recurring purchasing regardless of outer influences (Aaker, 1991; Oliver, 1999). Whereas brand loyalty is not at all a new concept, it has gained significant attention in marketing literature in recent decades. The construct of brand loyalty has evolved over time and is among the top three branding concepts within the discipline's publications in the 21st century (Parris & Guzmán, 2023). Brand loyalty is seen as a driving force of competitive advantage as it helps companies build long-term relationships with customers (Fernandes & Moreira, 2019). According to Popp and Woratschek (2017),

researchers have recognized brand loyalty as a particularly important determinant of marketing and business performance.

While the potential and benefits of both co-branding and brand loyalty are noted by researchers and marketing practitioners, further understanding of the relationship between them from the viewpoint of customers seems beneficial. How customers experience co-branding and the elements that build the collaboration, and how that in turn reflects on their loyalty, in good or bad, merits further study. Given the focus and efforts put on the emerging phenomenon of co-branding, recognizing its role and underlying elements in the established marketing concept of brand loyalty can be a valuable asset for firms in effectively managing their brands. When two brands join to bring together the best of them both, the joint product may sum in more than its individual parts. In this respect, could one plus one equal more than two?

1.1 Background and rationale of the study

Consumers' perceptions on brands have been researched to a growing extent to understand how they influence consumer behavior (Böger et al., 2018). Brand perceptions are associations held in consumers' minds, reflecting the meanings that consumers connect to the brand (Belén del Río et al., 2001; Böger et al., 2018). Associations can be related to, for example, price, packaging, benefits, or overall attitudes about the brand (Keller, 1993). They can originate from satisfaction and past experiences with a brand, or through word of mouth, expert ratings, and advertising (Keller & Lehmann, 2006; Krishnan, 1996). Favorable brand perceptions are important as they can guide the customers' choice of brands, lead to willingness to pay a price premium, recommend the brand, accept brand extensions to other product categories and have a positive linkage to brand loyalty (Belén del Río et al., 2001; Keller, 1993; Romaniuk & Nenycz-Thiel, 2013; Romaniuk & Sharp, 2003).

The importance of customers' brand perceptions is meaningful when companies come together for strategic alliances, as well. Co-branding, or brand alliance, can appear in many forms and span throughout industries. For example, IBM computers are equipped with Intel processors, Diet Coke is the outcome of Coca-Cola collaborating with NutraSweet and McDonald's promotes Disney's characters (Blackett & Russel, 2000; Helmig et al., 2008). The benefits for brands from co-branding are well recognized; for instance, collaborations between H&M-type fast-fashion retailers and luxury designers such as Karl Lagerfeld permits increasing customer base and brand awareness while retaining exclusivity and uniqueness (Oeppen & Jamal, 2014). Co-branding can result in financial rewards as well as other benefits, such as point of differentiation, improved brand image and positive influence on customers' perceptions of the brands (Aaker, 1996; Simonin and Ruth, 1998; Van der Lans et al., 2014; Washburn et al., 2000). What remains fairly unexplored is the position of co-branding in the loyalty that customers experience and exhibit toward the brands.

Brand loyalty is commonly seen as a dimensional construct including behavioral loyalty, attitudinal loyalty, or a blend of both (Fernandes & Moreira, 2019). In addition to patronizing their preferred brand, loyal customers are likely to have stronger resistance to competitive action and less incentive to search for information about alternative brands (Dick & Basu, 1994). Furthermore, they will more likely experience an emotional attachment to the brand leading to, for instance, positive word of mouth and recommendations (Aaker, 1991; Baloglu, 2002). For companies, brand loyalty can translate to augmented market share and premium prices (Chaudhuri & Holbrook, 2001), reduced marketing costs and increased customer base (Aaker, 1991), to name a few. Whereas brand loyalty has been heavily researched in the past decades, studies examining how co-branding contributes to the concept of brand loyalty are less common.

Previous studies suggest that through co-branding, positive perceptions of the partnering brands can be transferred to the newly formed co-brand as well as to the parent brands (Washburn et al, 2000). Furthermore, customers' assessments of the co-branding alliance seem to affect their purchasing decisions and thus reflect on the overall performance of the alliance (Decker & Baade, 2016). The collaboration can further modify customers' subsequent perceptions of the partner brands (Simonin & Ruth, 1998). Against this background, it seems just to assume that customers may therefore assign meanings and perceptions to co-branding, which in turn is reflected in their brand loyalty – through behavior by patronizing the brands, through attitudinal attachment, or both.

To conclude, while co-branding and brand loyalty have been widely studied over the years, research delving into the relationship between them from the perspective of customers' perceptions remains narrow. Adding understanding to elements of co-branding that are important for fostering brand loyalty as well as recognizing what can go well or wrong in co-branding is also welcome. In addition, previous studies mainly apply quantitative research methods, thus lacking the profound and in-depth information gained from a qualitative approach. Moreover, a recent study by Yu et al. (2021) examining the effect of co-branding on customer behavior with hypothetical co-branding arrangements calls for papers examining the phenomenon using a true co-branded product. A qualitative study with a real collaboration arrangement as focus, adhering specifically on co-branding's role and elements in fostering brand loyalty thus seems to be just for further research.

1.2   Objectives and research questions

Basing on the above-mentioned rationale, the present study attempts to contribute to the research gap of examining how customers perceive co-branding and how that in turn relates to their brand loyalty. Specifically, an arrangement in which a brand engages in co-branding collaboration with another brand is observed to deepen the understanding of how the alliance reflects on the customers' brand loyalty toward both brands. Thus, the main objective of this master's thesis

is to add in-depth understanding and knowledge on the position of co-branding on brand loyalty. In that vein, the principal research question is as follows:

- What is the role of co-branding in brand loyalty?

To support the main objective, secondary research questions are posed. Firstly, this study aims to contribute to the discussion of the important elements in co-branding that can relate to brand loyalty. Whereas previous studies have identified factors such as partner selection, contexts and restriction of availability to influence the overall performance of the co-branding alliance and to help control brand image (Decker & Baade, 2016; Newmeyer et al., 2014; Oeppen & Jamal, 2014; Pinello et al., 2022; van der Lans et al., 2014), a deeper understanding on the features of brand alliances that are meaningful for the customers in reflection to their loyalty largely remains unidentified. Therefore, the first sub-research question is the following:

- What elements in co-branding are important for brand loyalty?

The second sub-research question concentrates on the consequences of co-branding on brand loyalty. While previous studies acknowledge that co-branding can have both positive and negative outcomes for the brands, this study seeks to discover elements in brand alliances that can promote or hinder customers' loyalty. When observing the elements of co-branding that may reflect on customers' brand loyalty either positively, negatively or both, this study can further contribute to the discussion on the relationship between the two constructs. Thus, the second sub-research question to support the objective of this thesis is:

- How can co-branding strengthen or weaken brand loyalty?

To gain a comprehensive view and deepen the understanding on the phenomenon, empirical research is conducted in the realms of a true co-branding arrangement between the Finnish design brand Marimekko and the German sports brand Adidas. A qualitative approach and semi-structured interviews as data gathering method are chosen, as they enable in-depth insights with illustrations of the participants own experiences, reflecting well on the objective of the study.

1.3 Overview of selected brands and co-branding alliance

A real-life co-branding collaboration is further explored in this thesis. The alliance between the design virtuoso Marimekko and the sports giant Adidas was chosen as it was seen to represent an interesting match between two different brands with presumably loyal customers. The two brands and their joint collection, Adidas x Marimekko, are next introduced. Particular attention is being paid to the brands' collaborative actions with other brands and the nature, availability

and launching of the co-branded collection since these attributes have an important role in the empirical section of the study.

Marimekko

Marimekko is a Finnish design company renowned for its distinctive prints and colors. Founded in 1951, Marimekko's product range has extended from minimalistic dresses to high-quality apparel, bags, textiles, and tableware (Marimekko, 2023; Marimekko, n.d.-d). With key markets in Northern Europe, North America, and the Asia-Pacific region, Marimekko currently has approximately 150 stores globally and an online store reaching customers in 35 countries (Marimekko, 2023). The community and loyalty program "Friends of Marimekko" encourages to collect Unikko points and share Marimekko moments online with the hashtag #marimekko (Marimekko, n.d.-e; Marimekko, n.d.-f). In 2021, Marimekko was rated as the most sustainable fashion brand in Finland by the Sustainable Brand Index (Marimekko, n.d.-g). The company envisions becoming the most inspiring lifestyle design brand in the world, distinguished by its bold prints (Marimekko, 2023).

Over the years, Marimekko has engaged in various brand collaborations. Examples include a cozy dressing collection with UNIQLO (Marimekko, n.d.-h), a furniture and textile line with West Elm (Marimekko, n.d.-i), a unique set of prints designed especially for its collaboration with the home furnishing giant IKEA (Marimekko, n.d.-j), a capsule collection with Spinnova using a more sustainable alternative to conventional fibers, and a collection of bags with the luxury brand Mansur Gavriel (Marimekko, 2023). The most recent co-branding announcements are the Samsung x Marimekko collection in April 2024 offering Samsung Galaxy products featured with Unikko (poppy) design (Marimekko, 2024b), and the Kalevala x Marimekko jewelry collection which will be launched in the fall 2024 (Marimekko, 2024a).

Adidas

Founded in Germany in 1949, Adidas is a large-scale enterprise offering footwear, apparel, and accessories with a mission to be the best sports brand in the world. Originally famous for its iconic three stripes and later for its trefoil logo, Adidas reached net sales of over 22,5 million euros in 2022 and employed close to 60.000 people worldwide. (Adidas, n.d.-b). In addition to a global distributor availability, Adidas has nearly 2.000 own retail stores and an e-commerce platform available in 65 countries. Its membership program adiClub invites members to collect points to reach loyalty levels and receive rewards. (Adidas, 2023).

Having originally focused on sports shoes, Adidas later expanded its offerings to clothing and began the still ongoing partnership with FIFA World Cup in 1970 to provide the official match ball for football championships (Adidas, n.d.-a). The company has introduced various partnerships with brands such as Yohji Yamamoto, Gucci, Prada, and Stella McCartney (Adidas, 2023; Adidas, n.d.-a). Proud to have received positive external recognition on its sustainability efforts, such as

obtaining highest score on MSCI ESG Rating and ranking first in its industry in Corporate Human Rights Benchmark, Adidas collaborates with brands such as Infinited Fiber Company and Spinnova to use natural resources in its products. (Adidas, 2023).

Co-branding between Marimekko and Adidas

The first Adidas x Marimekko collection was introduced in May 2021 with a title "Blending performance and the art of print". The limited-edition collection, available solely at adidas.com, featured two distinguished Marimekko prints, Laine (wave) and Räsymatto (rag rug), and was marketed as a lineup of bold, vibrant patterns seamlessly integrated with signature Adidas performance fabrics. (Adidas, 2021). For Marimekko, it represented the first sports apparel collaboration in its history (Marimekko, n.d.-a). Upon the publication of the co-branding arrangement, the collection was described as follows:

> "The opportunity to collaborate with them (Marimekko), a brand who shares the same values of combining functionality and style while using more sustainable material and methods, felt like such an exciting and natural opportunity. The collection spans many sports and outdoor activities and combines the best of our expertise in sports performance fabrics, with the bold and playful prints of Marimekko."
> Josephine Aberg, vice president of design at Adidas. (Adidas, 2021).

> "Marimekko's bold prints fit Adidas' innovative and boundary-pushing sports apparel perfectly […] This collaboration offers a fantastic opportunity for us to introduce Marimekko's colorful world and timeless design to even more people around the world."
> Rebekka Bay, creative director at Marimekko. (Adidas, 2021).

A second line followed in September 2021 when the brands launched a fall collection featuring the iconic poppy pattern. Distribution channels diversified, as the collection was available both at adidas.com as well as in selected Adidas stores and retailers worldwide, with a curated assortment offered at marimekko.com and in selected few Marimekko stores in Asia. (Marimekko, n.d.-a). Both 2021 collections were said to be well received and having augmented Marimekko's global presence (Marimekko, 2022). With an aim to increase Marimekko's international brand awareness and reach, further co-branding arrangements with Adidas were announced in the spring and fall of 2022 (Marimekko, 2023) as well as spring 2023, which remains the most recent line to date. The collections featured established Marimekko prints such as Linssi and Lokki, and highlighted sustainable development through a partial usage of recycled materials (Marimekko, n.d.-c). It is noteworthy that the last three collections were exclusively sold on Adidas' website and stores, and not available in Marimekko's own channels (Marimekko, n.d.-b).

1.4   Structure of the study

This study consists of five main chapters. Chapter two presents the key concepts of brand loyalty and co-branding as well as examines previous literature on the relationship between these constructs. Furthermore, the second chapter provides a theoretical framework illustrating a summary of the extant knowledge regarding the subject. In chapter three, the research methodology is explained. This chapter includes background information on the participants in the empirical study and describes the processes of data collection and analysis. Chapter four discusses the findings of the empirical part and thus presents the results of the research. Chapter five then reflects the results of the current study with previous knowledge on the topic. In this chapter, the theoretical and empirical findings are leveraged to respond to the research questions. Additionally, the concluding chapter outlines the contributions of the present research, discusses the trustworthiness of the study as well as its main limitations, and offers suggestions for future research.

To illustrate the objectives of this study, the following research model is presented (Figure 1). It draws the main concepts of brand loyalty and co-branding together with the three research questions to ultimately provide practical and managerial implications drawn from the research.
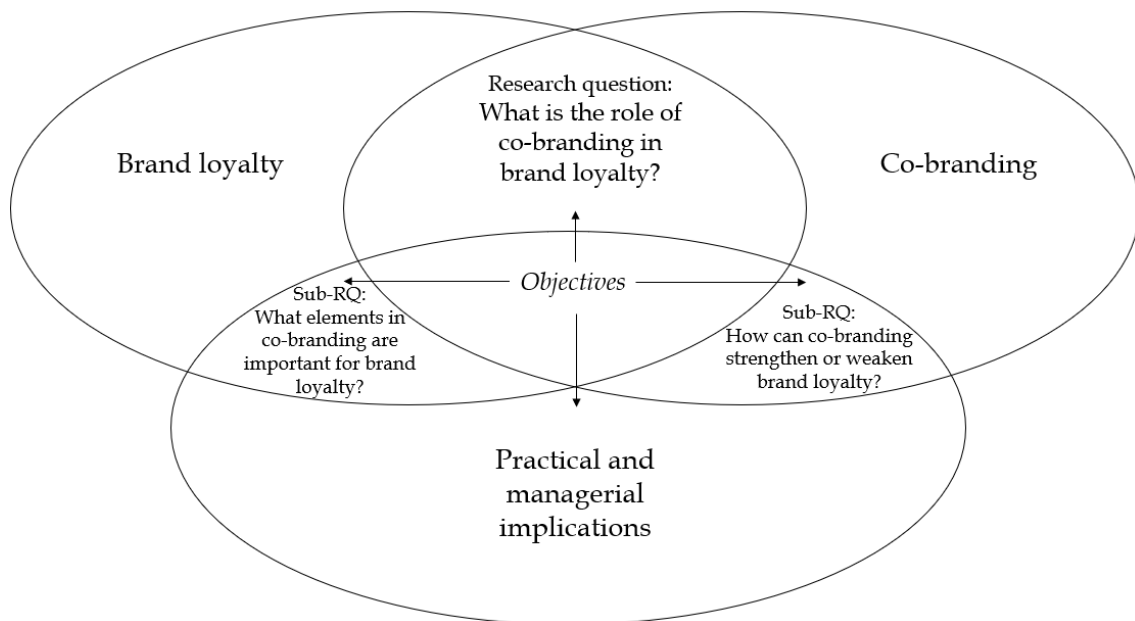

FIGURE 1 Research model

In this master's thesis, an AI-based application, ChatGPT, has been utilized for text-related purposes, such as text formatting, translations and generating grammatically correct text. In addition, DeepL Translator has occasionally been leveraged to generate and verify translations.

2 KEY CONCEPTS AND THEORETICAL FRA-MEWORK

In this chapter, the two main constructs of brand loyalty and co-branding are first described in terms of their definitions, key aspects, and consequences. This chapter will then move on to discussing how extant literature portrays brand loyalty and co-branding together. Based on the present knowledge of the role co-branding on brand loyalty, a theoretical framework is presented at the end of this chapter to illustrate the relationship between these two constructs.

2.1 Brand loyalty

Over the past decades, branding has become a significant management priority due to the increasing recognition that brands are one of the most valuable intangible assets possessed by companies (Keller & Lehmann, 2006). It is widely acknowledged that well managed brands can turn into assets of substantial value (Blackett & Russel, 2000). Although a brand might initially be synonymous with the product it offers, the influence of user experiences, promise of quality and advertising can over time develop attachments and associations that extend far beyond the tangible product itself (Keller & Lehmann, 2006). Consequently, customers' perceived value and positive brand evaluations may lead to choosing one brand over another (Yu et al., 2020). When choosing a brand repeatedly, the customer exhibits behavioral loyalty which is commonly considered a part of brand loyalty. However, repeat purchases alone are seen not to sufficiently explain why customers remain loyal toward brands, as their attitudes, attachment and emotional commitment also play a crucial role (Oliver, 1999). While brands as a financial asset is undisputed, their value is ultimately derived from the perceptions, words, and actions of consumers (Keller & Lehmann, 2006).

This chapter presents definitions and discusses the evolvement of the brand loyalty construct. Following this, factors influencing brand loyalty and the

dimensions of the concept are observed. Benefits of brand loyalty are discussed in end of this chapter.

2.1.1 Defining brand loyalty

In this thesis, a combination of Aaker's (1991) and Dick and Basu's (1994) definitions are applied when discussing about brand loyalty. Therefore, this study refers to brand loyalty as customers repeatedly choosing a brand, being less open to switch to competitor and experiencing favorable attitude and attachment toward the brand (Aaker, 1991; Dick & Basu, 1994). Brand loyalty is commonly described as a dimensional concept, classified into behavioral loyalty, attitudinal loyalty, or a combination of them both (Fernandes & Moreira, 2019). It is suggested to be influenced by customers' beliefs, feelings, and intentions, also referred to as cognitive, affective, and conative decision-making phases (Dick & Basu, 1994; Oliver, 1999). While the concept of brand loyalty has gradually shifted to emphasize brand-consumer relationships and customer engagement (Fernandes & Moreira, 2019; Fournier and Yao, 1997; Parris and Guzmán, 2023), this study focuses on brand loyalty as conventionally defined in order to examine the role of co-branding on attitudinal and behavioral loyalty.

While the earliest research had assumed that brand loyalty can be adequately explained by merely repeat purchases, this view was later challenged by attitudinal perspectives (Oliver, 1999). Aaker (1991) defines brand loyalty simply as the attachment that a customer has to a brand. He suggests that brand loyalty reflects customers' likeliness to switch to another brand, in particular if that brand changes its pricing or product features; as customers' brand loyalty increases, their vulnerability to competitive action decreases. In addition, brand loyalty is conceptualized as one of the five dimensions of brand equity, other four being brand awareness, perceived quality, brand associations and other proprietary brand assets (Aaker, 1991). Brand equity, in turn, is summarized by Belén del Río et al. (2001), based on Aaker's (1991) and Keller's (1993) work, as brands providing value to the company by creating value to the customer.

A widely cited view on describing brand loyalty is Dick and Basu's (1994) two-dimensional model through which they propose that loyalty involves repeated patronage and a favorable attitude. Namely, they see loyalty as the relationship between repeat purchase and relative attitude influenced by cognitive, affective, and conative antecedents. While attitude generally describes an association between an object and how it is evaluated, Dick and Basu (1994) apply the term of relative attitude as it encompasses dimensions of attitudinal strength and differentiation; for example, highest relative attitude occurs when a brand is associated with a strong attitude and is heavily differentiated from others in the consumer's mind. According to Dick and Basu (1994), cognitive antecedents relate to informational determinants, such as brand beliefs, affective ones are those associated with brand feelings and conative refers to behavior toward the brand. These antecedents influence the nature of relative attitude and consequently to the relationship between repeat patronage and attitude (Dick & Basu, 1994). As moderators of this relationship, Dick and Basu (1994) highlight the importance

of situational factors and social norms; for example, other people's beliefs can influence an individual's behavior, or reduced prices can act as an incentive for brand switching.

Oliver (1999) also notes the importance of considering the influence of consumer beliefs, affect, and intention. According to him, true brand loyalty requires that all the decision-making phases, cognitive-affective-conative, point to a focal brand preference. As a fourth phase, he proposes action inertia. These four stages of loyalty have since been widely acknowledged by practitioners (Fraering & Minor, 2013). Oliver (1999) specifies that the phases come in consecutive order: the first phase is cognitive loyalty, where loyalty is developed through information-based comparison between preferred product and alternatives; the affective loyalty phase is characterized by satisfaction and liking of the brand; in the conative stage, brand commitment and intention to repurchase exist but actual action may be unrealized; and lastly, action loyalty emerges through readiness to act and desire to overcome obstacles that might prevent repurchase (Han et al., 2011; Oliver, 1999). It is notable that the latter mentioned are mirrored in Oliver's (1999, p. 34) loyalty definition:

> Loyalty is a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

Fournier and Yao (1997) adopt the perspective of relationship theory to reposition and extend the concept. They accuse the construct of brand loyalty of being imprecise and lacking clarity, richness, and consumer-relevance, and suggest a meaning-based relationship perspective instead. Their study underlines the importance of understanding consumer-brand bonds, as it grants richer information that can be of interest to marketers and managers. Similarly, Parris and Guzmán (2023, p. 218) stress the role of consumer-brand relationship within the brand loyalty concept and present a revised definition:

> Brand loyalty is a relationship stakeholder(s) develop with a brand that is exhibited by repurchasing, engaging, promoting/advocating, and/or cocreating/co-owning the brand.

In their study, Parris and Guzmán (2023) highlight how the boundaries of brand loyalty are evolving. Whereas the previous conceptualizations focus on repeat purchase, they note that nowadays loyalty can be expressed beyond merely buying continuously. For example, customers can demonstrate their relationship with a brand via social activities through comments, images, and tags on social platforms (Parris & Guzmán, 2023).

2.1.2 Building brand loyalty

For customers to become and remain loyal to the brand, several factors can be considered as having important influence. For instance, interactive relationships can engage customers to cocreate experiences with the brand, bringing added

value to the customer (Brodie et al., 2011; Leckie et al., 2016). Exceeding expectations may lead in positive affect toward the experience (Back & Parks, 2003), thereby satisfaction can exert notable influence for customers in developing their loyalty. Furthermore, customers' favorable associations toward the brand can be important drivers of brand trust, which can consequently enhance their level of brand loyalty (Ngoc Phan & Ghantous, 2013). While practitioners are increasingly grasping the importance of generating brand experiences to create bonds between customers and brands to ultimately enhance brand loyalty (Ramaseshan & Stein, 2014), it also appears that the more knowledge and information in general customers associate with the brand, the more loyal they tend to be (Romaniuk & Sharp, 2003).

The importance of relationships between customers and brands has been noted by researchers for decades and has recently raised increasing interest within marketing practitioners and academics alike. Ramaseshan and Stein (2014) see consumer-brand relationships as significant drivers of brand loyalty. Aaker et al. (2004) classify consumer-brand relationships into intimate long-term friendships and short-lived fling-like engagements where brand personality has a determinant role. Khamitov et al. (2019) conclude that in the last two decades, studies show how consumer-brand relationships can be leveraged in building customer brand loyalty. For example, they find that when brand relationship strength increases by one percent, customer brand loyalty improves by .44 percent. Thus, managing customer-brand relationships is important as they can enhance brand loyalty.

Recent studies have concentrated on not merely relationships but specifically interactive ones, as they are seen to contribute to loyalty through customer engagement. Brodie et al. (2011) note that the popularity of "engagement" has increased in academic marketing literature from 2005 onwards. In their study, Brodie et al. (2011) suggest that customer engagement is based on interactive, co-creative experiences customers have with a brand. Within the construct of consumer brand engagement, the earlier mentioned cognitive-affective-conative stages are mirrored as cognitive, affective, and behavioral dimensions (Fernandes & Moreira, 2019). Leckie et al. (2016) suggest all three dimensions influence brand loyalty. They propose that customers co-creating experiences and values through interaction with brands have heightened brand engagement which makes them more loyal to the brand.

A fundamental part of brand loyalty has traditionally been seen to be customer satisfaction. Whereas brand loyalty focuses on customers' behavior in terms of repeat purchases as well as their attitudes such as commitment, customer satisfaction is commonly seen to concentrate on customers' overall judgement of the purchase experience; satisfaction occurs when prepurchase expectations are either met or exceeded, resulting in post purchase affect (Back & Parks, 2003). The positive impact of satisfaction on loyalty has been much researched and witnessed, examples of which are Popp and Woratschek's (2017) and Kim et al.'s (2007) studies demonstrating that satisfaction has a significant influence on brand loyalty. Moreover, a study by Back and Parks (2003) examines the linkage

between customer satisfaction and the two aspects of brand loyalty, attitudinal and behavioral loyalty. The relationship between satisfaction and behavioral brand loyalty is discovered to be positively significant when mediated by attitudinal brand loyalty (Back & Parks, 2003). In other words, satisfaction seems to have an indirect effect on behavioral brand loyalty. Back and Parks (2003) further explain that satisfied customers are inclined to accept lower price elastics, experience greater resilience in competitive scenarios, and yield increased profits when they are strongly committed (conative loyalty), experience strong favoritism (affective loyalty), and have strong beliefs in the superiority of a brand (cognitive loyalty).

Additionally, Fernandes and Moreira (2019) find both satisfaction and consumer brand engagement to contribute to enhancing brand loyalty. Their research focuses on the functional and emotional nature of consumer brand relationships. Whereas functional-based brand relationships are developed based on purchase and performance related value, emotional-based ones relate to symbolic benefits and value beyond purchase with involvement and bond with the brand (Fernandes & Moreira, 2019). In their study, Fernandes and Moreira (2019) discover that brand engagement has a stronger effect on brand loyalty for emotional than functional brands since emotional ones are mainly valued based on symbolic meanings. Therefore, the relationship-focused construct of brand engagement provides a greater impact on loyalty, as it entails deeper meanings compared to the more purchase-based concept of satisfaction (Fernandes & Moreira, 2019). On the contrary, Fernandes and Moreira (2019) suggest that for functional brands, satisfaction has a stronger role in developing brand loyalty since it relates to post-purchase rational and cognitive assessment together with previous expectations. Thus, satisfaction exerts more effect on loyalty to utilitarian-based brands which are valued based on their performance (Fernandes & Moreira, 2019). In conclusion, Fernandes and Moreira (2019) suggest that by combining both purchase and beyond-purchase elements, brand loyalty can be strengthened.

Another important antecedent of loyalty is brand trust. Reflecting on customers' willingness to rely on the positive intentions and reliability of a brand, trust is seen to have a strong positive relationship to brand loyalty (Quaye et al., 2022). Quaye et al. (2022) find that the role of brand trust in enhancing brand loyalty is crucial. Ngoc Phan and Ghantous (2013) suggest brand trust to be the most significant antecedent of brand loyalty and propose that associations related to integrity, credibility and benevolence can enhance brand trust. Similarly, the impact of brand trust is noted by Chaudhuri and Holbrook (2001). They see trust in the brand and the emotions or the affect that the brand evokes to influence loyalty. In their study, Chaudhuri and Holbrook (2001) observe brand loyalty through average consumer's willingness to repurchase (behavioral loyalty) and average consumer's commitment level (attitudinal loyalty). As a conclusion, they propose that brand trust and brand affect together determine behavioral and attitudinal loyalty, ultimately influencing firm-level brand outcomes.

Furthermore, previous studies emphasize the positive relationship between brand perceptions and brand loyalty. With an aim to understand how customers' previous behavioral brand loyalty precedes their current brand perceptions, Romaniuk and Nenycz-Thiel (2013) find that customers with frequent purchases in the past have stronger associations to the brand compared to those with less frequent purchases. Ngoc Phan and Ghantous (2013) see that brand loyalty is influenced both directly and indirectly by brand perceptions. They see that trust strongly mediates the impact of brand perceptions on loyalty. Romaniuk and Sharp (2003) study how attributes such as trustable, good service, important and economical associate with customers' loyalty. They discover that there appears to be no particular brand perceptions more related to loyalty, instead the more attributes linked to a brand, the more loyal the customer. In other words, loyalty seems to increase with higher brand salience, irrespective of the specific attributes associated with the brand name (Romaniuk & Sharp, 2003). The central role of brand knowledge in improving brand value is acknowledged by Keller (1993), as well. He states that while the general goal of marketing is to increase sales, consumers' knowledge of the brand needs to be established first for them to respond favorably to marketing actions. This is mirrored in Keller's (1993, p. 8), consumer-focused definition of brand equity: "customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand".

In recent years, marketing practitioners and academics have come to understand the importance of brand experience and its effect on consumer behavior. Brakus et al. (2009) find that brand experience, comprised of sensory, affective, intellectual, and behavioral dimensions, affects both satisfaction and loyalty. Brand experience is conceptualized as "sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments" (Brakus et al., 2009, p. 52). In other words, customers are exposed to various stimuli that can influence their choice of brands (Ramaseshan & Stein, 2014). Moreover, brand experiences can be both expected or unexpected, occur whenever a customer interacts with the brand, and may over time result in emotional bonds (Brakus et al., 2009). Similarly, Ramaseshan and Stein (2014) note that stimulating senses through brand experience can lead to a relational tie between a customer and a brand. They suggest that favorable brand experiences can lead to repeat purchases and recommendations, ultimately enhancing brand loyalty.

2.1.3 Dimensions and forms of brand loyalty

As previously discussed, the concept of brand loyalty is commonly seen to include dimensions of attitudinal and behavioral loyalty. To illustrate the connection between these dimensions, Dick and Basu (1994) further categorize them into four segments ranging from low or no loyalty to true loyalty. The higher the level of attitudinal attachment and purchasing behavior, the more loyal the customers are. Similarly, Aaker (1991) describes brand loyalty to include different levels, building from non-loyal buyers to committed ones. His loyalty pyramid

represents forms of brand loyalty that on the one hand can be beneficial to brands in their marketing challenges, and on the other hand can help understand customers' perceptions and levels of commitment.

The two perspectives of brand loyalty, attitudinal and behavioral loyalty, have been examined by researchers both separately and together to a great extent. The two-dimensional approach is applauded as it aims to capture the reasons, i.e. attitude, behind the repeat purchases, i.e. behavior (Baloglu, 2002; Dick & Basu, 1994). As explained by Baloglu (2002), high level of repeat purchases may simply be due to convenience or financial incentives, for example. Therefore, studying behavior alone is not sufficient. Similarly, focusing merely on attitude excludes elements such as familiarity, competitive effects, and situational factors (Baloglu, 2002). To better understand the nature of customers' loyalty, attitudinal and behavioral dimensions can be further classified into four loyalty types. Figure 2 represents Dick and Basu's (1994) original view with modifications from Baloglu's (2002) study.

FIGURE 2 Loyalty types (modified from Baloglu, 2002; Dick & Basu, 1994)

As the figure illustrates, low levels of attachment (attitude) and repeat patronage (behavior) constitute a segment of low or nonexistent loyalty. This can be the case for, for example, a new brand entering the market (Dick & Basu, 1994). As noted by Aaker (1991) as well, brand loyalty cannot exist without prior purchase and use experience. Spurious loyalty occurs when low attitudinal commitment is accompanied by high repeat patronage (Dick & Basu, 1994). In this case, customers make frequent purchases while lacking an emotional attachment to the brand (Baloglu, 2002). Incentives behind this behavior can be for instance financial or habitual ones or simply the absence of alternative brands. Baloglu (2002) suggests that spuriously loyal customers may be loyal to frequency programs rather than to the brand itself and may leave the brand having collected the benefits. Similar to low loyalty, spurious loyalty is a volatile group, vulnerable to intrusion by competitors (Baloglu, 2002).

Latent loyalty stems from high attitudinal attachment combined with low repeat patronage. While these customers have a strong emotional commitment to the brand, factors such as price or accessibility may prevent or discourage them from increasing their patronage (Baloglu, 2002). The most preferred level within these four types is true loyalty (Dick & Basu, 1994). With both high attachment and repeat patronage, the customers in this segment are likely to patronize their preferred brand and are strongest to resist competitive activity (Baloglu, 2002). In addition, Baloglu (2002) discovers that truly loyal customers experience more trust and emotional commitment toward the brand which can lead to, for example, positive word of mouth and business referrals, higher ancillary purchases, and cooperating with the brand. To sum up, high attitudinal attachment is a significant contributor to maintaining long-term loyalty (Dick & Basu, 1994). Thus, developing attitudinal loyalty can help build brand loyalty (Baloglu, 2002).

Another view on classifying different dimensions of brand loyalty is introduced by Aaker (1991). He distinguishes five levels of brand loyalty which represent different forms that brand loyalty can take. Illustrated in the shape of a pyramid (see Figure 3), he demonstrates how customers' loyalty levels range from indifference to utter commitment.

5 – Committed buyer

4 – Attached buyer, likes the brand

3 – Satisfied buyer with switching costs

2 – Satisfied or habitual buyer with no reason to change

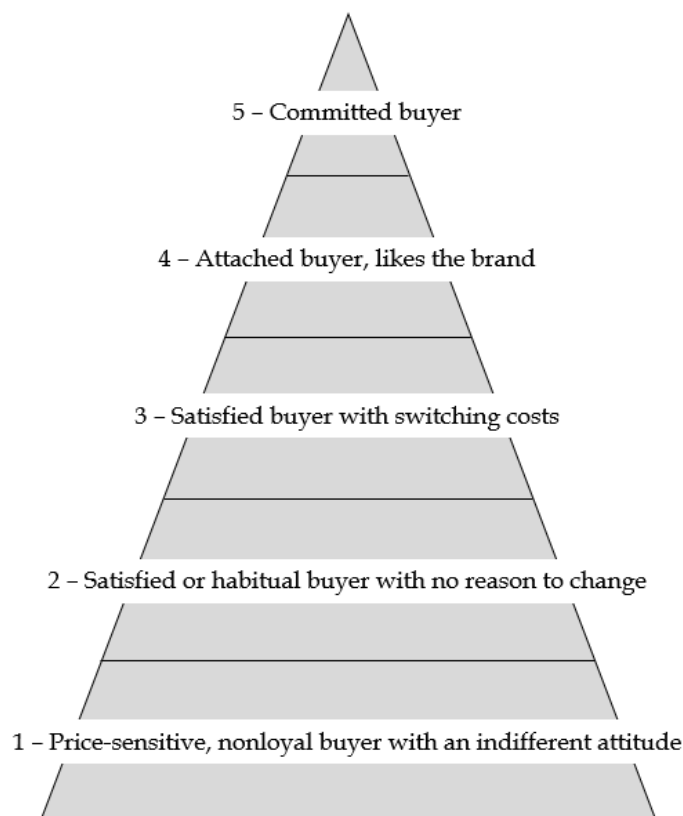1 – Price-sensitive, nonloyal buyer with an indifferent attitude

FIGURE 3 Loyalty pyramid (modified from Aaker, 1991)

The lowest loyalty level of Aaker´s (1991) pyramid includes non-loyal customers who prefer whatever is on sale or convenient. He explains that for these price-

sensitive buyers, brand name is less relevant since they perceive any brand as adequate. The second level represents habitual buyers who are satisfied, or at least not dissatisfied with a brand, and happy enough to not have a reason to look for alternatives (Aaker, 1991). On the third level, Aaker (1991) proposes that there are also satisfied customers but ones that additionally have switching costs, such as time, money, or loss of gained benefits. The fourth level consists of customers who truly like the brand, even consider it as a friend, and have an emotional attachment toward it (Aaker, 1991). Behind their affection, Aaker (1991) suggests there to be favorable associations such as symbols, perceptions of high quality, or positive use experiences. Finally, the top level of Aaker's (1991) pyramid is reserved for committed customers for whom the brand is very important. Confident enough to recommend the brand to others, Aaker (1991) envisions them to be proud users of the brand who see it as an expression of who they are. Aaker (1991) suggests the value of these committed customers is in the impact they have on others and the market rather than simply the profit they bring.

2.1.4   Benefits of brand loyalty

As a key concept in marketing, brand loyalty is widely recognized to bring significant value to businesses. Brand loyalty is seen to benefit companies through, for example, repetitive purchasing, trade leverage, referrals and promoting the brand, and willingness to co-create value and cooperate with the brand, ultimately increasing profits and success in the long-term (Aaker, 1991; Aksoy et al., 2013; Baloglu, 2002; Hallowell, 1996; Parris & Guzmán, 2023). According to Aaker (1991, p. 39), "brand loyalty directly translates to future sales". For customers, trusting that their preferred brand is reliable and meets expectations is reassuring (Back & Parks, 2003; Quaye et al., 2022) and can lead to a strong, emotional relationship between the customer and the brand (Aaker, 1991).

Chaudhuri and Holbrook (2001) summarize that greater customer loyalty can result in increased market share and premium prices. When observing specifically the dimensions of brand loyalty, their study indicates that higher purchase loyalty leads to sales-related brand outcomes (i.e. greater market share), whereas attitudinal loyalty results in premium-related outcomes (i.e. higher relative price). In addition, while loyal customers can be willing to pay more, they may also spend more money on ancillary products and services (Baloglu, 2002).

Furthermore, Aaker (1991) suggests that brand loyalty can add value through reduced marketing costs since retaining existing customers is considerably less costly than acquiring new ones. Building long-lasting relationships between brands and customers is therefore beneficial. Moreover, Aaker (1991) sees the value of brand loyalty in attracting new customers, as existing clients can reassure prospective customers and improve brand awareness. He notes that loyal customers have little incentive to change if exposed to new alternatives, which grants the company time to respond to competitive moves.

Similarly, Dick and Basu (1994) discover that loyalty appears to reduce motivation to search information about potential alternatives and can lead to greater resistance to persuasion attempts. The emergence of favorable word of mouth

recommendations is another consequence that emphasizes the importance of managing brand loyalty (Dick & Basu, 1994). Finally, brand-loyal customers can gain comfort from their perceptions of high quality, sense of trust and satisfaction, and positive associations as well as previous favorable experiences with the brand which can lead to strong affection and commitment beneficial for both the customers and the brands (Aaker, 1991; Back & Parks, 2003; Quaye et al., 2022).

2.2   Co-branding

Today, the relatively recent strategy of co-branding is used increasingly by brands as they have come to realize its potential in improving their competitive position (Grieco & Iasevoli, 2017). This chapter presents the concept of co-branding and its different forms. Following this, motivations behind engaging in a co-branding arrangement and factors influencing how the strategy turns out are discussed. Lastly, potential outcomes and benefits achieved through co-branding are presented.

2.2.1   Definition and types of co-branding

Co-branding, also referred to as brand alliance, is a strategy where two or more brands are combined in a joint offer (Cooke & Ryan, 2000; Rao et al., 1999). As defined by Cooke and Ryan (2000), co-branding integrates attributes of different brands to offer a new or improved product to customers. They see as objective that each brand's image and reputation is enhanced through leveraging the brand associations of the brands involved. Co-branding is used to convey positive perceptions of the partner brands, i.e. constituent brands, to the co-brand, i.e. composite brand (Washburn et al., 2000). Blackett and Russel (2000) highlight that the basis for any cooperation should be expecting synergies with greater value for both participants – more than they would achieve on their own. Thus, the idea of "one plus one adding up to more than two" seems to suit the concept well. While there exist variations to the concept, this study applies the term co-branding interchangeably to describe a union of two brands in one offer.

A variety of forms of co-branding arrangements exists, ranging from joint sales promotions to celebrity endorsements and manufacturing collaborations, and being represented physically, for example in a form of two brands' bundled package, or symbolically, for instance through advertisements (Blackett & Russel, 2000; Delgado-Ballester & Hernández-Espallardo, 2008). Aaker (1996) distinguishes that the collaboration can be in the form of ingredient brands, when a company becomes a branded ingredient in another brand, or through composite brands, as two brands combine their expertise to form a new product. Examples of the first mentioned are Intel processors in IBM computers or TAG Heuer watches partnering with Google's technology, and of the latter mentioned Sony

and Ericsson creating Sony-Ericsson mobile phones (Aaker, 1996; Helmig et al., 2008; Moon & Sprott, 2016).

A type of arrangement that has increased its popularity in recent years is brand extensions. Lately, luxury fashion brands such as Jimmy Choo and Stella McCartney have launched co-branding collaborations with H&M-type fast-fashion retailers to extend their customer base and brand awareness while retaining their exclusive, unique appeal (Oeppen & Jamal, 2014). Another form of co-branding is an alliance between a celebrity and a brand, since today, celebrities can be regarded as their own brands. In celebrity endorsement strategy, a celebrity is paid to introduce his or her meanings and associations to the brand (Ambroise et al., 2014). Marilyn Monroe's endorsement yielding Chanel No. 5 perfume to be seen as sexy, or charming George Clooney providing endorsements for Nespresso are examples of this strategy (Ambroise et al., 2014; Tian et al., 2022).

The duration of cooperative relationships depends on the markets and the products and can vary from months (i.e. McDonald's and Disney engaging in a co-promotion) to years (i.e. a joint venture between Mercedes-Benz and Swatch to create the Smart car), or even emerging with no evident endpoint at all, as in the case of alliances such as Oneworld's global airline co-operation (Blackett & Russel, 2000). Furthermore, a new brand can ally with a well-reputed and known one, as when NutraSweet initially paired up with Coca-Cola to produce Diet Coke, or two or more well-known brands can form a co-operative relationship, such as Marimekko and Adidas, which are observed in this thesis (Blackett & Russel, 2000; Delgado-Ballester & Hernández-Espallardo, 2008; Rao et al., 1999). As can be seen from the above examples, co-branding is practiced in a variety of contexts and across multiple industries around the world.

2.2.2 Motivations behind co-branding

Extant literature recognizes multiple motivations for engaging in a co-branding arrangement. While achieving financial benefits is a clear goal, increasing brand image and enhancing customers' evaluations are also important agendas (Abratt & Motlana, 2002; Helmig et al., 2008). Collaboration also enables joint risk management and communicating combined quality and value of the brands involved. (Aaker, 1996; Abratt & Motlana, 2002; Delgado-Ballester & Hernández-Espallardo, 2008). Blackett and Russel (2000, p. 163) highlight that the basis for any cooperation should be expecting synergies with greater value for both participants – more than they would achieve on their own. Thus, the idea of "one plus one adding up to more than two" seems to suit the concept well.

Helmig et al. (2008) see co-branding as a means to create new alternatives for variety seekers and thus avoid brand switching. Customers looking for a change may therefore find variety from the co-branded product instead of selecting a competitive brand. Therefore, co-branding can satisfy the desire for variety while keeping the customers brand loyal (Helmig et al., 2008). Furthermore, co-branding can be used to improve consumer perception of the brands (Pinello et al., 2022) and increase brand associations which can create a point of

differentiation (Aaker, 1996). Abratt and Motlana (2002) explain that alliances aim to capitalize on brand value, as positive brand image and value can transfer from one brand to another. Similarly, Washburn et al. (2000) discover that pairing two brands can improve customers' perceptions and evaluations of the parent brands. Delgado-Ballester and Hernández-Espallardo (2008) further suggest that brand alliances serve as marketplace signals in that the two brands together are able to signal quality to the marketplace that each brand alone cannot.

Co-branding can be a tactical move for companies to enter a new market or region, as pairing up enables using the capabilities and reputation of the partnering brand (Blackett & Russell, 2000) and dividing costs and risks of entering new markets (Aaker, 1996; Abratt & Motlana, 2002). According to Abratt and Motlana (2002) and Washburn et al. (2000), co-branding is often a strategic move for introducing consumer products. New products are increasingly being launched as co-brands, enabled by brand extensions and the use of brand leveraging (Abratt & Motlana, 2002; Pinello et al., 2022). Helmig et al. (2008) add that co-branded products are a means of differentiation in competitive environments. Moreover, an increase in the number of users and consumers can be seen as a co-branding motivation as well as brand development (Pinello et al., 2022) and managing brand identity – keeping the brand "fresh" in a fast-changing market (Oeppen & Jamal, 2014). At a more profound level, Oeppen and Jamal (2014) suggest additional motivations such as borrowing credibility from a celebrity and testing the market for new line extensions.

2.2.3   Drivers influencing co-branding outcomes

Apart from choosing a suitable form of co-branding arrangement which to use, a variety of issues can impact how the alliance succeeds, both financially and in the minds of consumers. For example, pairing up with the right partner and fit between the brands are important factors as they may influence customers' perceptions on the alliance and ultimately impact their choices (Decker & Baade, 2016; Newmeyer et al., 2014; van der Lans et al., 2014). Similarly, contexts such as country of origin or social and cultural factors may affect customer's evaluations and thereby reflect to consumer behavior (Pinello et al., 2022).

As the popularity of co-branding has spiked, partner selection and brand fit have raised increasing attention among researchers (Pinello et al., 2022). According to Decker and Baade (2016), the impact of brand fit perception on consumers' evaluation of the co-brand alliance has been studied as an indicator for overall performance of the alliance. Indeed, in their study, Decker and Baade (2016), discover that brand fit perception positively relates to customers' attitudes toward the brand alliance, which can reflect to their purchase decisions and thus the successfulness of the alliance. In addition, the importance of a thorough risk assessment and careful partner selection is seen to be critical in co-branding since unsuccessful partnerships can lead to deterioration of brand image and losing customers over brand inconsistencies (Newmeyer et al., 2014; van der Lans et al., 2014). As an important driver of brand fit, van der Lans et al. (2014) highlight the coherence of brand personalities, as it affects customers' attitudes toward the

alliance. Newmeyer et al. (2014) explain partner selection to involve comparing the most attractive and optimal scenario against not co-branding at all. They advise brands to evaluate how prospective partners are perceived by customers in relation to their own brand. Namely, dissimilarities between the brands can be both nurturing and damaging, as suggested by Decker and Baade (2016). Based on their study, they propose that customers appreciate the added value from co-operation of brands from different industrial backgrounds, whereas customers lack to notice the benefits of alliances between different-sized brands.

Pinello et al. (2022) suggest that the performance of co-branding arrangements can be influenced by various moderators and mediators. Moderators can be seen to change the strength and direction of the relationship between a co-branding alliance and outcomes. For example, in a celebrity co-branding strategy, Ambroise et al. (2014) discover a personality transfer between celebrities and brands which influences customers' attachment and purchase intentions. Moreover, the influence of brand personality on consumer behavior varies depending on the endorser and the brand's reputation; interestingly, the celebrity impact can be negative as well (Ambroise et al., 2014). This highlights the previously mentioned importance of partner selection since a poor match can be perceived negatively by customers and thus the effect of a mismatch be harmful to the brand. Another moderator, as suggested by Pinello et al. (2022), is the brands' alliance experiences since previous partnerships may have an influence on the performance of the current co-branding alliance. In addition, they observe that the announcement of a co-branding alliance can act as a moderator. This is witnessed by Cao and Sorescu (2013) as they find that the stock market reaction to the announcement of a new co-branded product is significantly higher compared to a single branded one. More specifically, they discover that the reaction increases when there is consistency between the two brand images, innovativeness of the product, and exclusivity of the cobranding relationship.

Whereas moderators can change the intensity or direction of the alliance-outcome relationship, mediators distinguish the indirect effects of the co-branding alliance on the outcomes (Pinello et al., 2022). For instance, in a celebrity endorsement arrangement, both endorser image and brand image can be mediators in the process of equity creation (Seno & Lukas, 2007). Similarly, Pinello et al. (2022) see brand credibility to play a mediating role within co-branding alliance and its outcomes. To conclude, the outcomes of a co-branding alliance can be impacted by the influence of moderators or indirectly through mediators.

Furthermore, co-branding outcomes can be influenced by the contexts in which the alliances are established. Pinello et al. (2022) suggest considering the meso-context, which is related to the brands' characteristics such as product industry or country of origin. These attributes can reflect to customer evaluations of the co-branding alliance and ultimately to the performance of the cooperation. Previous studies have shown, for example, that in the case of low brand familiarity, the positive influence of brands' country of origin fit can alter customers' attitudes towards the brand alliance (Bluemelhuber et al., 2007). In addition, the exo-context involving economic, social, and cultural factors plays an important

role as these factors may influence consumers' assessments and thereby their choices (Pinello et al., 2022). A study by Decker and Baade (2016) observes contextual factors and indicates that high dissimilarity between brand partners may reduce the overall performance of the co-branding alliance since brand fit generally promotes a favorable attitude towards co-branding alliances. Thus, understanding the importance of customers' evaluations of the alliance is critical as it can reflect significantly on the success of the strategy.

As a third context, Pinello et al. (2022) mention business life cycle-related chrono-context and suggest it to be considered in relation to co-branding alliances as well, for example when seeking to answer how does the duration of the collaboration influence the outcomes or how long will the co-brand's impact on each partner brand's perception last. Namely, in a study conducted by Oeppen and Jamal (2014), it is suggested that duration can have an impact on customers' evaluations. They find that limited availability can help protect the brand from cannibalizing sales for the partner brands. For instance, in the case of a luxury brand pairing up with a fast-fashion brand, a short duration may guard the prestigious brand from being viewed adversely by its existing customers (Oeppen & Jamal, 2014). On the other hand, restricting distribution channels to cover high-end stores and the brands' own locations can be a strategical move to help control and maintain brand image (Oeppen & Jamal, 2014).

2.2.4   Outcomes of co-branding

As one might expect, entering into an arrangement as widely spread and popular as co-branding, multiple benefits and positive outputs are possible to be achieved. At best, co-branding can be a win-win strategy for both brand partners (Abratt & Motlana, 2002; Washburn et al., 2000). Aaker (1996) concludes that co-branding can contribute to leveraging brands' attributes and gaining synergy benefits. While co-branding can lead to customers buying more and paying more (Rodrigue & Biswas, 2004), it also can improve brand image (Van der Lans et al., 2014) and influence customers' overall perceptions toward the brands (Simonin and Ruth, 1998; Washburn et al., 2000). However, harmful outcomes are possible as well, including, for example the risk of impaired brand image, customers' adverse perceptions, and negative impact on their purchase intentions (Ilicic and Webster; 2013; Geylani et al., 2008).

From a financial point of view, co-branding alliances can lead to increasing revenues and market share through partner brands' ability to access each other's market, expanding customer base with profit maximization, and lowering costs due to joint advertising (Pinello et al., 2022; Shen et al., 2017; van der Lans et al., 2014). When observing customer evaluation and its influence on the outputs of brand alliances, Rao et al. (1999) note that co-branding can enhance consumers' quality perceptions of the brands involved. Furthermore, Rodrigue and Biswas (2004) discover that customers' attitudes of the brands before the alliance positively affect their attitude toward the alliance, which positively influences their perceived quality, willingness to pay a premium price, and purchase intention. Similarly, Decker and Baade (2016) suggest a strong brand fit may nurture

customers' attitudes toward co-branding alliances, which can reflect to their purchase decisions and ultimately the performance of the alliance.

Among the possible consequences of co-branding, previous studies show that brand image (van der Lans et al., 2014; Washburn et al., 2000) and brand awareness can be increased (Oeppen & Jamal, 2014). Van der Lans et al. (2014, p. 562) see co-branding as an important strategy to improve brand image and indicate, for instance, that "halo of affection" belonging to another brand can be beneficial to the other brand. Washburn et al. (2000) discover that the positive impact of the alliance influences both the co-brand and each brand partner. According to their study, co-branding between two high equity brands can result in a highly positive image of the co-branded product. On the other hand, Geylani et al. (2008) also note that while co-branding is often used to reinforce the image of the brands, it can result either in image reinforcement or image impairment. In terms of brand awareness, Oeppen and Jamal (2014) conclude that brands primarily collaborate to raise brand awareness through co-branding. While Blackett and Russell (2000) suggest the lowest level of shared value creation is to merely increase awareness through access to each other's customer base, Oeppen and Jamal (2014) see a possibility to create value through awareness from other brands as well. They discover that positive examples of previous collaborations can encourage future partners to seek co-branding arrangements with the brand. Thus, a potential outcome of a co-branding alliance is attracting future partnerships.

When observing co-branding alliances, a commonly discussed and intensely researched topic is the spillover effect. Simonin and Ruth (1998) are pioneers in observing how the psychological spillover effect from the alliance reflects on the brands involved. They discover that consumer attitudes toward the co-branding alliance influence their subsequent attitudes of each partner's brand. This has become a widely cited definition of the spillover effect in the context of co-branding. In their study, Rodrigue and Biswas (2004) reach a similar conclusion, in that post-attitudes, i.e. attitudes toward the partner brands after the alliance, show a positive spillover effect for both partner brands. In other words, being a part of the alliance can lead each brand to gain a favorable attitude from customers (Rodrigue & Biswas, 2004). In addition, Simonin and Ruth (1998) suggest that the partnering brands may not be equally affected by the spillover effects: it seems that less familiar brands are likely to gain a stronger spillover effect compared to highly familiar brands. Voss and Tansuhaj (1999) support this notion and add that when a previously unknown brand associates with a well-known one, customers' evaluations of the lesser-known brand can improve. From another point of view, Oeppen and Jamal (2014) note that brand personnel can benefit from the new knowledge brought by the collaboration, which also can create a long-lasting spillover effect.

Whereas the above-mentioned are examples of positive spillover effects, brands can potentially be affected by negative feedback or adverse spillover effects, for example due to allying with the wrong partner (Cornelis, 2010; Helmig et al., 2008), long after the alliance is over. Cornelis (2010) discovers that even strong brands can be damaged by a poor co-branding strategy. Oeppen and

Jamal (2014) see adverse spillover effects as the greatest risk in co-branding arrangements. In the case of celebrity endorsements as co-branding strategy, Ilicic and Webster (2013) conclude that a celebrity failing to provide information about the endorsed brand or its benefits negatively affects customers' purchase intentions, their perceptions of the match-up between the celebrity and the brand, and their beliefs that the brand can deliver benefits. In addition, brand equity can be at risk if customers associate their negative experience with one partnering brand to the other one and "blame the wrong brand for their dissatisfaction" (Washburn et al., 2000, p. 594).

2.3   The role of co-branding in brand loyalty

Despite the widely acknowledged importance of loyal customers and increasing interest in co-branding, research on the relationship between them remains narrow. Furthermore, while customers' perceptions toward brands have gained much attention among researchers, studies linking the impact of customer perceptions to both co-branding and brand loyalty seem to be somewhat deficient. For instance, Kim et al.'s (2007) quantitative study is focused on brand alliance benefits rather than customer perceptions. Shen et al.'s (2017) study provides insights on loyalty's influence on brand alliances, thus not observing alliances' influence on loyalty. Washburn et al. (2000) and Böger et al. (2018) offer insights on the importance of customer perceptions but are not focused on brand loyalty per se. Additionally, while Simonin and Ruth (1998) examine consumers' reaction and perceptions of co-branding, it is noteworthy that their research dates back almost three decades.

To begin with, Kim et al. (2007) examine the influence of co-branding efforts on brand loyalty as well as the effect of satisfaction on loyalty in the context of chain restaurants. The approach is to observe customers' perceived benefits of co-branding efforts. Kim et al. (2007) hypothesize that three types of perceived benefits gained from co-branding alliance, namely price benefits, premium promotion, and post-purchase services, are positively related to brand loyalty. In addition, they expect satisfaction to positively relate to loyalty. Their study shows that benefits, referring to i.e. low price, discounts, and free offerings, may positively relate to satisfaction, whereas they are not likely to create brand loyalty. In other words, customers receiving discount prices may be more satisfied, but not in the extent that would lead to brand loyalty. Kim et al. (2007) suggest that in this context, customers seem to be loyal to the price benefits but not to the brand providing them. Premium promotion efforts, meaning promotional materials such as samples, catalogues, and gifts that could enhance the perceived value of the product, are found not to significantly influence satisfaction or brand loyalty. Post-purchase services, however, are seen to positively relate to both satisfaction and loyalty. For example e-newsletters and mileages accumulation may in the long-term help maintain a positive relationship and familiarize the customers with the brand. Lastly, Kim et al. (2007) find satisfaction to have a significant,

positive effect on brand loyalty, thus supporting previous literature and the conception that satisfaction is an important determinant of brand loyalty.

Yoo and Bai (2007) study the impact of brand alliances on customer loyalty specifically in the hotel industry. Similar to Kim et al.'s (2007) research, Yoo and Bai's (2007) paper centers on key theme other than customer perception, namely value creation. The quantitative research focuses on value creation stemming from the alliance, with indicators such as discounts, reservation convenience, chances to earn points, and newsletters as sources of value creation. They discover that value creation from the alliance is only one element that affects loyal customers' decision-making, leaving future studies to explain further factors. In conclusion, Yoo and Bai (2007) suggest that there seems to be a positive relationship between brand alliances and loyalty.

Shen et al.'s (2017) research aims to capture how brand loyalties of partner brands affect the performance of the co-branding alliance when fast fashion brands are accompanied with designer luxury brands. In their qualitative study, they suggest that an alliance of two associated brands and their co-brand is beneficial to both the fast fashion brand and the designer brand as it enables increasing loyalties and expanding customer base, and thus can lead to profit maximization. Moreover, they advise fast fashion brands to collaborate with well-known luxury fashion brands. As a conclusion, they discover that high brand loyalty levels toward the partner brands have a greater impact on profit after the co-branding alliance. In other words, the spillover effects are significant when brand loyalty toward the collaborating brands is high.

In a widely cited study, Washburn et al. (2000) research the influence of co-branding on brand equity. They explore how customers' perceptions toward brand alliances impact their perceptions of brand equity of both the parent brands and the co-brand. Washburn et al.'s (2000) study incorporates Aaker's (1991) brand equity dimensions, one of which being brand loyalty, and explains brand equity as a set of associations with a brand name; the higher the number of positive brand associations, the higher the level of brand equity. Consequently, the associations customers place on known brands can subsequently be paired in the co-product (Washburn et al., 2000). The conclusions drawn from the study on the impact of co-branding on brand equity are overall highly positive. Conducted with barbecued potato chips, their quantitative experiment suggests that while brands with low equity may benefit most from the alliance, allying with weaker brands is not damaging to brands with high equity. In addition, Washburn et al. (2000) suggest that only brands with an established, long-term positive image will not be enhanced by co-branding – however, co-branding will not affect them negatively, either. Washburn et al. (2000) conclude that regardless of whether the parent brands initially have high or low brand equity, co-branding seems to improve customers' brand equity perceptions and thus be a win-win strategy for each original brand.

Simonin and Ruth (1998) aim to fill a research gap in understanding how consumers react to co-branding and how alliances influence their evaluations of the brands involved. Specifically, they examine consumers' evaluations on brand

alliances, their spillover effects, and the role of brand familiarity in the alliance. The root of their study is in the assumption that customers' prior attitudes toward each partner brand will likely affect their evaluations of the co-branding alliance, and each brand will likely affect the subsequent evaluations of the other brand. In their study, car brands (which had high brand familiarity, according to the pretest conducted) and microprocessor brands (which varied in terms of familiarity) were paired into sixteen brand alliances. The participants were acquainted with one of them and then were asked, for example, about their attitudes toward the alliance and how they perceived the product and brand fit. In terms of the role of brand familiarity, Simonin and Ruth's (1998) study reveals that unfamiliar brands gain greater spillover effects from the alliance, compared to highly familiar ones, and that an unfamiliar brand's effect on how consumers assess the alliance is smaller than the impact of a familiar brand. As main conclusions, Simonin and Ruth (1998) discover that the more favorable brand alliance evaluations the customers hold, the more favorable the spillover effects on the partnering brands will be. Thus, co-branding alliances seem to significantly affect customers' perceptions of the brands involved (Simonin & Ruth, 1998). At the same time, they note that the more favorable the customers' evaluations of the partner brands and product and brand fit are, the more favorable their assessments of the alliance will be. Therefore, customers' attitudes towards the brands involved along with perceived product and brand image fit seem to considerably affect customers' evaluations of the co-branding alliance (Simonin & Ruth, 1998).

In a quantitative study conducted by Yu et al. (2021), the influence of co-branding on customers' perceptions and purchase intentions is examined within the sport industry. Specifically, their study aims to discover whether self-image congruence, i.e. the consistency between a customer's self-concept and a brand, and perceived quality positively impact customer behavior. In the experiment, respondents' perceptions are examined regarding hypothetical co-branding alliances with Under Armour as the host sport brand and Amazon, Google, Samsung or Microsoft as its co-branding partner. Yu et al.'s (2021) study suggests that if the customers experience high self-image congruence with a co-branding alliance, their favorable evaluations and intentions to purchase the co-branded product are heightened. Furthermore, Yu et al. (2021) find image fit between the partnering brands to positively influence customers' perceptions and purchase intentions of the co-brand. While their study indicates that co-branding product quality likely enhances customers' co-branding perceptions, it seems to have little effect on their purchase intentions. In sum, Yu et al. (2021) propose that co-branding can have a positive impact on customers' purchase intentions which can result in positive financial outcomes for the brands involved.

Finally, Böger et al. (2018) examine how customers' perceptions on the partnering brands influence their perception of the established co-brand. They notice that previous studies have mainly focused on brand alliances between highly familiar and less familiar brands, and thus aim to extend research into a situation where two well-known, distinguished brands ally to form a co-brand. In Böger et al.'s (2018) quantitative experiment, respondents' perceptions regarding

parent brands (Braun and Chanel) and a hypothetical co-brand are evaluated. Brand perceptions are illustrated through associations such as effectiveness, utility, reliability, usefulness, durability, fun and luxury. The study shows that utilitarian associations, such as reliability and functionality, are assigned to Braun, whereas Chanel gains hedonic associations such as luxury and elegance. The co-brand is assigned to both utilitarian and hedonic associations but is ultimately perceived to be more utilitarian than hedonic. Interestingly, Braun's influence on how the co-brand is perceived is twice as strong as Chanel's. As a conclusion, Böger et al. (2018, p. 518) suggest that "the co-brand's perception arises from a weighted merge of the parent brands' perceptions". In other words, customers' perceptions of the co-brand are the result of combining their perceptions of the parent brands. Further, the parent brand for which there is more accessible and prominent information in the customers' minds has a greater impact on the perception of the co-brand than the brand for which they have less information.

2.4 Theoretical framework

In this chapter, the extant knowledge of co-branding's role in brand loyalty is summarized. Figure 4 ties the previous literature together into a theoretical framework, illustrating the outcomes of co-branding, influenced by various drivers, and showing the potential outcomes of brand loyalty, which similarly is influenced by several drivers. Customers' perceptions of the brands and the alliance and their linkage to brand loyalty is indicated with arrows.
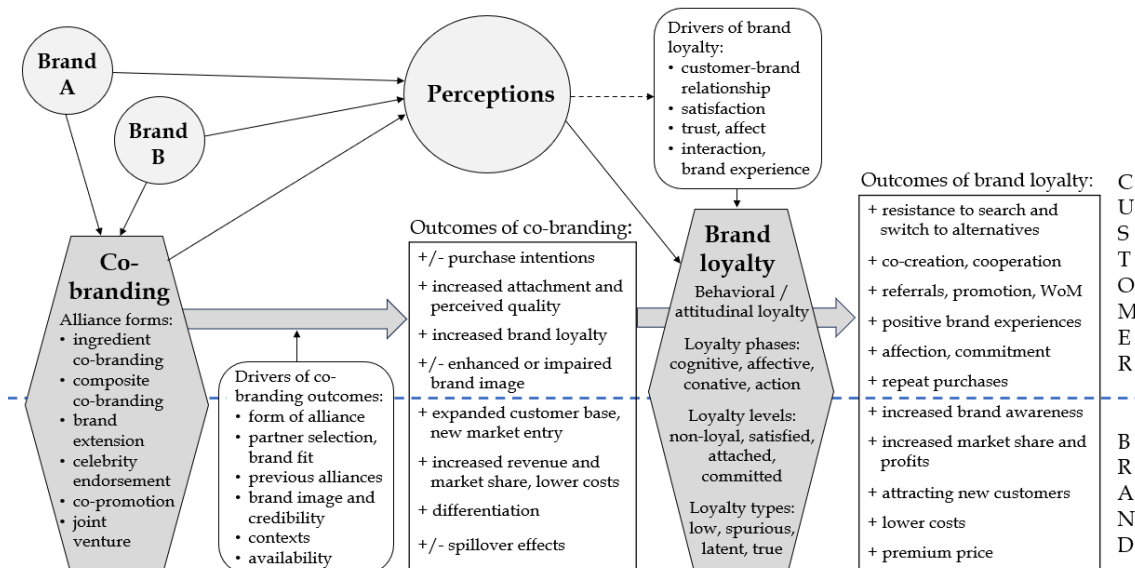

FIGURE 4 Theoretical framework

Based on previous research, co-branding can contribute to brand loyalty by creating alternatives to prevent brand switching, improving brand image and

quality perceptions of the parent brands as well as augmenting purchase intentions (Decker and Baade, 2016; Delgado-Ballester & Hernández-Espallardo, 2008; Helmig et al., 2018; Simonin & Ruth, 1998; Rao et al., 1999; Rodrigue & Biswas, 2004; Washburn et al., 2000; Yu et al., 2021). Elements such as interaction and relationship with brands as well as satisfaction and trust are seen to influence brand loyalty (Brodie et al., 2011; Chaudhuri & Holbrook, 2001; Kim et al., 2007; Leckie et al., 2016; Ngoc Phan & Ghantous, 2013; Popp & Woratschek, 2017).

As factors of co-branding that are important for brand loyalty, existing literature mentions for example the perceived fit between the brands involved, previous brand alliances, and similarities or dissimilarities between brands as well as availability of co-branded products, since they can influence how customers perceive the alliance and the brands involved, and thereby may impact to both attitudinal and behavioral loyalty (Decker & Baade, 2016; Oeppen & Jamal, 2014; Pinello et al. (2022).

In general, loyal customers appear to be committed to the brand, have little incentive to change and search for alternatives as well as may co-create with the brand and promote it through positive word of mouth (Aaker, 1991; Baloglu, 2002; Dick & Basu, 1994). While co-branding can result in these favorable outcomes, it can have an adverse role in brand loyalty as well. For instance, co-branding entails risks of impaired brand image and adverse brand equity perceptions as well as negative spillover effects if the customers' unfavorable evaluations of the alliance influence their assessments of the brands (Cornelis, 2010; Geylani et al., 2008; Helmig et al., 2008; Washburn et al., 2000).

3 RESEARCH METHODOLOGY

This chapter describes the research methodology for performing the empirical section of the study. In the empirical part, individual interviews are conducted with a total of ten loyal customers of Marimekko or Adidas to gain insight on how they experience co-branding in relation to their brand loyalty. To explain and justify the selected data gathering method, the use of interviews in qualitative study is first introduced. Next, the process of collecting the data is described. This chapter then presents descriptives of the interviews and the participants. Finally, it moves on to explaining the process of analyzing data, with thematic analysis as the chosen approach.

3.1 Qualitative research and interviews as data gathering method

For the present research, a qualitative approach was selected as it can provide valuable, informative, and rich data (O'Gorman & MacIntosh, 2015) and assist in developing a deep and nuanced comprehension of the phenomenon under study (Lester et al, 2020). Whereas quantitative methods emphasize representativeness and are useful for testing, the qualitative approach is less concerned about representativeness but is useful for discovering hidden motivations and values (Hair et al., 2015). According to Adams et al. (2014), qualitative methods seek to explore social relations and depict reality based on the experiences of the participants. Furthermore, Hair et al. (2015) suggest that qualitative research is the preferred approach when prior studies provide only partial or incomplete explanations for the research questions. As previously witnessed, there is a lack of studies conducted with qualitative methods regarding customers' perceptions of co-branding on their brand loyalty. The current study attempts to fill this gap and thus utilizes qualitative methods to gain a more in-depth understanding of the phenomenon.

As put by Tuomi and Sarajärvi (2018, 84), when one wants to know what people think or why they act the way they do, it makes sense to ask them. In this

research, interviews were selected as the data collection method because they facilitate a more interactive environment for capturing participants' thoughts, in contrast to close-ended questionnaires that offer limited opportunities for communication. Arsel (2017) also sees interviews as a reliable and effective means to gather consumer data since they are interactive, flexible, and focused by their nature. Interviews allow questions to be repeated, misunderstandings to be corrected, phrases to be clarified and dialogue to take place (Tuomi & Sarajärvi, 2018).

Individual interviews were chosen over focus groups to prevent group chemistry to influence the respondents. Unlike in a group setting where some participants may dominate others and participants may join the "group thinking" or be embarrassed of contradicting the group (Adams et al., 2014), individual interviews permit the participants to freely express what they feel in a trustworthy and secure scenario. To allow the interviewees to have freedom and flexibility to state their own thoughts and the interviewer to ask related, unanticipated questions prompted by the participants' responses (Hair et al., 2015; O'Gorman & MacIntosh, 2015), the interview type applied in this study was semi-structured approach. In semi-structured interviews, a pre-planned 'road map' of questions guides the interviewer through the process, so that once a question is asked and replied, the reply can then be responded with more questions (Adams et al., 2014). In this study, the road map is labelled "interview framework" and can be found in the Appendix. Pre-planning the questions can assist the researcher in staying focused and covering all the relevant topics, giving the interviewer a sense of control and the ability to reignite and redirect the conversation (Arsel, 2017). Through this approach, unexpected insights can occur, ultimately enhancing the findings (Hair et al., 2015). Indeed, the semi-structured approach allowed unplanned viewpoints to emerge and the conversation to flow, enriching the data retrieved from the interviews.

The framework was built around three themes that emerged from the theoretical background and that reflected the three research questions. The themes were 1) Co-branding experiences in relation to brand loyalty, 2) Key factors in co-branding for brand loyalty and 3) The promoting or detrimental consequences of co-branding on brand loyalty. The questions aimed to reveal the respondents' own experiences and thoughts, therefore many of them were crafted in the form of 'how,' 'what kind of significance' and 'what do you think.' In addition, in the interview situations where yes and no questions were asked, follow-up questions were presented, and the respondents were asked to describe and justify their answers in more detail. The interview framework included also short descriptions of the two concepts relevant to the study, namely brand loyalty and co-branding. To allow the respondents to get acquainted with the concepts, themes and questions, the interview framework was delivered to them prior to the interviews.

3.2 Data collection

The data-gathering process included the selection of sampling method, recruiting, and informing the participants, conducting the interviews, and transcribing the verbal communication into text. To begin with, the selected sampling method for the present study was non-probability sampling in which the sample units are chosen based on personal judgment, as opposed to probability sampling where they are selected randomly (Adams et al., 2014; Hair et al., 2015). A non-probability sampling form called purposive sampling was applied as it enabled selecting sample elements that met certain criteria (Adams et al., 2014). The main criteria when selecting the interview participants was that they were expected to be somewhat loyal to either of the observed brands, namely Marimekko or Adidas. In addition, it was essential to acquire participants with personal experience regarding the Adidas x Marimekko collection to gain insight into how they perceive the alliance in relation to their loyalty toward the brands. However, loyal customers of Marimekko or Adidas who had not purchased the mentioned collection were also included in the interviews as they were seen to provide additional viewpoints, particularly as to what prevents or restrains them from purchasing the co-branded products.

Additionally, another type of non-probability sampling referred to as snowball sampling was used when recruiting the respondents. In snowball sampling, the samples originally selected by the researcher nominate others to be interviewed and these in turn nominate others (Adams et al., 2014). While one of the respondents was a personal acquaintance of the interviewer, there was a total of five participants that were acquaintances of acquaintances. Through snowball sampling, the pool of interviewees expanded to include two acquaintances of acquaintances of acquaintances. In addition, the social media platform Instagram was utilized to search for and approach users who had used the hashtags #marimekkoadidas, #adidasmarimekko, #marimekkoxadidas or #adidasxmarimekko in their pictures, signaling a personal experience of the co-branded product. Two participants were obtained through this approach.

All the participants were sought within Finland to ensure a similar baseline for all the participants, for example regarding the recognition and familiarity of Marimekko. There were no criteria regarding the age, gender, place of residence, or socio-economic profile of the participants, as their diverse backgrounds were considered to provide valuable information to the subject. Nevertheless, all the participants transpired to be employed women with a higher education.

Once the respondents had expressed their interest and intention to take part in the interview, they were provided via email with an information bulletin, data protection notice and the interview framework. In addition, they were asked for their consent to the processing of their personal data. The interviews began with a casual every-day conversation to help relax the ambiance, followed by a brief introduction to the study. It was emphasized to the participants that there were no wrong answers, and interviewees were encouraged to speak freely and as

honestly as possible. Background information was gathered before the recording was initiated to secure the anonymity of the interviewees. The interview lengths presented in Table 1 thus consist of three minutes of background information gathering plus the recorded part of the interview.

The interviews were mainly conducted via video-conferencing tool Teams. This enabled including participants from different geographic locations and secure possession of the data as well as recording and transcribing the interviews. The automatic transcriptions were leveraged but were thoroughly reviewed and revised by the researcher. Two of the interviews were done face-to-face in a live setting and simultaneously recorded by Teams. Additionally, one interview was conducted via telephone as requested by the respondent. The phone call was recorded with a computer tape recorder and transcribed verbatim based on the recording. All the participants were Finnish speakers, therefore the interviews were conducted in Finnish to enable the respondents to give more profound answers in their native language and to provide a more relaxed environment. As characteristic to semi-structured interviews, the planned order of the questions was not followed at all times, as the conversation often began to flow (Arsel, 2017). Previous questions were revisited, and additional questions were posed to gain a deeper understanding of the responses.

3.3 Research data overview

In total, there were ten interviews conducted between March and April, 2024. Videocalls enabled a relatively wide geographical range, with attendees from different parts of Finland and from various sized cities and municipalities. All the participants were women, aged between 34 and 51. The majority (8) of the respondents had master's degrees and the rest (2) were bachelors. The participants' professions ranged from nurse to the role of vice president. As the respondents were different in terms of their talkativeness, the interview durations varied from 30 minutes to nearly an hour, with an average length being 40 minutes. The interviews were continued until slight saturation was observed. Saturation refers to the state where the data seizes to provide new information and there is enough evidence for the researcher to address the research questions (Constantinou et al., 2017). In total, there were nearly 400 minutes of interview data collected, with transcribed word count exceeding 50.000 words.

TABLE 1 Backgrounds of participants and interviews

Code	Age	Place of residence	Education	Profession	Interview date	Length, type
P1	36	Helsinki	Master's degree	Vice president of sales	March 25, 2024	45 min, Teams
P2	51	Helsinki	Master's degree	Special needs teacher in early childhood education	March 26, 2024	45 min, Teams
P3	44	Helsinki	Master's degree	Senior specialist	March 27, 2024	32 min, Teams
P4	37	Nurmijärvi	Master's degree	Marketing designer	March 27, 2024	30 min, Teams
P5	40	Laihia	Bachelor's degree	Customer advisor	March 28, 2024	59 min, phone call
P6	36	Jyväskylä	Master's degree	Chief operating officer	April 2, 2024	33 min, Teams
P7	35	Jyväskylä	Master's degree	Home economics teacher	April 9, 2024	46 min, live
P8	48	Kouvola	Bachelor's degree	Nurse	April 15, 2024	36 min, Teams
P9	35	Jyväskylä	Master's degree	First-grade teacher	April 16, 2024	30 min, live
P10	34	Turku	Master's degree	Entrepreneur in the field of sport	April 19, 2024	42 min, Teams
Total						398 min, 51.533 words

Within the group of interviewees, seven had purchased items from the co-branding alliance under study, namely the Adidas x Marimekko collection, whereas three participants had no purchase history regarding the mentioned collection. The respondents were asked to describe their relationship to both brands and were then assigned to their corresponding loyalty levels identified by previous research and discussed in the theoretical part of this study. In Table 2, *a* represents the loyalty categories defined by Dick and Basu (1994) and Baloglu (2002), and *b* signifies Aaker's (1991) loyalty levels.

Based on Dick and Basu's (1994) and Baloglu's (2002) definitions, the respondents were seen to fall into the category of *low loyalty* when they described themselves as having little attachment and not many repetitive purchases toward a brand. In the case of *spurious loyalty*, purchasing was often guided by a habit or a suitable price level. Thus, the participants were labeled under spurious loyalty when they were low in their emotional connection but made reoccurring purchases toward a brand. Controversially, *latent loyalty* was assessed as a suitable loyalty level for the respondents who felt affection for the brand but simultaneously experienced the prices too high which thus prevented them from highly repetitive purchases. The interviewees were categorized into the segment of *true loyalty* when they characterized their relationship toward the brand as emotionally connected and trustworthy with repetitive purchase behavior and resistance to competing offers.

Reflecting on Aaker's (1991) loyalty levels, when the interviewees explained that price and convenience were significant attributes and that they were just as comfortable purchasing any other brand within the same category and therefore

implied that the brand name was indifferent to them, they were categorized as *price-sensitive buyers*. The participants were placed under a loyalty level called *satisfied or habitual buyer* when they referred to themselves as happy and content with the brand together with some level of repetitive purchases and not much emotional commitment. Switching costs were excluded when determining the loyalty level as they were seen as less relevant when reflecting on the interviews as a whole. The level of *attached buyer* was seen as appropriate for the respondents who had favorable use experiences and expressed their affection to the brand, even felt a friend like relationship toward it, with characterizations such as "empathy toward the brand". Finally, the interviewees were seen as *committed buyers* when they described themselves as proud users of the brand who felt a strong connection toward it, recommended the brand, and expressed reoccurring purchases, even to the extent that the brand was their sole choice within particular product categories.

TABLE 2 Participants' purchase history and loyalty levels

Code	Has purchased Adidas x Marimekko items	Estimated loyalty levels toward *Adidas*	Estimated loyalty levels toward *Marimekko*
P1	No	a) Spurious loyalty b) Satisfied or habitual buyer	a) True loyalty b) Attached buyer
P2	Yes; sweatshirt and shorts (1st collection)	a) Spurious loyalty b) Price-sensitive buyer	a) Latent loyalty b) Satisfied or habitual buyer
P3	Yes; shorts and cap (1st collection), socks (collection unknown)	a) Spurious loyalty b) Price-sensitive buyer	a) Latent loyalty b) Satisfied or habitual buyer
P4	Yes; padel skirt, sport shirt, sweatshirt/tunic (collection unknown)	a) True loyalty b) Attached buyer	a) True loyalty b) Committed buyer
P5	Yes; hoodie, sports shirt, sweatsuit, jumpsuits (2nd collection), t-shirt (collection unknown), dress (5th collection)	a) Spurious loyalty b) Price-sensitive buyer	a) True loyalty b) Committed buyer
P6	No	a) Spurious loyalty b) Satisfied or habitual buyer	a) Latent loyalty b) Satisfied or habitual buyer
P7	No	a) Spurious loyalty b) Satisfied or habitual buyer	a) True loyalty b) Attached buyer
P8	Yes; sneakers, shirt (2nd collection)	a) True loyalty b) Attached buyer	a) Latent loyalty b) Satisfied or habitual buyer
P9	Yes; sweatshirt (collection unknown)	a) Low loyalty b) Price-sensitive buyer	a) True loyalty b) Attached buyer
P10	Yes; t-shirts (1st collection), bag, backpack, swimsuits, sweatpants (2nd collection), sneakers (collection unknown)	a) Low loyalty b) Satisfied or habitual buyer	a) Latent loyalty b) Satisfied or habitual buyer

In Table 2, grey background indicates which brand the respondent is assessed to be more loyal to. As can be seen, eight out of ten of the participants were evaluated to experience greater loyalty toward Marimekko. One participant was considered more loyal toward Adidas and one participant equally loyal to both

brands since the levels of latent loyalty and spurious loyalty are challenging to organize in ascending order. Furthermore, the table indicates that in the case of Adidas, spurious loyalty is accentuated. This can be explained in that the majority of the respondents described Adidas as a brand that they often purchase but that they do not feel an emotional connection to.

3.4   Analysis of the data

Being that the present study aims to gain insights into people's own thoughts and perceptions, thematic analysis was chosen as the method of analyzing data, as according to Braun and Clarke (2006, p. 82) it can be used to capture "experiences, meanings and the reality of the participants". They see thematic analysis as a foundational approach in qualitative research due to its flexibility and ability to produce rich and detailed information. In thematic analysis, patterns (or themes) from the data are identified, analyzed, and reported (Braun & Clarke, 2006). Through inductive reasoning, the patterns are ultimately used to draw conclusions on the topic (Hair et al., 2015). Braun and Clarke (2006) explain the themes to represent significant contents of the data that relate to the research questions and symbolize meanings within the gathered data. In this study, the themes were identified using an inductive approach. When applying this method, processing the data is not guided by theoretical or analytical preconceptions but is driven by the data itself (Braun & Clarke, 2006). As opposed to the analyst-driven theoretical approach concentrating on a specific aspect of the data, inductive analysis offers a comprehensive description of the data as a whole (Braun & Clarke, 2006) and was therefore seen as well-suited for this research.

When analyzing the data, Braun and Clarke's (2006) guide on conducting thematic analysis was leveraged. According to their instructions, the first phase is to get familiarized with the data. Therefore, the interviews were transcribed and then read multiple times while simultaneously making notes of ideas and possible patterns arising. In the second phase, initial codes are created from the data. This step demands thorough and systematic working across the entire data set to identify interesting aspects that may form patterned themes. (Braun & Clarke, 2006). In this thesis, the coding was chosen to be performed manually by collecting data extracts and collating them into a separate file. Comments relating to the research questions were searched within the data and categorized under various titles. For instance, the respondents' comments about quality were gathered under a column labelled as 'satisfaction' and comments regarding the participants' initial thoughts about the co-branded collections were grouped under 'reactions'.

The next phase includes analyzing the codes to see how they can be grouped and combined into themes and sub-themes, while also paying attention to the relationships between the themes to see how they fit together (Braun & Clarke, 2006). For example, codes referring to word of mouth were assigned under a theme 'referrals'. In this stage, multiple preliminary themes were identified

while the content was still somewhat overlapping and in need of revision. Thus, as suggested by Braun and Clarke (2006), the next phase is reviewing the candidate themes. This includes merging and dividing the themes, which enables maintaining meaningful data within the themes and clear distinctions between them. In addition, this phase observes how the themes reflect the meanings of the data set overall. (Braun & Clarke, 2006). When conducting this phase, some of the preliminary themes were united and sub-themes were re-organized under corresponding themes; satisfaction, for instance, was assigned under the theme 'co-product experience'.

As advised by Braun and Clarke (2006), the second to last phase is defining and naming the themes. Here, the attempt is to identify the meanings of the themes in relation to the research questions. Additionally, the themes are given characteristic and descriptive titles. The initial theme 'alliance repetition', for instance, was re-named into 'repetition and reach' to better describe the full content of the theme. The main research question was found to include multiple dimensions for which the sub-research questions provide further understanding. Therefore, co-branding's role in brand loyalty was seen as an overarching theme. Five themes and six sub-themes were identified to describe important elements of co-branding for brand loyalty and three themes with five sub-themes were discovered to illustrate elements of co-branding that can strengthen or weaken brand loyalty.

Finally, the last phase is producing a report of the analysis. Braun and Clarke (2006) advise that the report should tell the story of the data both within the themes and across them. In the report, analytic narrative should be in balance with data extracts that illustrate examples and the prevalence of the themes (Braun & Clarke, 2006). As the interviews in this study were conducted in Finnish, the extracts were first translated into English. To ensure the validity of the analysis, an effort was made to translate the extracts in a way that preserved their meaning, although colloquial expressions were pruned. The results of the analysis are presented in the next chapter.

4   RESULTS OF THE RESEARCH

This chapter presents the results of the empirical research. As the aim of the first research question was to depict the role of co-branding in brand loyalty, this study suggests the role to be multidimensional; it seems that customers' perceptions on the brand alliance and the parent brands can reflect in both attitude and purchase behavior toward the brands. Similarly, it appears that interaction with both the brands and the other customers can be echoed in attitudinal and behavioral loyalty. Co-branding may also lead to favorable word of mouth recommendations and customers reaching new product categories which may make them less likely to switch to competing brands. In terms of the first sub-research question, this study identifies five themes to describe the important elements of co-branding for brand loyalty: launch of cooperation, compatibility of the brands, backgrounds of the brands, availability, and other alliances. For the second sub-research question, three themes are discovered to describe how co-branding can strengthen or weaken brand loyalty: co-brand experience, added value, and repetition and reach.

Each finding will be thoroughly observed in the following sub-chapters. The results are based on the analyzed interview data and reflected on the research questions. Quotations are used to illuminate the personal experiences and thoughts of the interview participants.

4.1   The role of co-branding in brand loyalty

Based on this study, co-branding appears to have a multidimensional role on brand loyalty. Five key observations were drawn to depict the role. Firstly, it was discovered that brand perceptions of the parent brands can be mirrored in how the co-branded products are perceived as well as how each brand is seen. Interestingly, it seems that co-branding can add the appeal of the parent brands even if the co-branded products are unappealing to the customers. Secondly, this

study suggests that co-branding can contribute to brand loyalty through increased purchase intentions toward both the parent brands as well as the possible upcoming co-branded collections. Thirdly, it appears that inclination to buy can be increased through customers interacting with each other while brands interacting with the customers can contribute to the attitudinal side of loyalty. Fourthly, it seems that co-branding can lead to promoting the co-branded collaboration through favorable word of mouth. The fifth observation suggests that co-branding can contribute to brand loyalty through extending the usage of preferred brands in new product categories which may prevent the customer from switching to competitors.

When analyzing the research data, it was recognized that the parent brands have impact on how the co-product is perceived. It appears that the initial brand perceptions are reflected in the co-branded collection with either equal impact from each brand or more impact from one of them. For instance, distinguished characteristics, looks and patterns of the parent brand may make the customers associate the co-product with that brand more than the other brand. Or, perceiving a parent brand in a certain way and that brand then engaging in collaboration with a dissimilar brand can cause confusion. In this study, Marimekko was described as a classic, fancy, high quality brand with recognizable prints, whereas Adidas was characterized to be sporty, even a world-class sports brand with decent pricing, and of high quality especially within the sport industry. Both brands were seen to have a similar streamlined style with graphic design. These associations were reflected on the co-collection perceptions:

> "I don't associate Marimekko in any way with sports, and then again I associate Adidas so strongly with sports, so it's like, maybe (the co-collection perception) has even been a bit strange. So maybe even a bit negative to some extent." P6

> "Somehow, since the patterns of Marimekko are in there so strongly, like if you have poppy patterned tights it looks so remarkably like Marimekko, so I feel it is more like Marimekko." P1

> "Maybe I think of them more as Adidas' clothes where there has just been Marimekko patterns used." P3

Similarly, the brand perceptions seem to reflect also on how brands are perceived in relation to each other. In this study, quality aspect was accentuated, which can be explained by the higher perceived quality of Marimekko compared to Adidas in the initial associations of the two brands. It is therefore suggested that co-branding may reflect on how customers see the quality of the other brand in relation to the other one, both in positive and negative sense:

> "Though I originally said I think Adidas is also of high quality, but perhaps it is compared to Marimekko a little bit of more gewgaw, so maybe I feel that then it will transfer to Marimekko, because it concretely moves there as products. So now that Adidas has made tights or whatever that are not maybe as high quality as, say Marimekko's Jokapoika shirt of thick cotton, so then this kind of raggedness will move to Marimekko because of Adidas." P1

> "When Cittari (a Finnish hypermarket chain) has had Marimekko's collections in some Plussa (loyalty programme) campaigns and such, their quality has been inferior and it has reflected in some Marimekko communities which I've followed, so in a way it has perhaps tarnished Marimekko's reputation. But this Marimekko-Adidas cooperation has certainly not tarnished the reputation of either, quite the opposite in fact." P7

The perceptions on the co-branded collection and the parent brands can then be echoed in attitudes toward the brands in a broader sense. In this research, the majority of the interviewees reported a positive shift in how they perceive the parent brands after the collaboration. Particularly, co-branding appears to be able to increase interest and appeal toward the brands, regardless of whether the interest in the co-branded collection itself is high or low. However, the post-alliance attitude toward the brands can be adverse as well if the customer's overall perception of the alliance is negative:

> "Somehow with that collection people's ideas about Marimekko changed in a more trendy direction, there might have been other reasons though. It has had a positive influence in me towards Marimekko – it's a bit of a contradiction as I'm not particularly interested in the collection, but in my eyes somehow Marimekko is a bit more attractive now." P6

> "Maybe (the satisfaction of the co-collection) has lifted my interest more toward Adidas (than Marimekko), especially since otherwise I have not bought that much of their products or even thought of buying them, so it may have increased the interest a bit." P9

> "Marimekko has been the more active party in this, and is the benefiting party. As a result, perhaps my appreciation for Marimekko as a brand has slightly decreased. […] Because I value more when a brand does things on its own and doesn't try to benefit from something else, something bigger." P1

While it seems that brand alliances can impact feelings and attitude toward the parent brands, there appears to be a think link with the alliance's influence on purchase decisions toward the parent brands. Based on this study, it seems that co-branding might reflect positively on intentions to buy but not necessarily on decisions to buy the parent brands' products. In turn, if the customers experience negative attitude toward the alliance, it may reflect in negative attitude toward the parent brand, which consequently can result in negative purchase intentions toward that brand. Additionally, it appears that there is a high purchase intention toward the future co-branded collections whether or not there have been previous purchases of the collection. Therefore, it seems that the role co-branding on brand loyalty in terms of buying behavior can be mirrored in increased or decreased purchase intentions toward the parent brands and in the likeliness to purchase the co-branded collections in the future:

> "(I might not actually buy more of the brands but) let's just say I'm at least considering it more. So that, in a way I'm more active in looking at their clothes and stuff." P6

> "(I'm ready to buy the co-collection in the future) if I like it and the price/quality ratio is good. […] The collection has not (influenced on my purchase behavior), since Marimekko has remained pretty firmly as a brand that I like. I do look at the (Marimekko) collections and actively purchase them also." P2

Based on the interviews, it was observed that inclination to buy was increased when the customers were interacting with other customers, particularly in social media. It appears that interactive platforms enable customers to see how others wear and use the co-branded products, which is valued over the 'polished' images available in marketing materials. Thus, it seems that through facilitated interaction with the users, co-branding can impact on the behavioral side of brand loyalty as increased purchase intentions:

> "It's of course impressive in a whole different way to see how someone actually wears it (the clothes), when it's on someone in social media, so of course. [...] When you see how it looks on someone on Instagram, it's terribly effective." P1

> "Those brand images don't evoke the same desire to buy as when I see a product on some everyday person's home or worn by them. It sparks more of a desire to purchase. Like when I saw that bathrobe in the launch images, it wasn't my style. But then when I saw it on a few people, I would have bought it. But it was no longer available." P7

Furthermore, the research reveals that customers' contentment with the co-collection can be expressed through tagging the brands in social media. Additionally, merely wearing the products in social media posts without tags appears to be a means to share favorable experiences with others. It seems that social media is not the sole channel to express liking of the collaboration, as verbal promotion to friends and acquaintances also takes place. Therefore, co-branding can have a role on brand loyalty through positive word of mouth promotion:

> "I have this black and gray padel dress, which is also from the same collection, so when I posted a picture of it, I received a ton of messages like 'hey, you have that lovely dress, can you still get it somewhere,' and so on. But I haven't actually made any specific recommendations or made anything (posts) like that, but they've just appeared on me in some pictures. And then they've attracted attention." P4

> "Not that much on social media, but definitely verbally to people in my immediate surroundings, like if they've considered something, I've said that it was good. We (my daughter and I) have recommended them verbally if they've come up in conversations. Like, if we were wearing them, that has struck up the conversation." P2

In turn, interaction with the brands appears to be able to increase attitudinal loyalty through added attachment and the sense of being heard. With a possibility to innovate and participate in designing or choosing, for example, the patterns for the collections, the customers may feel more committed with the brand. Additionally, the brands responding to the interaction is seen important as it affirms attachment and emotional connection toward the brand:

> "She (my daughter) ordered sneakers from Nike where she was able to choose the colors herself, so this kind of thing does foster loyalty, they've been really important. I could imagine that if I could also choose something myself, it would become a bit more personalized." P2

> "If I make a post and tag Marimekko in it […], they always react, they hit like-button on those posts, they put in their story like 'this it's lovely' and 'what a beautiful picture', and they send hearts, which I think is really super. Because it also creates such a good, positive image of that brand for an ordinary person like me, that it's lovely that you

noticed me. […] Because there are many brands, even Finnish ones, that never react, never. It definitely makes me feel bad." P5

Finally, based on the interview data it was discovered that co-branding can positively reflect on brand loyalty through extending the product range the brand offers. Through co-branding, customers can reach a new product area featured with their favorite brand, which can provide added value to the customers and thus increase their attachment. This can consequently reflect on their quest to search for this extension from competing brand, as their preferred brand now can offer it through the co-branded collection:

> "For the larger audience, it definitely makes it more well-known and expands into products used by a customer base that wouldn't otherwise use Marimekko products. [...] Then you get sports gear with (Marimekko) prints, more casual clothes, tops, and all kinds of sports stuff." P1

> "Many of them (Adidas' products) are my work clothes or ones that I want to move around in and so on, and what comes to Marimekko, I've thought I can wear it for parties or as a fancier garment. So in a way I was like 'yes, now I can use Marimekko more often.' As it's in a form I can use more frequently." P10

Thus, it seems that co-branding can contribute to brand loyalty through increasing both purchase behavior and emotional attachment, as the customers are provided with welcome extensions to their preferred brands. As a result, the customers may be less likely to look for these alternatives from competing brands.

To conclude the findings regarding the underlying role of co-branding in brand loyalty, the following figure is presented:
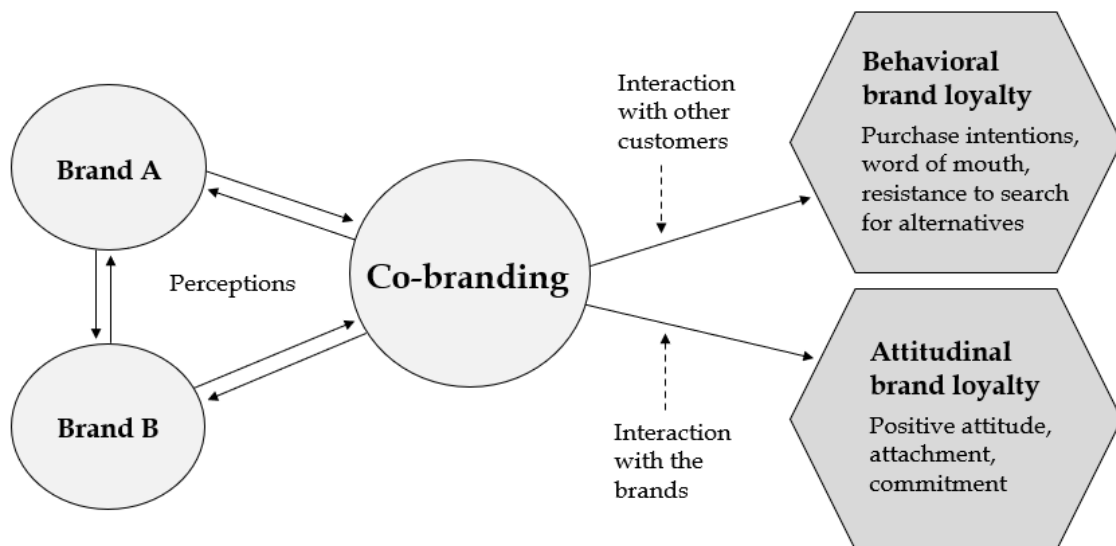

FIGURE 5 Suggested role of co-branding in brand loyalty

As Figure 5 illustrates, parent brand perceptions may influence how the co-brand and each brand is perceived and in turn, co-brand perceptions can be echoed in parent brand perceptions. This study suggests that co-branding can reflect to both behavioral loyalty and attitudinal loyalty. Further, interaction with other

customers may increase purchase intentions and positive word of mouth while interaction with the brands can add attachment and commitment. Finally, extending the brands' offerings into new product categories appears to be able to prevent the customer from searching this extension from competitive brands.

4.2 Important elements of co-branding for brand loyalty

This study finds five themes to describe important elements of co-branding for brand loyalty: 1) launch of cooperation, 2) compatibility of the brands, 3) backgrounds of the brands, 4) availability and 5) other alliances. Each theme with their distinct characteristics and sub-themes (in *italics*) is next discussed.

4.2.1 Launch of the cooperation

The launching of the collaborative collections seems to have an important role on brand loyalty as it can result in recommendations, positive attitudes, and purchase behavior. For instance, first impressions can create excitement and an intention to buy, while expectations about the performance can create a sense of trust toward the collection. Additionally, exceeding expectations regarding the price level of the co-collection can lead to positive attitude and purchase intentions.

In this study, nearly all the interviewees expressed that the launch of the first co-branded collection arose their interest. Excitement toward the upcoming collaboration can then lead to word of mouth recommendations, favorable associations toward the co-collection and positive purchase intentions. Therefore, successful launching and particularly effective marketing can create a positive pre-release excitement or 'hype' around the brands and the co-collection which in turn can relate to both attitude and action toward them, and in that way contribute to brand loyalty. However, the initial reaction toward the announcement of the collaboration may also result in a decision not to purchase the co-branded collection if the combination of the two brands is perceived strange from the beginning:

> "They sure have been of interest, I recall I even messaged my daughter to see if she'd seen that such a collection is coming, since she also liked both brands." P2

> "They were, of course, marketed well – there were great pictures and clips beforehand – it probably created a bit of anticipation. Everyone was waiting for when they would go on sale. And they kind of looked great." P3

> "When it was launched, when there was a lot of hype beforehand about what was coming, it naturally sparked interest. And especially since I in any way like and use Adidas clothes […] and Marimekko as well, and then when those two combined forces, it was quite clear that it immediately interested me." P5

Moreover, the perceptions toward the parent brands may reflect to the co-collection as expectations. For instance, Adidas as a producer of functional sportswear and the initial quality of both brands appeared to impact on purchase decisions as these associations promoted trust and favorable expectations toward the co-branded collection. Additionally, the pricing of the co-branded collection and expectation relating to it were accentuated within the data set. Due to the fairly high price level of Marimekko, the co-branded products were generally expected to be expensive. The affordable prices of the co-branded collection were then a positive surprise to the customers, which was reflected in their interest and purchase intentions:

> "Somehow, I trusted that they would probably look nice when worn. […] I made a quicker decision because they looked so nice, and in a way, there was trust in me that they were of good quality." P10

> "And the co-collection, those social media pictures and all, I was actually surprised by the price. It really wasn't that bad." P7

> "And another thing (that spiked my interest), was that the price was significantly more affordable compared to Marimekko's clothing, so the price fell into Adidas's price range. I feel that they were much more affordable than they would have been as Marimekko products." P5

Therefore, it seems that launching has a role on customers' expectations. This in turn can guide their attitudes and action toward the co-branded collection and thus relate to brand loyalty.

4.2.2 Compatibility of the brands

Based on the study, it seems that compatibility of the brands is judged on how the brands fit together in the respective products. Emphasis appears to be on the appearances of the co-product, as the looks of the items play an important role in both attitudes and purchase decisions. Additionally, it seems that brands collaborating in a reasonably priced joint offer can be seen as a measure of compatibility which may consequently lead to interest and inspiration to buy the co-branded products. Compatibility of the brands can therefore be regarded as an important co-branding element since it has the potential to reflect on customers' brand loyalty.

In this study, the two brands were mostly perceived to work well together. Notably, the respondents perceiving the alliance as incompatible were the ones that ended up not purchasing the collection. Thus, the feeling of co-branding incompatibility can be mirrored in brand loyalty through adverse perceptions and purchase plans:

> "It doesn't bring any kind of added value to me; the nice pattern that I would gladly use on dishes or bed linens doesn't fit in sportswear, in my opinion. So, it's perhaps a bit of a feeling of being forced, this combination." P1

> "Somehow, I find it difficult to see how on earth it (the Adidas collaboration) relates to the Marimekko story. […] It bothers me a bit that if I were to wear Marimekko's

collection when I go out to exercise – it's odd in a way – but it somehow makes me feel unathletic. In that sense, I don't necessarily see that I would buy their collaborative collection." P6

The appearance of the co-products seemed to be one of the most prominent elements in how the respondents experienced the compatibility. The ones that saw the collaboration as compatible felt that the prints and patterns fit well in sports garments and described the collection as exciting, bold, surprising, and trendy. Specifically, the poppy pattern was distinguished in the data. Some stated that they were happy to notice the poppy pattern worn by foreigners and some described they were pleased that the co-product looks like both Adidas and Marimekko since they like each brand. Positive feelings related to the appearances and compatibility illuminate within the experiences of the customers:

"The biggest reason for buying, honestly, was that they looked nice." P8

"In my opinion, they have managed to make those patterns work well in sportswear. […] They are colorful, vibrant, and eye-catching, just like Marimekko's patterns in general, so they fit really well, I think really wonderfully into sports world and that kind of active lifestyle." P5

"If they had something striped, like Marimekko's stripes added to Adidas stripes, then it wouldn't have been so unique. The poppy somehow... Like, athletes worldwide wore it, some tennis players when they had tournament outfits with the poppy pattern, they were quite distinctive, somehow different. It's like, when someone mentions Marimekko, at least for me, the poppy pattern immediately comes to mind." P10

Furthermore, this study indicates that the price level of the co-branded products can be meaningful for the customers in how they perceive the compatibility of the brands. It seems that combining brands from different price levels can result in increased interest and purchase intentions. For instance, in a co-branding alliance such as Adidas x Marimekko, in which Marimekko represents a more expensive price level, the compatibility of the brands in a reasonably priced co-product was positively seen, whereas incompatible collaborations in terms of price level could reflect negatively on brand loyalty:

"(What affected me was) the surprisingly low price. Like, I have always liked the poppy pattern, so that they weren't… They were priced more in the Adidas range than the Marimekko range. […] If their price was incredibly high, like the price of Adidas and Marimekko combined, it would give the impression that they are just trying to cash in excessively on the collaboration. It felt nice to see that they weren't insanely expensive. Like, if they had been very expensive, it might have diminished my appreciation for both brands." P10

"If it was something like Marimekko x Artek, or Marimekko collaborating with an even more expensive brand, it would be beyond what I can afford. Such items would fall completely outside my interest; I wouldn't be interested in them at all." P5

Thus, it seems that a sense of compatibility of the brands can lead to favorable associations which may consequently reflect on positive attitude as well as purchase behavior. Similarly, feelings of incompatibility seem to be echoed negatively in both attitudinal and behavioral loyalty. This study therefore highlights

compatibility of the brands as an important co-branding element in relation to brand loyalty.

4.2.3 Backgrounds of the brands

Based on the research, there are certain characteristics and elements in brands that relate to how co-branding is experienced. As brands come from different backgrounds, they are distinct in their size, country of origin, and industry. While Marimekko and Adidas differ in terms of all these elements, it seems that country of origin has little role in how co-branding relates to brand loyalty. Company size and industry, in turn, may have a role in forming a positive attitude toward the partner brands and thus influence how the co-branding strategy contributes to brand loyalty.

Indeed, *company size* can be mirrored in how the parent brands are perceived within the brand alliance. In this context, the term company size is used to refer to familiarity, position and reach of the brand in a broader manner and not merely the number of stores, employees, or such. Among the participants of this study, a large multinational corporation collaborating with a smaller domestic design brand prompted feelings of pride, appreciation, and joy for Marimekko being able to participate in the cooperation and increase its awareness globally. Interestingly, these feelings were mutual among all the interviewees, that is, regardless of having purchased the collection or not. Even the respondent who felt a decrease in her appreciation for Marimekko because of the alliance expressed to be proud of Marimekko for reaching a contract with Adidas. Additionally, the positive feeling was not limited to merely the smaller brand, but the larger party was valued as well. Therefore, it seems that co-branding between two different-sized brands may positively reflect on brand loyalty through increased attachment and favorable perceptions toward the parent brands:

> "The fact that the collaboration is done with such a huge, globally well-known brand, well, it certainly causes a sense of pride, at least initially, that it (Marimekko) has succeeded in securing a partnership with this type of brand." P1

> "After all, they are such different brands, I mean we're talking about a Finnish player and a massive global player, so it was such a great thing; I was somehow proud of Marimekko." P6

> "In a way, Adidas is *so* well-known that it's quite a remarkable thing that Marimekko has gotten into this collaboration. And it's also a kind gesture from Adidas in a sense. […] It's kind of like a positive impression of Adidas that it engages in such a collaboration." P10

The results indicate *fusion of two industries* to be another background related element that reflects on how the co-branded collection is experienced. In this study, there were generally positive reactions to the different industrial backgrounds with added value experienced from combining the world of sports and design. Surprisingly many commented that "sports garments do not need to be black" and were happy to be able to buy colorful items with nice patterns from the

collection. There were even insights displayed that the whole industry of sport clothing is nowadays more vivid and cheerful because of this specific collaboration. Differences in terms of industrial background can thus result in positive rather than negative outcomes:

> "Perhaps it's just because they are somewhat different. One produces sportswear, and the other doesn't. They are kind of distant from each other, so the collaboration collection is intriguing. […] Like, when you see a garment, you're not sure if it's from Uniqlo or Marimekko because they are so similar. But with those Marimekko-Adidas garments, it stood out that this is indeed from the co-collection." P3

> "I think maybe increasingly after that, many sportswear brands have introduced nicer patterns in general. Sportswear doesn't have to be just black. It can be something nice." P8

Similar to the above-mentioned notion regarding company size, the positive tone of these feelings and perceptions related to different industrial backgrounds may thus suggest a positive contribution on brand loyalty. In that vein, brand background appears to be a relevant element in the relationship between co-branding and brand loyalty.

4.2.4   Availability

From the research data, availability of the co-collection emerged as another important co-branding element in relation to brand loyalty. Specifically, there were two sub-themes identified that may relate to both attitude and purchasing toward the co-brand and the brands. The channels through which the co-branded products are available seem to reflect particularly on whether or not the products are being purchased, whereas limited duration can result in positive feelings of exclusivity and expedited purchase decisions.

Firstly, *distribution channels* appear to be one of the main elements in terms of co-brand purchase intentions. It seems that the impact of the channels can be both positive and negative. In this research setting, the distribution channel emerged as one of the main reasons for the non-buyers not to purchase the collection, with also negative attitude reported because of the chosen channel. Therefore, the availability in terms of limiting the distribution channels may have a negative influence on attitude and purchasing, and thereby loyalty:

> "Probably if I had come across them in a physical store, then maybe I would have bought them. […] It's like, they haven't come directly to me, they've been more just somewhere... I haven't really been looking for this type of clothing from online stores." P7

> "If they had been strongly featured in Marimekko's own stores and their online shop, then maybe I might have ended up buying something. Because I actively follow Marimekko but not Adidas, so in that sense, if I were to consider buying those products, it would have been good for them to be prominently displayed there." P6

> "I perceive Marimekko and maybe even its online store as somewhat upscale, high-quality, and sophisticated. So when the collaboration products weren't available there, it kind of diminished the value of those products in general. […] "Perhaps the

perceived value has been somewhat negatively affected by the fact that they're not available at Marimekko but only at Adidas." P1

In turn, the respondents that had purchased the co-branded collection were generally happy with the distribution channels. Many reported that they mainly shop online any way, and many thought that the sporty collection would not have suited well under Marimekko's channels. This positive attitude toward the distribution channels may therefore indicate a positive relationship between co-branding and brand loyalty, as favorable associations can be mirrored in purchase decisions and positive attitude toward the brands for choosing a suitable strategy:

> "Perhaps it's not really in line with Marimekko's core business, so maybe it's better that they weren't even there (in Marimekko's stores)." P4

> "It's quite far from their usual brand style. This was sportswear, sneakers, and such, so it wouldn't have fit into their store environment in *any* way." P5

> "It suited me just fine because I've been doing quite a lot of clothes shopping online lately, so it was quite convenient." P2

The second sub-theme arising from the data in terms of availability was *duration* of the co-branded collection. Interestingly, none of respondents had a particularly negative feeling toward the timespan the collections were on sale. Many mentioned that they noticed how particular items were instantly sold out, however it seemed not to make them feel badly towards the alliance or the brands. On the contrary, limited availability was seen as positive, special, and enticing. Some reported that they were sorry to have a missed a particular item, and some mentioned they have been searching for secondhand clothes from their preferred collections. It thus seems that limited duration may lead to developing feelings and form an emotional connection to the collection and the brands:

> "There was this child's overall where the size wasn't available anymore when I would have bought it, so I ended up not getting it. […] Somehow, in a way, the scarcity perhaps adds to its specialness. […] Like, when certain products from other brands then make a comeback, it's like if you got it from the first batch, then it's frustrating to think, 'Oh, now they've come out with more,' so it kind of diminishes the value of your own purchase." P7

> "I kind of wanted to stay alert so that if something nice-looking came out, I'd get it. […] Like those first ones, it was like, just quickly check on Zalando and then again a couple of weeks later to see if anyone had returned something." P10

> "It does create a sort of desirable feeling if it's just that special limited-edition kind of thing. I think it's been good." P9

While the limited duration seems to reflect on attitudes and emotions, it also appears to encourage purchase behavior. For instance, some said they realized that certain pieces would be extremely popular, and therefore rushed to make their purchase, so that they would not miss out. These findings indicate that limiting

the availability in terms of duration can enhance brand loyalty, both from the attitudinal and behavioral aspect.

4.2.5 Other alliances

Based on the research, it seems that brands engaging in alliances with other brands can be both positively and negatively received. Within this context, two sub-themes were identified as important co-branding elements in relation to brand loyalty. Other co-branding alliances can evoke customers' interest, leading to favorable attitude and purchasing the brand, whereas features such as price and quality may reflect even negatively to brand perceptions.

Indeed, brands engaging in other co-branding alliances appear to cause *interest and anticipation*, which can contribute to brand loyalty through positive associations and purchase desires. For instance, the co-branding alliances with Spinnova were positively mirrored into the interviewees' brand associations of both Marimekko and Adidas. These favorable perceptions can thus enhance their brand loyalty. On the other hand, the recent co-branding arrangement in which Samsung's phone case featured Marimekko's poppy print was such well received that many respondents were yearning for the case to be available in their own phone model. Thus, other alliances can lead to experiencing and expressing enthusiasm and anticipation toward the brand which may contribute to brand loyalty through increased emotional attachment:

> "The Spinnova collaboration, as it related to fabrics and materials, it felt sensible and good because the brand was collaborating on something that promotes a good cause." P1

> "I almost thought I should change my phone brand so I could buy those cool cases, but I'm not switching yet. [...] Yeah, I'm looking forward to the collaboration between OnePlus and Marimekko." P8

Furthermore, *price and quality* emerged from the data as elements that play a role in how other alliances are experienced, and thereby reflect in attitudes toward the brands. For example, Marimekko's collaborations with IKEA and Uniqlo were praised for their reasonable prices, and many had indeed purchased these items. However, some experienced the lower priced companion to degrade the perceived quality of the other brand, which may thus reflect negatively on their brand loyalty. Additionally, the 'supermarket collections' such as the earlier mentioned Citymarket (Cittari) line by Marimekko may also negatively influence on quality perceptions and therefore reflect adversely on brand loyalty:

> "I think it's great that these collaborations involve brands like IKEA, which is maybe considered a bit of a budget or affordable chain. That it's accessible to us ordinary people." P5

> "In a way, the collaborations are always with cheaper brands, and since I also buy a lot of second-hand items, you can't always be sure if something is genuinely from Marimekko or if it's from some collaboration line. Maybe the collaborative collections tend to lean towards the inferior one, making you wonder if this particular item is from a so-called worse or cheaper line." P3

Whereas interesting alliances with other brands may lead to excitement and anticipations of future collaborations, elements relating to the price level and quality of the other alliances seem to pose a risk of negative associations. This suggests that other alliance can be important elements what comes to the linkage between co-branding and brand loyalty.

Figure 6 provides an illustration of these five elements in relation brand loyalty:
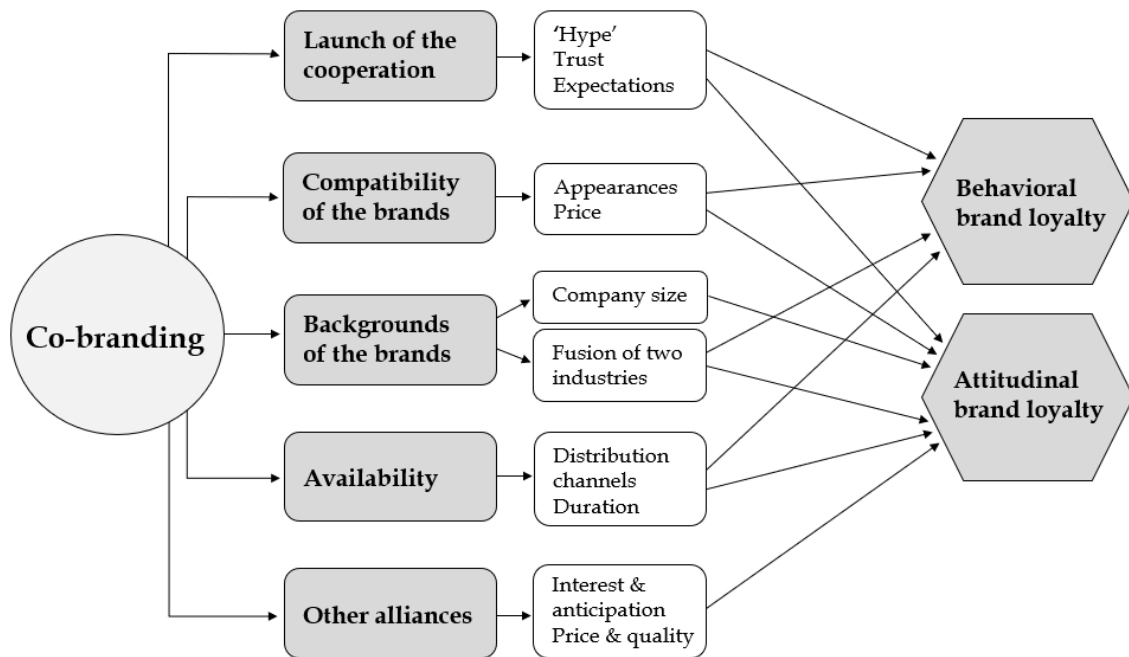

FIGURE 6 Important elements of co-branding for brand loyalty

As a conclusion, all themes except for other alliances seem be echoed in both behavioral and attitudinal brand loyalty. The theme of other alliances, with its sub-themes of interest and anticipation, and price and quality, thus seem to contribute merely on attitudinal attachment. Similarly, company size, which was characterized as a sub-theme under the theme of backgrounds of the brands, appears to relate on attitudinal rather than behavioral loyalty.

4.3 Strengthening or weakening elements of co-branding on brand loyalty

On the basis of the interview data, three main themes were recognized to describe how co-branding can strengthen or weaken brand loyalty: 1) co-brand experience, 2) added value and 3) repetition and reach. These themes were seen to consist of sub-themes (in *italics*) to further explain the findings. This chapter focuses on describing the strengthening and weakening elements in more detail.

4.3.1 Co-brand experience

The analysis of the data suggests that favorable experiences of the co-branded products reflect positively to customers' brand loyalty, both from attitudinal and behavioral aspect, and that negative feelings may in turn be echoed adversely. In this context, quality and satisfaction were accentuated. Additionally, it appears that loyalty may guard the brand even if it engages in poor co-branding arrangements since loyal customers may be willing to ignore failures of, for instance, unappealing collections.

It seems that *quality perceptions and satisfaction* toward co-branded collections can have both positive and negative meanings on brand loyalty. On the one hand, positive feelings of quality and a sense of satisfaction can strengthen brand loyalty through both favorable attitude and repetitive purchase intentions. In this study, the participants felt that their expectations toward the co-branded collection were either met or exceeded, and that the alliance may have increased the quality image they initially had toward the parent brands, particularly Adidas. Verbalizations such as "I could look at it again" suggest that there may be a positive relationship with satisfaction and purchase intentions, as well. Therefore, perceived quality and satisfaction may exert positive associations toward the brand alliance and the parent brands and thus, together with repetitive purchase intentions, may strengthen brand loyalty:

> "Very satisfied, they were exactly as they appeared. I could look at one (a collection) again; it was all good. And the product looked just like it did on the website." P2

> "Those couple of clothing items I have, I still use them and I still like them. I think they were timeless, and I've been satisfied with them." P3

> "They have been of better quality than I perhaps expected because I was thinking, considering the affordable price range, whether they would lean more towards Adidas quality, which can be a bit variable. But I think they have been of better quality than I anticipated." P5

On the other hand, the data suggests that poor quality can reflect negatively on attitude and purchase action toward the co-collection and possibly the parent brands. Additionally, negative quality perceptions of the co-branded products may even act as incentive for brand switching and therefore can be considered an important element in relation to brand loyalty. However, it is notable that all the respondents that had bought the co-branded collection under study were satisfied with the products they purchased, and thus the negative influence in terms of quality is merely hypothetical:

> "It's clear that if the quality is poor, then you'll switch brands. It really affects it (loyalty) a lot, being satisfied with the quality. […] (If something had been ruined in the wash), it would have given a negative feeling about Marimekko, like, 'Wow, your quality has deteriorated,' and the same goes for Adidas. Like, if this is the quality in a collaboration between two big brands, then how is it with your regular products? So, it would definitely have negatively impacted." P5

"If I bought something and then noticed that the quality was poor, it would definitely affect my perception of maybe even both brands in terms of quality." P9

Based on the data, it seems that customers endure *flops* in co-branding without their brand loyalty being impaired. For instance, many of the respondents imagined that a failure in terms of appearances or otherwise an unattractive co-collection would merely affect their purchasing of the particular collection. Therefore, when a co-branded product is experienced as unappealing, it seems to not negatively reflect on attitude or behavior toward the brand itself since the customer's loyalty guards the brand from this type of failure. When hypothesizing scenarios that could weaken their brand loyalty in the context of co-branding alliances, the participants responded that partnering with a scandal firm or one that acts opposite to personal values could impair their relationship with the brand, but simultaneously added that they cannot image such a situation with these particular brands:

"They are brands that have kind of established their position. Maybe you just think (about a flop), 'Well, this time it wasn't quite successful, but maybe next time will be better." P9

"Perhaps if the choice of a collaboration partner somehow went against my values, then it would be a different situation. But I don't see that happening with such big brands." P4

While these are again hypothetical situations, it seems that loyalty grants the brands with a certain trust and support from the customers. Particularly for customers with a high level of loyalty, this type of reinforcement may even strengthen their brand loyalty as their relationship with the brand endures mistakes and even prevents from imagining the brand acting badly. Thus, it seems that co-branding may in fact be protected by brand loyalty to a certain extent.

4.3.2   Added value

As co-branding enables multiple benefits acquired in one, unique offering, the experience of added value may ultimately strengthen brand loyalty. The value can be derived, for instance, from being able to patronize both preferred brands simultaneously or a sense of specialness and distinction. These feelings can foster particularly the attitudinal side of brand loyalty.

Indeed, it appears that added value can be experienced through co-branding as it enables purchasing *preferred brands in preferred products.* For example, the respondents who often use sports clothing were happy to get the product they normally wear now featured with their favorite pattern. This may reflect on brand loyalty through emotional commitment and positive associations as the customer feel they get extra benefits from the product:

"There's the added value of getting two brands in one go. And perhaps it also brings a new perspective to both brands." P2

"For sure, like if I'm thinking about buying workout clothes and it has that familiar brand like Marimekko involved, it kind of brings an element of interest and added value to it for me." P9

Moreover, it was discovered that co-branding can create a *sense of uniqueness* for the customers that can strengthen their brand loyalty through increased attachment. For example, the feeling of being a part of once-in-a-lifetime opportunity as the collections are no longer available indicates a strong positive feeling toward the brands. Additionally, comments such as 'I feel bad that my children have outgrown their clothes' imply affection and commitment. These findings suggest that co-branding may lead to increased emotional attachment which can strengthen brand loyalty:

"They're not just run-of-the-mill items that everyone has. For example, I've never seen anyone else with that black poppy hoodie. And I've received so many compliments on it, like 'wow, what a hoodie, where can I get one?' Then I'm like, 'nowhere anymore.' It becomes a bit more unique. […] It creates a feeling of being part of something special." P5

"When I bought that swimsuit, I also bought my daughter the same one. Now I feel bad because it's getting too small for her, and I'm like 'oh, now we can't wear matching swimsuits anymore." P10

Similarly, it appears that *point of differentiation* enabled by co-branding can strengthen brand loyalty through added attachment and favorable associations toward the parent brands. It emerged from the research data that the respondents valued the co-branded collection as it distinguished from other sportswear and thus enabled themselves to stand out from others. Furthermore, the positive comments received from wearing the co-branded products can foster brand loyalty far beyond the life span of the collections:

"It's like, as I'm a fitness coach, I might stick in clients' minds through those clothes. Especially those navy and black poppy workout pants of mine; many clients have commented, 'Wow, those pants you have!' and then next time, if I'm not wearing them, it's like, 'Where are those cool pants?' Somehow, because there are many coaches, I might have stood out in people's minds because of that unique outfit or something. So, sometimes when there are coaches lined up and someone chooses whose services to buy, it could be decisive, like, 'Hey, she had those poppy clothes, I'll buy coaching from her." P10

Based on these findings, it seems that the added value gained from co-branding is an important element that can strengthen brand loyalty, particularly in the attitudinal sense. Interestingly, the added benefit gained from co-branding can be relevant and valuable for the customers even when the products are not in use.

4.3.3   Repetition and reach

The last theme that emerged from the empirical research focuses on the exclusivity of the co-branded collections and the respondents' attitudes toward it in relation to their brand loyalty. It seems that repetitive collections and their wide reach can be perceived both positively and negatively. However, it is notable that

the favorable feelings seem to be fairly tame or even indifferent, whereas adverse perceptions regarding the loss of exclusivity appear to be strong, negative feelings and thus can pose a true risk for the weakening of brand loyalty.

From the data, it emerged that repetition can be positive for both the buyers and non-buyers of the co-branded collections. The repetitive co-branding collections can strengthen brand loyalty as the customers are happy with the offerings and are longing for future collections. This indicates contribution of co-branding to both attitudinal and behavioral loyalty:

> "I haven't felt like 'ugh, this again' or anything like that. Rather, it's been more like 'well, isn't this a continuous collaboration', in a positive way. It's a good thing that there have been many collections, that it hasn't been just the one." P7

> "Now that my parental leave is ending, a new nice collection should come so I can update my work clothes." P10

However, it appears that co-branding may weaken brand loyalty if the co-branded collections are within the reach of too many people and thus less exclusive. While this can impact solely on the feelings and action toward the co-branded collections, it may reflect more thoroughly on both attitudinal and behavioral aspects of loyalty regarding the parent brands, as well:

> "The more they (Marimekko) engage in such cheap attempts to expand their visibility among big masses, which is of course good for them, but maybe as a consumer, it affects me negatively. When the same pattern starts to be worn by a large portion of people, then it no longer interests me as much because I don't want to wear something that everyone else is wearing. […] If it becomes a brand for the masses and they're trying their best to reach as many people as possible, then it affects my desire to consume that brand." P1

> "I am somewhat critical in that sense; if it starts to become ubiquitous, if Marimekko is suddenly everywhere, then it loses its value in my eyes. It becomes overwhelming for me." P2

> "It might affect me more negatively. In a way, as the prices are normally high, it now becomes accessible to more people. But then, I might get the impression that everyone has them, so that sense of exclusivity disappears." P3

Whether due to repetitive collections or the lower pricing of co-collections compared to regular brand prices, the consequences of these negative perceptions concerning the fading of exclusivity can be severe on brand loyalty. The unfavorable perceptions caused by ubiquity can lead to decreased appreciation for the brands, consequently weakening attitudinal loyalty as well as adversely affecting future brand patronage.

The below figure illustrates these themes and whether they seem to reflect to brand loyalty as strengthening or weakening elements, or both:
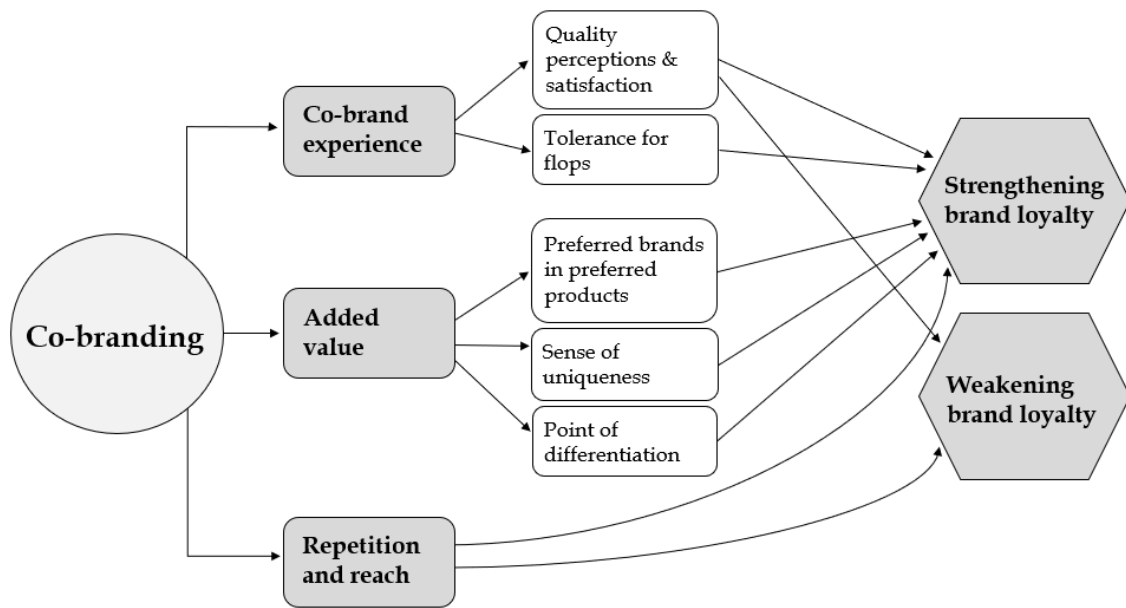
FIGURE 7 Co-branding elements strengthening or weakening brand loyalty

As can be seen from Figure 7, within the theme of co-brand experience, quality perceptions and satisfaction can both strengthen and weaken brand loyalty, whereas customers' tolerance for co-branding flops seems to not weaken but rather strengthen their loyalty. All the sub-themes under the theme of added value appear to reinforce brand loyalty. Finally, repetition and reach can on the one hand strengthen brand loyalty, but on the other, due to fading of exclusivity, result in weakening of loyalty.

5   CONCLUSIONS

This chapter concludes the main findings of the research with reflection to previous knowledge on the topic. Managerial implications are then provided together with considerations on how to leverage the results in practice. Next, the trustworthiness of the research is discussed. At the end of this chapter, limitations of the study are observed and finally, suggestions for future research are presented.

5.1   Theoretical conclusions

This master's thesis examined the linkage between co-branding and brand loyalty as experienced by customers. The main research question, what is the role of co-branding in brand loyalty, thus attempted to find the overarching contribution of co-branding on customers' brand loyalty. Whereas previous research acknowledges the benefits of both co-branding and brand loyalty for the brands, this study contributes to the discussion through accenting the customers perceptions of co-branding and their reflection on brand loyalty. Secondary research questions, what elements in co-branding are important for brand loyalty and how co-branding can strengthen or weaken brand loyalty, were then designed to support the principal question. The findings of this study offer added understanding of the important elements of co-branding as well as the positive and negative consequences of co-branding on brand loyalty.

 The present study contributes to the academic discussion with new insights as well reinforcing previous knowledge on the phenomenon. Firstly, in light of the main research question regarding **the role of co-branding on brand loyalty**, five key observations were drawn. Firstly, it was discovered that perceptions of the parent brands influence on how the co-branded products and each brand is perceived. This is consistent with previous research (Washburn et al., 2000) and supports the concept of spillover effect (Simonin & Ruth, 1998). The present study highlights the impact of quality perceptions in this context, as a brand that is experienced as lower in quality may cause negative reflections on the higher

quality brand. Furthermore, this study makes a novel finding that co-branding may increase the appeal of the parent brands even if the interest toward the co-branded products is low.

Secondly, in line with observations by Decker and Baade (2016), Rodrigue and Biswas (2004) and Yu et al. (2021), this study finds that co-branding may positively reflect on customers' purchase intentions. However, it also portrays that negatively perceived co-branding may reflect as adverse attitude toward parent brands and thus possibly result in negative purchase intentions. Thirdly, this study supports the previous literature in that interaction can increase brand loyalty (Leckie et al., 2016). More specifically, the present study indicates that interacting with the brand through, for instance, innovation and reciprocal communication may contribute particularly on attitudinal brand loyalty. This relates to previous research by Brakus et al. (2009) suggesting that brand experiences occur when a customer interacts with a brand and continued by Ramaseshan and Stein's (2014) study proposing that brand experiences can lead to a relational bond between a customer and a brand which may ultimately strengthen brand loyalty. Whereas previous research has overlooked customer-customer interaction in brand loyalty formation, this study makes an interesting observation in that being able to see co-branded products worn by others can lead to increased purchase intentions and thus increase behavioral brand loyalty.

Fourthly, this study suggests that co-branding can lead to the emergence of positive word of mouth as customers share their contentment with the co-branded products. Therefore, co-branding can be seen to contribute to the evolved understanding of brand loyalty, reflecting to Parris and Guzmán's (2023) definition which suggests that loyalty can today be expressed through promoting rather than merely purchasing the brands. Fifthly, this study supports Helmig et al.'s (2008) finding in that co-branding can contribute to brand loyalty by extending the product range the brand offers. Since co-branding enables customers to reach new product categories by their preferred brands, they may have less incentive to search for alternatives from rival brands. In conclusion to the main research question, the role of co-branding on brand loyalty seems to be multidimensional, reflecting on both attitudinal and behavioral loyalty.

In terms of the first sub-research question, this study found five themes to describe **co-branding's important elements for brand loyalty**: 1) launch of cooperation, 2) compatibility of the brands, 3) backgrounds of the brands, 4) availability and 5) other alliances. Sub-themes were identified to further characterize the themes. Firstly, it was discovered that successful collaboration launching can reflect to both attitudinal and behavioral loyalty through favorable attitudes, recommendations and purchasing of the co-branded products. Furthermore, initial brand perceptions were found to be mirrored in expectations toward the co-branded products. For example, favorable brand associations were reflected as trust in the co-collection and ultimately purchase behavior. This is consistent with Chaudhuri and Holbrook's (2001) observation that trust in the brand influences loyalty. As a new contribution to the phenomenon, this study finds that price expectation can be an important co-branding element in relation to brand

loyalty. The research suggests that customers' expectations toward the pricing of the co-branded products may initially lean toward the more expensive brand. Once the true price level is disclosed, it can be a positive surprise and thus evoke favorable attitude and act as incentive to purchase the co-branded products.

Secondly, compatibility between the parent brands emerged as a particularly important co-branding element in relation to brand loyalty, specifically due to the observation that perceiving the brands as incompatible seems to lead to unfavorable attitudes and negative purchase decisions. Compatibility, or fit, is recognized in previous literature as well to play an important role in co-branding. For example, Simonin and Ruth (1998) suggest brand fit to significantly influence customers' evaluations of the brand alliance. Similarly, Decker and Baade (2016) point out that a strong brand fit can positively reflect on attitude toward the alliance which may influence purchase decisions.

Thirdly, much like previous research indicating that co-branding can be influenced by contexts in which collaborations are established, this study also recognizes brands' backgrounds as important elements of co-branding. Consistent with Decker and Baade's (2016) notion that customers value the benefits from co-branding between brands from different industrial backgrounds, it was found in this study that customers experienced added value and favorable attitude due to the combination of sport and design brands. Whereas Decker and Baade (2016) claim that customers fail to see the benefit from cooperation of different-sized brands, this study indicates that customers may value collaborations between brands that vary in terms of size. It was discovered that both the smaller and the larger brand were assigned with favorable associations, reaching from pride to appreciation. Whereas most of the co-branding elements discovered in this study were found to relate to both attitudinal and behavioral loyalty, company size was seen as an element reflecting merely on attitudinal loyalty. Additionally, while previous research notices country of origin of the partnering brands to influence co-branding outcomes (Pinello et al., 2022; Bluemelhuber et al., 2007), this study made no such observation.

Fourthly, this study finds the availability of co-branded products to be an element eliciting diverse opinions. Particularly distribution channels appear to be a controversial issue, as the limited purchase settings may influence both positively and negatively to the customers' perceptions and purchase behavior. While Oeppen and Jamal (2014) saw the restricting of distribution channels to help control brand image, this research discovered it to be one of the fundamental factors of negative purchase behavior. However, Oeppen and Jamal's (2014) views on the influence of co-branding duration on customers' evaluations are supported in the present study. It was discovered that limiting the duration of the co-branded collections can lead to emotional attachment and favorable feelings of exclusivity while also encourage and expedite purchase decisions.

Fifthly, whereas Pinello et al. (2022) suggest brands' other partnerships may influence the performance of the current co-branding alliance, this study makes an observation that other alliances in fact may contribute to brand loyalty through increased attachment toward the parent brands. Interestingly, other co-

branding alliances may make the customers expect and anticipate similar alliances from their preferred brands. However, brands allying with so called 'weaker' brands may lead to negative associations toward the brands the customers are loyal to. Similar to company size, other alliances also emerged as an element that reflects rather on attitudinal than behavioral loyalty.

Finally, in regard to the second sub-research question, three themes were identified in this study to depict **how co-branding can strengthen or weaken brand loyalty**: 1) co-brand experience, 2) added value and 3) repetition and reach. Sub-themes were again discovered within these themes. Firstly, it was found that the way customers experience the co-branding collaboration in terms of positive quality perceptions can strengthen brand loyalty while it might in turn have weakening effect if the quality is perceived as inferior. Whereas Yu et al. (2021) suggest co-branding product quality to have influence on customers perception but not on purchase intentions, this study proposes that favorable quality perceptions and satisfaction may lead to both positive attitude and purchase intentions. Furthermore, they seem to be able to increase the quality image of the parent brands in a broader sense. This observation supports previous research in that satisfaction has a significant influence on brand loyalty (Kim et al., 2007; Popp & Woratschek, 2017). In fact, this study makes a novelty finding that the role of satisfaction toward brands as an important determinant of loyalty may be extended from brands to brand alliances. To further contribute to the discussion, this study finds that co-branding may be guarded by brand loyalty: it is suggested that loyal customers foster a sense of trust and support toward the brands which enables the companies to even fail in their co-branding strategies and disables the customers from imagining brands to engage in unfavorable strategies. Where previous research finds that trust has a strong positive impact on brand loyalty (Chaudhuri & Holbrook, 2001; Ngoc Phan & Ghantous, 2013; Quaye et al., 2022), this study further adds that brand trust can favorably influence co-branding perceptions and consequently reflect to brand loyalty.

Secondly, the present reach identifies co-branding as a means for the customers to acquire added value which can lead to the strengthening of brand loyalty. Particularly, the study underlines the benefits of being able to carry two brands at once and gaining a feeling of specialness and distinction which may reflect to attitudinal loyalty. This study further discovers that brand alliances can evoke strong feelings that foster particularly attitudinal loyalty; for instance, feeling sorry for not being able to wear the co-branded products anymore imply deep affection and commitment. Therefore, while it seems to be overlooked by previous research, this study highlights the strengthening element of the sense of uniqueness within co-branding. Another novelty finding is presented regarding point of differentiation: whereas previous research sees co-branding to enable a point of differentiation for the brands (Aaker, 1996), this study suggests it applies to the customers as well and thus fosters brand loyalty. Furthermore, the added value experienced from co-branding can be valuable for the customers even when the products are not in use which may also strengthen the sense of belonging with the brand.

Thirdly, this study contributes to the discussion about the relationship between co-branding and brand loyalty by stressing the role of exclusivity perceptions. It seems that repetition and wide reach due to lower pricing of the collections can be perceived both positively and negatively. Particularly, customers adverse attitude due to the faded sense of exclusivity can possibly reflect in weakening of brand loyalty. Therefore, the present study adds understanding in that negative perceptions caused by ubiquity can lead to decreased appreciation of the brands which may consequently weaken both attitudinal and behavioral loyalty. Whereas Oeppen and Jamal (2014) recognize that restricting distribution channels and duration of co-branding campaigns can be beneficial for the brands, this study underlines their meanings for the customers and reflection to brand loyalty. Furthermore, studies regarding the repetition of co-branding arrangements seem to be narrow, thus this study contributes to the academic discussion by pointing out that customers perceptions of the alliance may be influenced by how often the collaborations are repeated.

Additionally, the present study contributes to the academic discussion through its nature as qualitative research. The chosen approach enabled gathering profound and comprehensive information that can be regarded beneficial when considering that previous studies have mainly been conducted with quantitative means. Furthermore, individual interviews allowed the participants to express their personal thoughts and bring forth issues that were meaningful for them, therefore enabling unplanned themes and new knowledge to emerge. Moreover, as existing research largely approaches the topic from a different angle, focusing for example on the constructs of co-branding and brand loyalty separately, or merely on one dimension of brand loyalty, or on the benefits of co-branding for brands, or the role of brand loyalty in co-branding, this study can contribute to the discussion by providing customer perspective specifically on co-branding's role on loyalty. Finally, the use of a real co-branded product line as frame of reference when gathering customer perceptions responds to the call to observe other than hypothetical cases in this context.

To sum up, this research concludes that the role of co-branding in brand loyalty is multidimensional. Further, the meanings of co-branding can be reflected on both attitudinal and behavioral loyalty. In addition, co-branding can contribute to brand loyalty through various means with multiple elements relating to the relationship between these two constructs. Finally, this study suggests that there are various elements in co-branding that can strengthen or weaken brand loyalty.

5.2   Practical and managerial implications

The findings of the current research indicate that various factors should be considered when engaging in co-branding alliances to both protect and build brand loyalty. Therefore, practical implications are offered for brand managers to help avoid negative outcomes while gaining benefits from co-branding to best foster

the loyalty of their customers. Firstly, selecting a suitable partner for co-branding so that the two brands can be perceived as compatible is essential and thus requires careful planning and research beforehand. Managers should assess with due care how to execute collaborations so that they would not be considered contrived or artificial. Furthermore, it is advised that the brand alliance fosters an experience of retrieving something special and novel from the co-branded products. Thus, allying with brands highly similar to each other can be a risky strategy. In turn, alliances between brands of different size and from different industrial backgrounds can create added value for the customers and thereby relate positively to their loyalty.

This study indicates that pre-release excitement, hype, can be an important driver of both attitudes and behavior the customers have toward the brands and the alliance. It is therefore suggested that managers put effort in the launching and marketing of co-branded products. Similarly, brands should invest in and comprehend the importance of interacting with the customers to affirm their attachment and emotional connection. As a viable and concrete measure, this study suggests that brands should invest in communication with customers through social media, for example, by responding and reacting to users' posts.

Additionally, the present study detected challenges related to defining a suitable price level for co-branded products, as the chosen price category of the observed alliance was experienced with both contentment and dissatisfaction. This study indicates that lower prices of the co-branded products compared to the regular brand prices has a positive reflection on purchasing the products, whereas it also has a negative echo on the sense of exclusivity drawn from the alliance since more people are able to buy the products. It was noted that if a previously distinguished brand becomes ubiquitous, it may harm brand loyalty. The fading of exclusivity is connected to the sequence of repeating co-branded collections with the same brand, as well. Therefore, managers should pay attention in that the co-branded collections are not too often repeated and that the pricing is correct to nurture both customer types.

Similar to previous research (Kim et al., 2007; Popp & Woratschek, 2017), the role of satisfaction as an important determinant of brand loyalty is underlined in the present study. Hence, managers should understand the importance of quality of the co-branded products to foster customers' satisfaction. More specifically, the quality of the co-branded products should not be inferior to the brands' regular products as adverse quality perceptions of the co-branded products can be negatively related to the parent brands.

Whereas co-branding can entail a risk of adverse reflection on brand loyalty, managers should note that it possesses great opportunities to nurture and enhance loyalty as well. When two brands become one, one plus one may very well be more than two.

5.3 Trustworthiness of the study

This chapter discusses the trustworthiness of the present research. It enables convincing both the readers and the researcher that the findings are worth paying attention to (Lincoln & Guba, 1985). To assess the trustworthiness of the study, the criteria introduced by Lincoln and Guba is leveraged. Nowell et al. (2017, p. 3) describe it as "the original, widely accepted and easily recognized criteria", which thus supports its use. The four criteria, credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1985), are next observed.

According to Lincoln and Guba (1985), to apply the credibility criterion, the first phase is to conduct the research in a manner that increases the likelihood of producing credible findings. Additionally, the researcher must ensure that the various perspectives have been accurately represented, meaning that the findings and interpretations must be credible to the participants who originally provided these perspectives (Lincoln & Guba, 1985). Credibility can be addressed through strategies such as prolonged engagement (for instance, has there been sufficient time invested to achieve the purpose of the study), persistent observation (focusing on the elements most relevant to the topic when conducting the inquiry), and member checking (testing the findings directly from the participants to allow them to correct possible misunderstandings with interpretations) (Lincoln & Guba, 1985; Nowell et al., 2017). In this study, attempts were made to address these elements for example by reserving enough time for the interview situations and paraphrasing the participants' comments during the interviews to test the interpretation drawn from their responses.

Transferability refers to the generalizability of inquiry (Nowell et al., 2017). However, in a qualitative study, the researcher can only present assumptions and a description of the specific time and context in which they were valid – determining whether these assumptions hold true in a different context or at a different time is another question (Lincoln & Guba, 1985). Therefore, it is the researcher's responsibility to provide rich descriptions that enables potential users to make informed judgments about transferability (Lincoln & Guba, 1985). When conducting the present research, this criterion was addressed through, for example, detailed describing of the research process as well as displaying thorough information about the participants and their relationship with the two brands and brand alliance under study.

The next criterion concentrates on dependability. Lincoln and Guba (1985) suggest that to assure the reliability of the research process, it should be examined. Moreover, the findings, interpretations, and recommendations should be reviewed so that they are supported by the data and are consistent, ensuring that the results are credible and acceptable (Lincoln & Guba, 1985). Korstjens and Moser (2018) further explain that dependability can be exhibited through an audit trail, allowing others to examine the researcher's documentation of data, methods, decisions, and final outcomes. To demonstrate the application of this

criterion, this study was thorough in documenting and describing the research process as well as the gathered data and interpretations drawn from the data.

Finally, confirmability refers to the objectivity of the research and can be defined as the extent to which the findings of the study can be confirmed by other researchers (Korstjens & Moser, 2018; Lincoln & Guba, 1985). It focuses on ensuring that the interpretations and findings are clearly grounded in the actual data and not products of the researcher's imagination (Tobin & Begley, 2004). The above-mentioned audit trail can be used to establish both dependability and confirmability (Lincoln & Guba, 1985). When conducting the present study, confirmability was addressed particularly via respondents' quotations in the empirical part of the study. Through demonstrating the participants' voice as citations, the interpretations drawn from them can be assessed by the reader and thereby the objectivity of the findings can be ensured.

5.4   Limitations and suggestions for future research

There are certain limitations to this study that need to be acknowledged and that may lead the way for future research. Firstly, as this study was conducted some time after the co-branded collections have last been introduced, some of the themes merely observe customers' experiences the way they recall them. In other words, the participants were requested to express their feelings of a situation that is no longer present which may defer from how they would voice them at the time. It would therefore be beneficial to conduct a study concentrating on customers' perceptions of co-branding and their role on brand loyalty before, during and after the collaboration campaigns.

Additionally, this study included as interviewees both buyers and non-buyers of the co-branded collection under study. The viewpoints of loyal customers that have or will not purchase the co-branded products brought interesting insights that greatly differed from the ones that had purchase experience of the co-collection. It would therefore be interesting to perform a study on co-branding's role in brand loyalty, particularly designed for non-buyers. Through that, brands could gain valuable information for instance on how co-branding might hinder brand loyalty.

Furthermore, this study has contributed to the discussion with a few novelty observations which may be worthy of further research. For instance, the present study underlines the role of exclusivity perceptions within co-branding and its reflection on brand loyalty. By examining how customers experience the added ubiquity of brands due to co-branding, new knowledge could be obtained about the relationship between co-branding and brand loyalty. In addition, prize-related insights were highlighted by the customers within multiple sections of this study. As previous literature seems to overlook the role of pricing when examining co-branding and brand loyalty, both separately and together, further research is desirable.

Next, since the present research has concentrated merely on one brand alliance with clothing and accessories as the only product category, a more diverse setting, for example by including multiple co-branding pairs to be observed, would be beneficial to further extend the knowledge of the linkage between co-branding and brand loyalty. Additionally, as the participants of the empirical research were from a narrow group of only Finnish, well-educated women, the topic ought to be studied under more divergent group of attendants. For example, widening the area in which the respondents reside could influence the applicability of the results to countries other than Finland. Finally, as this study was conducted with qualitative means to acquire deeper understanding of the phenomenon, a larger sample size is needed for generalization. Therefore, a quantitative study with similar objectives as this study would be both necessary and interesting.

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APPENDIX

INTERVIEW FRAMEWORK (translation from the Finnish version)

Background information

Age
Gender
Place of residence
Level of education
Profession
Has/has not purchased items from Adidas x Marimekko collections

Brand loyalty refers to customers consistently choosing a brand, being less prone to switch to a competitor, and developing a favorable attitude and attachment towards the brand (Aaker, 1991; Dick & Basu, 1994).

Co-branding refers to two or more brands collaborating to create a joint product, leveraging each other's strengths and perceptions, for example to enhance their position and brand image (Abratt & Motlana, 2002; Cooke & Ryan, 2000).

Theme 1 – Co-branding experiences in relation to brand loyalty

1. If you have purchased items from Adidas x Marimekko collections, what products (and from which collection) were they?
    a. What inspired you to buy, what did you pursue with buying, what influenced your purchase decisions?
   If you have not purchased items from Adidas x Marimekko collections, what influenced your decision not to buy them?
2. How would you describe yourself as Marimekko's and Adidas' customer?
3. What types of factors lead you to choose Marimekko or Adidas?
    a. What types of thoughts/associations do you relate to Marimekko and Adidas?
4. Brands in relation to the co-branded collections:
    a. How do you feel your previous views on Marimekko and Adidas have reflected on your thoughts about the co-branded collections?
    b. Do you think one of the brands has a greater impact on how you experience the co-branded collections?
    c. Do you feel that the associations you place on one brand transfer to the other brand due to the co-branded collections? What types of perceptions do you transfer from Adidas to Marimekko or from Marimekko to Adidas?
5. Post-alliance influence:

a. What types of meanings do the co-branded collection have on your attitudes towards Marimekko or Adidas? Do they increase your commitment?
b. Do you feel that due to the collection, you have bought or would consider buying Adidas or Marimekko products, even though you wouldn't otherwise?
OR:
Do you feel that due to the collection, you have not bought or do not intend to buy Adidas or Marimekko products, even though you would otherwise?
6. Do you remember seeing the co-branded collection marketed from a sustainability perspective (use of recycled materials)? Does it affect your purchasing decisions or attitudes towards the collection, Adidas, or Marimekko?

Theme 2 – Key factors in co-branding for brand loyalty

1. How do feel about the distribution channels and the durations of the campaigns?
   a. If you have purchased items from the co-branded collection, where did you buy them?
2. How would you describe your thoughts when you first heard about the collaboration (both initially and with new collections)?
3. What kind of an impact has the co-branded collection had on your perception of the quality of Adidas or Marimekko?
   a. If you have purchased items from the co-branded collection, have you been satisfied with them?
   b. How do you feel your satisfaction with the co-branded collection affects your attitude and behavior towards Marimekko and Adidas?
4. Compatibility of brands in the co-branded collection:
   a. Do you feel that Marimekko and Adidas have chosen good partners from each other?
   b. Do background factors such as size, country, or industry of the brands affect how you perceive the co-branded collection?
   c. What types of effects does brand compatibility OR incompatibility have on your attitude and purchasing behavior towards the co-branded collection?
5. Have you recognized co-branded collections between Marimekko or Adidas and other brands? Have you purchased them?
   a. What types of meanings do other collaborations have on how you perceive the co-branded collection?

Theme 3 – Positive and negative consequences of co-branding on brand loyalty

1. If you have purchased items from the co-branded collections, have you shared your experience on social media or recommended the products to your friends?
2. What type of value or benefit do you perceive from the collaboration between the brands, what positive aspects are associated with it or could be?
   a. What novelty value do you think the co-branded collection brings, which the brand alone cannot offer and cannot be found elsewhere?
3. How could the co-branded collection hinder or has hindered your attitude and behavior towards Marimekko or Adidas?
4. What would you like to see in similar collaborative projects? Could brands engage customers more (e.g., interaction, innovation, co-creation of experiences)?
5. Are you willing to purchase Adidas x Marimekko collection items in the future?

Would you like to add anything you haven't mentioned yet?