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Claremont McKenna College

**How Organizations and Their Brands Leverage Marketing Partnerships to Enhance
Their Success: The Guidelines to Navigating Both Reaffirming and Repositioning
Strategic Partnerships**

submitted to
Professor Jay Conger

By
Remi Edwards

for
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CHAPTER ONE

Partnership Marketing: Origins and Definitions

Marketing, a tool used to increase brand awareness, has existed since the beginning of time. People, businesses, and brands have and will always seek to share their creations with the world in hopes of broadening their reach to increase awareness and revenue. It is one of the most important means to convey their mission, or reason for their existence, to their target audiences. As a technique, marketing strives to achieve brand category dominance where advertisements and other marketing platforms aim to push a brand beyond their category peers. The activity encompasses physical advertisements (billboards, signage, in store ads, etc.), digital branding (online ads), social media marketing (alerts on social media platforms), and more. These different techniques for everyday marketing, however, have become commonplace. With that being said, new types of marketing have formed in order to keep businesses competitive amongst an ever-growing community of brands, companies, and enterprises.

Partnership marketing, a branch of marketing involving two or more collaborating entities, has become one of the most prominent and successful marketing platforms to date. With its ability to increase revenue, broaden brand awareness, and meet the demands of the marketplace, partnership marketing has proven effective. Partnership marketing, by definition, is "where two or more brands collaborate via strategic marketing campaigns to help each other achieve their objectives. It is where a primary brand has the ideal product or service to complement a secondary brand; utilizing target

audiences to improve their value proposition."¹ Partnership marketing allows those businesses with common goals to, in mundane terms, "stick together" where they must collaborate and share resources in hopes of achieving the mutually beneficial goal of reaching new audiences and, as a result, higher revenues.

Partnership and sponsorship marketing originated as a marketing communication tool in the 1970s and led to a period of rapid growth in the 1980s and throughout the 1990s.² While it cannot be determined what entities constituted the first partnership, we can attribute this time to growing brand collaboration. Hence, the term 'partnership' in the business and marketing space was coined. While traditional business models were stable for decades, the pressures of economic growth and increased competition in the late twentieth century challenged many brands and companies. Once firms began to realize they couldn't just 'go in alone' to meet the challenges of downsizing, resizing, employee motivation, worker retention, and customer expectations, attention moved to the critical importance of firms working with other firms.³ Nowadays, specifically in the 21st century, firms are trying to gain competitive advantage through collaborative or shared initiative, ultimately seeking to dominate their respective industry.⁴ Under the newly coined terms of the 'networked firm', 'extended enterprise', strategic alliance, or simply partnering, organizations are boosting sales, gaining bigger profits, and

¹ Cristal, James. "A Complete Guide to Partnership Marketing: Part One." *Econsultancy*. 19 June 2017. Web. 15 September 2018.

² Meenaghan, Tony. "Understanding Sponsorship Effects." *Psychology and Marketing*. Volume: 18 Issue: 2. 19 January 2001. Pp 95-122. Web 17 September 2018.

³Gibbs, Richard, and Humphries, Andrew. *Strategic Alliances and Marketing Partnerships: Gaining Competitive Advantage Through Collaboration and Partnering*. Kogan Page, 2009. Pp 14.

⁴ Ibid.

establishing a more creative, collaborative environment for their companies.⁵ The growth of partnership marketing and increased sponsorship activities has brought about a deepened understanding of what sponsorships could and could not achieve in terms of bettering the success of a business.⁶

While partnership marketing, as a concept, has been coined rather recently, we can infer that partnerships have been around for centuries. We can look back as far as the 5th century BC. In ancient Greece, wealthy citizens were known to have financed “major competitions and public festivities.”⁷ These taxes/payments “largely contributed to fostering the economic and cultural development of cities such as Athens and Olympia.”⁸ Donors were rewarded for their payments by being held to the highest esteem and by getting their names engraved on marble slabs. While this maybe not be what we view as a partnership today, it is still most definitely a form of partnership. These high earning individuals, like most modern brands in a partnership, had the resources and ability to put forth the money to sustain an event or entity while also receiving benefits on their end.

In addition to Greece, ancient Rome showed signs of early (264 BC) partnership marketing with the rise of gladiator combat. In this setting, sponsors often supported the gladiators themselves where “the greater the number of gladiators, the larger the show, the better and more generous the sponsors appeared.”⁹ Combats were organized and financed by the wealthy to display their greatness and influence in the community.

⁵ Ibid.

⁶ Grohs, Reinhard and Reisinger, Heribert. “Sponsorship Effects on Brand Image: The Role of Exposure and Activity Involvement.” *Journal of Business Research*. Volume: 67 Issue: 5. May 2014. Pp 1018-1025. Web 16 September 2018. Pp 1018.

⁷ “Sponsorship Early Days.” *Elevant*. 15 June 2017. Web. 21 October 2018.

⁸ Ibid.

⁹ Ibid.

Marketing advertisement also began to show during this time where combats were advertised on the walls of city buildings, and pamphlets were created to describe the festivities. In addition, the name of the organizer (sponsor) would be advertised.¹⁰ These advertisements and payments from sponsors mimic the modern form of partnership marketing. While ancient Rome had less technology and resources than today, this mutually beneficial agreement of two entities working together to achieve a common goal was a precedent in the partnership arena.

Another example of ‘partnership marketing’ stems from the Renaissance period where the work of artists and scientists were spread throughout Europe with the help of patrons. During this period, “wealthy families would open their houses to artists and scientists and help them spread their art or knowledge, not only in Italy but all over Europe.”¹¹ Further, patrons trying to make a name for themselves and their family, like Cosimo de Medici of the famous Medici family, developed flourishing banks and essentially initiated the use of patronage and sponsorship as a way to increase and reinforce both the family’s and the bank’s strength in Italy and in Europe.¹² This example again shows the partnership dynamic in the Renaissance period where well off families would support or partner with artists and scientist in order to benefit them by promoting their work while also benefiting themselves by boosting their reputation and promoting their name.

Partnership marketing, as evidenced, can be found all throughout history. As shown, we can infer some collaboration to be partnerships, even though the word

¹⁰ Ibid.

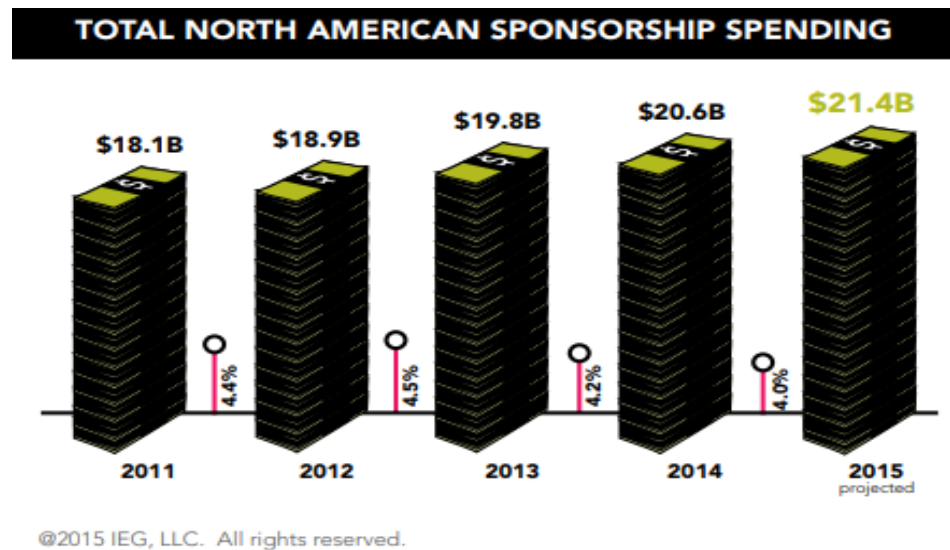
¹¹ Ibid.

¹² Ibid.

‘partnership’ is not expressly used. Even throughout the colonization periods of the 16th, 17th, and 18th centuries, collaboration or enterprise alliance between ‘motherland’ enterprise and new, colonized enterprise existed. The ‘home’ enterprise was working to support the ‘colonized’ enterprise where the home enterprise would receive research, new natural specimens, and knowledge and the colonized enterprise would receive monetary benefits in return. This collaborative back and forth is, again, a form of strategic alliance where these enterprises are working together to mutually benefit each other and reach both new audiences and new, physical locations.

Partnership marketing, as detailed through history, has had entrepreneurial beginnings. Partnership marketing as a field has grown, as evidenced throughout history. Today, the field has emerged to be a large point of marketing spending nationally as can be seen not only through the growth throughout recent history but also the growth in the last few years (Table 1).¹³

Table 1.



¹³ “Sponsorship Spending Report: Where Are The Dollars Going and Trends For 2015?” IEG. 2015. Pp 1-10. Web. 31 October 2018. Pp 2.

Sponsorship spending has grown immensely in the past decade or so. The concept has grown to include many different forms that allow companies to play on different strengths and weaknesses within their own business and leverage certain costs and benefits from their partner. There are ten types of partnership marketing techniques: affiliation, content, distribution, charitable, joint products, licensing, loyalty, product placement, shared stores, and sponsorship. These ten types act as different resources for companies, some of which may work for some companies while others may not. A short description of each follows:

- 1) Affiliate Marketing: A performance marketing technique where websites will promote your brand's product or service in return for compensation.¹⁴ This type of marketing creates an opportunity for brands to leverage a certain website's publicity by paying them to advertise their brand or product. For example, websites like NerdWallet act as a review site for financial products. This is a form of affiliate marketing where financial service companies can pay NerdWallet to promote their products and services to the audience that is specifically searching for them. Thus, the website or publisher benefits from the monetary commission and the brand benefits from increased publicity.
- 2) Content Marketing: The creation of relevant and engaging content to captivate customers. Content partnerships are the development of such content in collaboration with a partner brand that is then shared or

¹⁴ Cristal.

promoted to respective target audiences.¹⁵ Partnering companies often take part in content partnerships through either co-creating content or link sharing content. For example, a content partnership between Men's Health and Fitbit included a series of articles and short films in which a Men's Health writer (Clint Carter) was tasked with mastering three extreme sports in only five days while tracking his heart rate and steps with a Fitbit. This is a content partnership as specific content, the articles and films, were created between to partnering entities with the goal or promoting both to their target audiences.

- 3) Distribution Marketing: Where one entity agrees to cross-market or bundle their partner's products or services into their own distribution channels to target the agreed consumer base.¹⁶ Distribution partnership marketing is often done through either bundling, where the partnership includes giveaways in packaging or promotions, or cross marketing. For example, PowerAde is a distributive partner of the U.S. Men's and Women's National Soccer teams as their partnership with the teams allows for them to market or distribute their products through U.S. Soccer's customer base.
- 4) Charitable Marketing: Where a brand sponsors or markets itself with a charitable or philanthropic organization or cause. In turn they seek exposure and promotion to a new audience via agreed marketing channels.¹⁷ For example, Make-A-Wish Foundation's partnership with

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

Ford can be viewed as a charitable partnership where Ford received exposure to Make-A-Wish audiences and families, establishing a more philanthropic image. Charitable forms of partnership marketing often include philanthropic benefits to the partnering companies such as cultural influence benefits and brand leverage, where brands can associate themselves with companies of high public reputation or high moral contribution.

- 5) Joint Products Marketing: Where partnered companies agree to create a new product or modify an existing product in order to create collaborative value to the customer.¹⁸ One of the best examples of a joint product marketing partnership is that of Nike and Apple. The two brands collaborated to create Nike+, a joint product which uses activity tracking technology built into athletic clothing and gear that syncs with Apple iPhone apps to track and record workout performance. This is an example of a joint product partnership because Nike+, the jointly issued product, is an amalgamation of each entity's products with the goal of targeting a mutually beneficial audience.
- 6) Licensing: A business arrangement where one brand or company gives another company contractual permission to construct its product using its branding for an agreed upon payment or partnership.¹⁹ Licensing is an extremely common type of partnership marketing where brands choose to sell their brand license to their partners for a given price. This type of

¹⁸ Ibid.

¹⁹ Ibid.

marketing is particularly common amongst sport partnerships where a brand can sell the licensing rights to a logo, brand image, or brand reputation, allowing the partnering brand to leverage the high viewership of a sporting event or team. For example, brands like AT&T, Cutter Insect Repellent, and Tag Heuer watch manufacturing will partner with the U.S. Men's and Women's National Soccer Teams in order to receive licensing rights in which the brands can leverage the popularity of the teams' players in their product branding.

- 7) Loyalty: A marketing technique aimed at customer retention which offers consumers a reward in return for increased usage. A partnership based on loyalty arrangements enhances the typical marketing model by offering consumers rewards to encourage longevity and purchase frequency.²⁰ For example, Wyndham Rewards, a highly ranked hotel rewards program, is partnered with Caesars Entertainment's casino based "Total Rewards" program. The partnership is beneficial to both companies and their consumers where it offers their combined membership of over 50 million people access to travel experiences including hotels, points, restaurants, and entertainment. With all of these benefits, this partnership accomplishes the goals of a loyalty technique: to gain "loyal" consumers through a reward system in which the consumer indulges in frequent, generally high-volume use of another brands products or services.

²⁰ Ibid.

- 8) Product Placement: Where the understated placement of a brand within a media channel²¹ produces awareness, image, and revenue benefits to both of the partnering entities. This type of partnership is often used with TV networks or high-profile persons where a brand can pay, for example, Kim Kardashian to simply talk about a new product they created on her Instagram in order to gain publicity.
- 9) Shared Stores Strategy: Where a partner provides an area of agreed space within their own physical store for the other partner's brand products. The brand with the store has rented out, provided, or extended their own retail outlet to integrate the partnered brand.²² For example the Kendall and Kylie clothing line, a line produced by two high profile celebrities (Kendall and Kylie Jenner), is located in PacSun stores. This gives Kendall and Kylie a retail outlet while bringing in high publicity and a younger, chic demographic to PacSun.
- 10) Sponsorship Marketing: The marketing tactic of placing a brand alongside a particular event, often a sporting event, displaying itself as a partner or supporter.²³ This partnership marketing technique, both in my opinion and often through eyes of partnership marketers, can be deemed as most interesting as it is often most effective in accomplishing the goals of partnership marketing. Sponsorships, particularly with sporting events, allows for brands to reach a larger and broader audience (due to televised

²¹ Ibid.

²² Ibid.

²³ Ibid.

events and large viewership numbers) than possible with most other forms of partnership marketing.

This form of partnership marketing has become one of the most prominent today, thus I will provide a more in-depth analysis. Sponsorship has been one of the most successful ways to create a brand identity. While sponsorship is a very entrepreneurial space, there are three common outcomes that result from this form of marketing, each of which provide evidence to the importance and attractiveness of this concept:

1. Awareness: A tactic that involves aligning a product alongside an event for mass exposure is the most common type of Sponsorship. The aim is to have the largest possible reach of your brand to both existing and new consumers.²⁴ For example, when a brand like Qatar Airways partners with the FIFA World Cup, a worldwide event that attracts over 11 million viewers, awareness is often the primary goal from the partnership. Qatar Airways is attempting, through partnership, to make more people aware of their brand.
2. Association: A tactic aimed at linking the product with a cause, person, or event to provide a brand association in the eyes of the consumer. Every time you think of that event you will tie that in with the sponsored brand too.²⁵ For example, when brands choose to partner with celebrities like Kim Kardashian, they often do so in

²⁴ Ibid.

²⁵ Ibid.

an attempt to associate her fame, fortune, and lifestyle with their brand, ultimately hoping to gain more consumers of their product.

3. Consumer understanding: A tactic in sponsorship that can link a brand proposition with an event so that it provides product education to the consumer. Some propositions are more complex than others so sponsorship is seen as an effective way to teach a consumer what the product can offer.²⁶ For example, when Tag Heuer partners with the London Marathon, they are often doing so in an attempt to link their product with a cause that would produce better understanding for their consumers. Thus, linking a wrist watch with a running event helps Tag Heuer consumers to understand the product as the watch can be used to precisely monitor time in a race where performance comes down to seconds. Tag Heuer is trying to display the precision and accuracy of their watches by linking them to a notable, related cause.

These three common outcomes, while highly related to sponsorship, are helpful to provide fundamental, definitional bases on how to interpret the goal of all forms of partnership marketing. These outcomes will be evidenced consistently throughout the rest of the paper as key goals for any brand, company, or entity in a partnership.

In addition to the three goal-based platforms, sponsorship marketing is comprised of three broad types: sport sponsorship, media sponsorship, and event

²⁶ Ibid.

sponsorship. The most popular varieties involve attracting extensive viewership and publicity through sport, media, and world events. First, sporting sponsorships include some of the most expensive yet effective forms of brand exposure. This is primarily due to the extensive size of the viewing audience and the global reach sporting events most often have. Sporting sponsorships can be a partnership between any sport and a brand or company. These partnerships often range from deals involving team sponsorships, stadium names, and board advertisements to deals involving player endorsements.

Studies have found that more than two-thirds of all sponsorship money goes to sports. Professional sports tend to be the most common entities for firms to spend sponsorship money on because of the large viewership sporting events receive in the U.S. This can be seen below (Table 2) where, in North America, sponsorship spending is largely and most commonly spent on sport partnerships. While this is the case, the breakdown of sponsorship spending on other property types can be seen below as well.²⁷

Table 2.

NORTH AMERICAN SPONSORSHIP SPENDING BY PROPERTY TYPE					
	2013 SPENDING	2014 SPENDING	INCREASE FROM 2013	2015 SPENDING (PROJECTED)	INCREASE FROM 2014 (PROJECTED)
SPORTS	\$13.68 BILLION	\$14.35 BILLION	4.9%	\$14.98 BILLION	4.4%
ENTERTAINMENT	\$1.97 BILLION	\$2.05 BILLION	4.1%	\$2.13 BILLION	3.8%
CAUSES	\$1.78 BILLION	\$1.85 BILLION	3.9%	\$1.92 BILLION	3.7%
ARTS	\$914 MILLION	\$923 MILLION	1.0%	\$938 MILLION	1.6%
FESTIVALS, FAIRS AND ANNUAL EVENTS	\$839 MILLION	\$847 MILLION	1.0%	\$859 MILLION	1.5%
ASSOCIATIONS AND MEMBERSHIP ORGANIZATIONS	\$568 MILLION	\$574 MILLION	1.1%	\$590 MILLION	2.8%

²⁷ "Sponsorship Spending Report: Where Are The Dollars Going and Trends For 2015?" Pp 3.

The majority spending on sport sponsorship as opposed to other property types provides evidence to the notion that partnering with professional sports can lead to greater brand success. This, as discussed by Groh's et al., is because professional sports sponsorships primarily strengthen brand image by providing links to specific brand benefits and attributes.²⁸ For example, Nike partnering with U.S. Soccer allows for Nike to leverage the U.S. Soccer branding and create athletic gear and jerseys. This use of U.S. Soccer's widely viewed brand image benefits Nike as they are now linked with a highly notable organization with a broad audience. The same can be said for Ralph Lauren's partnership with Wimbledon. Ralph Lauren is able to benefit from partnering with such a notable event because of the events viewership and audience. Wimbledon, a tennis event most often viewed and attended by upper class individuals, attracts high viewership of a distinct audience. Ralph Lauren, as a high end, relatively expensive brand, attracts a similar audience. Thus, a partnership with Wimbledon allows for Ralph Lauren to strengthen their brand image amongst an audience that is both willing and able to purchase their products.

To show this through a more analytical lens, a study conducted by Pope and Voges discusses the impact of corporate image, prior product use, and the belief that the company sponsors a sport on the level of intention to purchase

²⁸ Grohs, Reinhard, Wagner, Udo, and Vsetecka, Sabine. "Assessing the Effectiveness of Sport Sponsorships—an Empirical Examination." *Schmalenbach Business Review*. Volume: 56 Issue: 2. April 2004. Pp 119-138. Web 20 September 2018.

products or services.²⁹ The authors attempted to see if there is a causal relationship between 3 factors pertaining to perceived brand image and a consumer's intent to purchase a product or service from that brand. The authors used 10 companies in 5 different product categories, and respondents were asked to rate their intention to purchase.³⁰ The authors found that "higher purchase intention scores were found on the part of those who believe that a company's brand is involved in sport sponsorship than on the part of those who do not believe it..." In other words, they found a significant relationship between purchase intention and a belief that the company was a sponsor of the sport.³¹ Further, the authors found that respondents who reported a "prior use of the brand had higher purchase intention scores than did those who do not report a prior use."³² This study showed that purchase intention is a primary objective for a brand as a company on a fundamental level simply wants consumers to purchase their products or services. In conclusion, Pope and Voges showed that there are significant relationships between an intention to purchase a company's product and a belief that a company sponsors a sport.³³ This finding supports the idea that sport sponsorship can be incredibly effective for a brand where sport sponsorship, as shown through this study, can provoke a higher intention of purchase by a

²⁹ Pope, Nigel and Voges, Kevin E. "The Impact of Sport Sponsorship Activities, Corporate Image, and Prior Use on Consumer Purchase Intention." *Consumer Behavior*. Volume: 9 Issue: 2. 2000. Pp 96-102. Web. 27 August 2018. Pp 96.

³⁰ Ibid.

³¹ Ibid, 99.

³² Ibid.

³³ Ibid.

consumer, thus achieving any brand or company's ultimate goal of increasing brand revenue and broadening brand awareness.

In addition to sporting partnerships, there are media sponsorships which encompass all media outlets such as TV, film, radio, and social media. The pervasiveness of the media in our society is a huge and widely used platform, making media sponsorships a rather effective tactic for mass brand awareness. Finally, event sponsorship is the sponsorship around notable events in which a brand or company can gain awareness from a certain demographic audience. For example, the World Cup, Olympics, music festivals such as Coachella, and large charity events such as the London Marathon are events that tend to target large audiences, thus increasing brand awareness for sponsoring brand.

The most elite brands such as Coca Cola, McDonald's, Pepsi, Nokia, Apple, Red Bull and British Airways will dispense billions of marketing spending into sponsorships. This spending, while large and overwhelming, has beneficial reasoning behind it. Through this spending, these companies have the opportunity to increase brand reach, increase brand awareness, improve brand trust, change a brand's value proposition or image, increase revenue, align brand missions, produce a philanthropic message, improve product understanding, and open up new global or local markets.

This opening chapter explained the history of partnership marketing and its entrepreneurial beginnings. It affirmed a key insight moving forward in this thesis: that the creation of partnership marketing keeps firms competitive through collaboration. This singular insight will be important to keep in mind throughout

this thesis as we examine the different strategies and guidelines presented in the chapters that follow.

CHAPTER 2:

Why Are Partnerships an Effective Marketing Tactic

As noted in Chapter One, partnerships have the potential to increase brand reach, heighten brand awareness, improve brand trust, increase revenues, strengthen product understanding, align brand missions, produce a philanthropic message, and open up new global or local markets. This chapter will examine how these outcomes are achieved by exploring the antecedent strategies for partnerships. We will look at the two types of overarching strategies, reaffirming and repositioning. These determine the procedural tactics a brand undertakes when pursuing a partnership. Each strategy, including their primary purposes and initiatives, are described in depth in the sections that follow.

1. Type 1: Reaffirming Strategies: Brand Image, Product Understanding, Revenue Building, and Employee Engagement

Reaffirming strategy is one in which brands chose to partner with another entity on the basis of reaffirming their image, mission, demographic reach, or products/services. While this definition seems simple and easy to navigate, this strategy is hardly straightforward. To illustrate the definition of a reaffirming strategic partnership best, I will provide a clear, obvious case example.

GoPro, a portable camera brand, and Red Bull, an energy drink supplier, established a partnership in 2016. While both brands clearly have different products and services, their missions are the same: to endorse a lifestyle that is action packed,

adventurous, fearless, and pretty extreme. The partnership terms had GoPro equip athletes and adventurers from around the world with both the video tools and funding to capture acts like races, stunts, and action sport events. Red Bull used its experience and reputation in the action sport industry to run and sponsor these events. GoPro and Red Bull have collaborated on a multitude of events and projects, all primarily within the action sport space, but perhaps the biggest collaboration stunt they collaborated on was "Stratos." This stunt, a huge publicity event for both brands, had Felix Baumgartner jump from a space pod more than 24 miles above Earth's surface with a GoPro strapped to his person.³⁴ Not only did Baumgartner set three world records that day, furthering both brands publicity, but he also embodied the value of reimagining human potential that define both GoPro and Red Bull.³⁵ This partnership between GoPro and Red Bull is an example of a reaffirming strategic partnership. Due to similar, highly correlating brand missions, these two companies, through partnership, are reaffirming their own individual brands. They clearly chose to partner with each other due to their mutual relevance in the action sport and extreme lifestyle space. In essence, they are not straying from their typical demographic, mission, image, or products; they are simply reaffirming them through a partnership.

As shown, reaffirming strategic partnerships seek to set in stone a brand's individual mission through collaboration. This can be accomplished in a multitude of ways, but, following a substantial literature review, I believe there are three distinct targeted objectives of such partnerships. These three areas include brand image, revenue,

³⁴ Bernazzani, Sophia. "13 Examples of Successful Co-Branding Partnerships." *HubSpot*. 6 August 2018. Web. 13 October 2018.

³⁵ *Ibid.*

and product understanding, each of which will be explained in depth in the following sections.

1.1 Reaffirming Strategy: Brand Image and the Importance of Image Transfer

Brand image is perhaps the most important aspect of partnership and sponsorship marketing. It is the basic, fundamental building block of a brand. The founder of a brand creates his or her brand based off of its unique message, or image, with the aim of having consumers believe their brand to be peerless and unrivaled.

Brand image can be defined as "a set of associations, usually organized in some meaningful way."³⁶ In other words, brand image is essentially "how customers and others perceive the brand."³⁷ For example, Coca-Cola is often perceived as a brand selling happiness with every sip as their commercials, advertisements, social media posts, and even custom vending machines always push this message. Fedex, as another example, provokes this image of always living up to your promise. Fedex, through its advertisements, promotes reliable and efficient service rain or shine. Brand image, as shown through these short examples, stems both from a brand's mission and their ability to actually achieve that mission.

While brand image, simply by definition, seems to exude an aura of importance alone, studies show that, through firm evaluations of the effectiveness of sponsorship

³⁶ Grohs, Reinhard, Wagner, Udo, and Vsetecka, Sabine. "Assessing the Effectiveness of Sport Sponsorships—an Empirical Examination." *Schmalenbach Business Review*. Volume: 56 Issue: 2. April 2004. Pp 119-138. Web 20 September 2018. Pp 109-110.

³⁷ Smith, Gareth. "Brand Image Transfer through Sponsorship: A Consumer Learning Perspective." *Journal of Marketing Management*. Volume: 20 Issue: 3. 9 August 2010. Pp 457-474. Web. 30 August 2018. Pp 458.

engagements, "image improvements represent the most important company objective."³⁸ Image is a company's utmost important objective as image is the reason why the company exists in the minds of their consumers. A company came to fruition because it sought to achieve something that they believed could not be otherwise achieved without their input. Thus, image improvements are always important to a company as image improvements are simply improvements to their fundamental, 'day one' mission. In addition, image is a brand's most important asset as it is often why people choose one brand within a category over another. For example, athletes may choose Apple AirPods or Beats Headphones over say, Bose Headphones, because of the elitist, sleek, trendy image they provoke.

Understanding the workings and importance of image is essential to the discussion of partnership marketing. There are several factors that constitute the concept of image, and these factors are important to understand in discussing a brand's 'stand-alone' image prior to a brand's partnered image. Image is, as mentioned, initially built from a message. Image exists because the founder or creator of the brand had some unique message to convey. Once that message is decided upon, image then takes the form of some sort of product or service. The initial unique brand message, the foundation of image, is morphed into a product or service that can be offered to consumers. This product or service is the organization's way of spreading the brand's unique message or image to the world. This propagation of products or services with the addition of marketing campaigns and advertisements is how a brand makes the revenue necessary to continue this message. This rather abstract "timeline" of the concept of image outlines the

³⁸ Grohs and Reisinger, 1018.

importance of the notion. Image is both the starting block and finish line for a brand. A brand exists due to a unique image and will only live on because that image is deemed important or useful to consumers.

Now that we understand the importance of brand image, we must understand how the brand image of one company can affect that of another in a partnership. Brand image transfer (BIT) is the "transfer of meaning"³⁹ from sponsor to sponsored, celebrity endorser to sponsor, or brand to brand. BIT is the reason why brands, individuals, or entities choose to partner with or sponsor one brand over another as image transfer can be just as if not more important than a brand's stand-alone image. BIT, if strong and positive, has the potential to produce increased brand awareness, publicity, and revenue, all of which are goals of utmost importance for any business.

1.1a Brand Image Transfer and Consumer Learning

Through a psychological concept called Consumer Learning, consumers obtain knowledge of the product or service through the brand's image which they then use to determine future purchases. For example, when a consumer sees McDonald's branding or advertisements, they often think low prices, fast food, efficient service, and ubiquitous presence. This is the brand image McDonald's instills in its customers and this image allows for customers to know when McDonald's is the right choice in a purchase decision. For example, a family with four kids on a road trip may be wondering where to stop for food. They instantly think McDonald's because they have had prior experience with the brand and know that it is fast, cheap, and likely somewhere nearby. This is the

³⁹ Smith, 459.

brief version of how consumer learning works and ultimately affects a consumer's purchase decision.

Consumer learning is integral in the partnership between brands or a brand and an entity as it allows for the consuming party to know why a specific partnership is beneficial and strategic to the brand they prefer. For example, consumers of the National Football League's (NFL) broadcasting may hold Bose Corporation, a company that develops and sells audio equipment, to a different standard than say, Beats Headphones, simply because of the partnership between Bose and the NFL. Even though Bose and Beats are of the same product category, consumers may associate with them differently based on how they learned to consume these products. Bose with a strategic partnership with the NFL indicates to consumers that their headphones are used as communications devices. This may prompt other companies in need of communications devices to purchase from Bose or football fans who would prefer products supported by the NFL. Beats, on the other hand, is known to be supported by celebrity music and athletic talent. Beats headphones are more often associated with being every day, wearable devices and having great sound for listening to your favorite songs or podcasts. Thus, while Bose and Beats create similar products, they can attract different consumers simply based on what emotion or environment they endorse or engage.

There are two theories of consumer learning that influence BIT: 1) schema congruity theory and 2) associative network. The schema congruity theory is a "cognitive structure that represents knowledge about a concept or type of stimulus, including its attributes and relations among those attributes."⁴⁰ This theory suggests that consumers

⁴⁰ Ibid, 460.

have preconceived ideas of both the brand's involvement in the partnership and the categories to which these brands belong. For example, say Company A, an athletic clothing provider, partners with Company B, a gym. The consumers of Company A may conceive this partnership to be one in which their clothing brand is looking to affirm their brand by partnering with a gym. This is a logical, beneficial conception consumers may draw from a partnership. On the other hand, say Company A, now a lucrative cigarette company, partners with Company B, a toy store. Consumers of Company B may draw the conclusion that their toy store simply wants to make money and will establish relations with any brand, no matter their cause, that will allow them to do so. Here, consumers are hypothetically drawing conclusions that put their company in a bad light. These examples show that consumers will draw preconceived notions of a partnership regardless of its intent. Thus, it is important for marketers to understand the schema congruity theory as it could have either beneficial or damaging impacts to a company's image and bottom line.

Consumers will use these 'schemas' to infer how the brands "match-up;" that is, how the sponsor and sponsored or partnering brands are perceived to be mutually beneficial. This match-up is deemed to be highly important as studies show that "the greater the match-up perceived, the greater the likely transfer of images."⁴¹ For example, the partnership between clothing retailer H&M and French couture label Balmain likely produced high measures of image transfer due to a firm match-up strategy. The two brands both design and sell clothing, with Balmain being the high end, off the runway brand and H&M targeting more of a teenage, young adult audience. Both companies attract wildly different demographics due to the sheer price difference of their products.

⁴¹ Ibid.

While their consumer population is different, both companies made it clear through partnership that they wished to “offer runway looks at slightly more real-world prices.”⁴² In other words, the direct goal of the partnership was to produce high image transfer from Balmain to H&M as H&M wanted to achieve a more upscale, high end clothing line whilst staying true to original customers’ price point. This image transfer was innately possible due to the match-up between the two brands where consumers likely saw it as suitable for a high-end brand to partner with a brand that offers lower prices.

Apart from the schema congruity theory, consumer learning can also stem from a theory known as the Associative Network, a theory derived from how basic memory operates. A fundamental, basic building block in the study of psychology is the workings of the memory system. Memory consists of individual pieces of information called nodes. Information is recalled from memory when a node is stimulated from rest by a process known as activation. When one set of nodes prompts thinking about other linked nodes, spreading activation is what is known to occur. Spreading activation is the process where, in layman's terms, thinking of one concept activates the thinking of another. This is an important fact to understand in the partnership marketing arena as this basic, biological network of memory effects the exact science of brand partnerships; in that, the direct aim of a partnership is this spreading of image and resources. Thus, as a marketer, knowing that, biologically, your consumers are making associations regardless of what those associations are is important prior to engaging in a partnership. To bring this out of abstraction and into the partnership space, note the following example. A consumer may

⁴² Lotman, Jeff. “10 High-Profile Brand Partnerships That Struck Gold.” *Entrepreneur*. 8 February 2016. Web. 11 October 2018.

recall a time they watched the U.S. Women's National Team play in the Tournament of Nations. Recalling this event may prompt thinking of linked nodes, or associative concepts, such as Nike, a partner of the Women's National Team. Thinking of Nike may prompt the consumer to remember that he or she is interested in buying a new pair of running shoes. And now, having Nike top of mind, the consumer will possibly go purchase Nike brand shoes as opposed to their competitors simply because he or she values the association of Nike and the Women's National Team. This example shows that this "simple" biological construction of memory has real implications for a partnership. It is essential that marketers know this fact as, through the example stated, consumers will associate brand partners and perhaps use that association to make a purchase. Knowing this fact will allow marketers to better frame their partnerships with brands that make sense for their company.

In sum, these two theories, the Schema Congruity Theory and the Associative Network, provide a basis for marketers to understand how, biologically and psychologically, consumers will naturally associate brands that are in contact with each other. Both theories evidence this where the Associative Network theory is used to explain how prior experience or memory of brands is activated when coupled together to produce transfer,⁴³ and schema is used to explain how the categories from which the brands are derived affects the way memory is activated and match-up occurs.⁴⁴ Understanding these fundamental theories allow marketers to more sensibly discern a proper partnership path.

⁴³Smith, 465.

⁴⁴Ibid, 460.

Underlying these two theories, consumer learning is influenced by both external and internal antecedents that affect a consumer's interest in purchasing or consuming a brand's products or services. These antecedents influence a brand, entity or individual's knowledge of the brand and thus their interest in partnering. External antecedents are external to the consumer and are typically derived from the sponsored property or brand itself. For example, while both are sporting events, the Olympics has a very different image from Wimbledon. On the other hand, internal antecedents are central to the consumer such as the consumer's level of knowledge about the brand's involvement in partnerships.⁴⁵ That is, a consumer with high interest in their potential partner's previous partnerships may produce a different image of that partner than a consumer with low interest. For example, a consumer may have a high interest in the U.S. Women's National Soccer Team due their partnership with Anheuser Busch (Beer Company), but a consumer that, say, doesn't drink or dislikes the idea of alcohol in general may not wish to consume any products or services of the U.S. Women's National Team at all simply due to one of their previous partnerships. Understanding these antecedents and how they function is important for partnership marketers to understand as these antecedents help form a consumer's understanding of a brand. Having this knowledge will allow marketers to better market their brand to consumers where they can specifically target a consumer's neural workings and learning processes.

1.1b Influencers on BIT: Fit and Quality

1.1b.1 Fit

⁴⁵ Ibid, 459.

Several factors influence the overall effectiveness and quality of brand image transfer. Fit and quality are the primary two. Fit is the term pertaining to the logical harmony or correlation of two entities. For example, a partnership between a casino and vodka brand is logical and would be said to have high fit as alcohol and gambling are often highly associated. Quality is the consumers' perception of the value the two partnering entities provide each other. For example, a partnership between a horse race and a luxury watch brand is one of high quality as each entity can provide the other with valuable consumer bases and elite resources.

An effective 'fit' in the context of a strategic brand partnership is where the *consumer* can easily infer that there is suitable and logical reasoning for two entities to be partnering together. The two entities must correlate on some common ground. For example, a sport brand company such as Nike or Adidas will often partner with professional athletes to target individuals who are consumers of the clothing brand's products as well as fans of the celebrity athlete. This target audience will likely perceive the fit to be logical and an athletic clothing brand and an athlete are highly associated. Another example could be the partnership between Apple and Hermes. Fit is perceived to be logical here as Apple and Hermes both target high earning and design-conscious consumers. Fit is also perceived to be suitable in this case because this specific partnership included an Hermes produced Apple watch wristband. This partnership produced a specific product that fit both Apple's product (the Apple Watch) and Hermes luxury style watch wristbands.

While the concept now sounds obvious, fit can often be difficult to determine. Many believe that, for example, powerful brands are guaranteed to produce a strong

positive BIT, simply due to their power in their industry. The importance of fit proves this common perception to be a misunderstanding. A partnership between, for example, a powerful brand like Anheuser Busch (Beer Company) and a children's event may not make much sense to a consumer. While Anheuser Busch is notably a strong and powerful company, the context or fit of the partnership must be appropriate and sensible. The importance of fit between two partnering entities is integral in a partnership's ability to succeed. Bad fit, for example, between previous partners Shell and LEGO was apparent because consumers deemed it "not quite right for children to play with toys that display the name of a petroleum company that had a history of questionable environmental practices and was pursuing aggressive oil drilling in the arctic."⁴⁶ This example shows bad fit to clearly have an effect on how consumers view a brand, potentially negatively impacting sales and revenue. Not only does bad fit harm a partnership but bad fit also hurts the brand's stand-alone image. Apart from poor partnership image, bad fit can also lead to poor brand image. In order for a company to get back on track in this case, a brand must go back to basics. They must backtrack to its initial image; the reason why the company was created. Once they realize that mission, the company should look to build that image as a stand-alone brand. This could be done through the traditional marketing platforms mentioned in chapter one. Once stand-alone image is solid and well understood within their consumer base, the company can begin to look for partners that can fit that image and reinforce their mission.

While poor fit, as illustrated, can not only damage a partnership but also damage a brand's stand-alone image, good fit can build a brand and produce a stronger, more

⁴⁶ Kosin, Mark. "Brand Partnerships That Failed Miserably." *Urbo*. 15 September 2017. Web. 17 October 2018.

competitive image. Good fit creates a strong positive BIT, strengthening both entities messages and missions to the consumer. Further, perceived fit produces certain types of brand associations that both constitute and effect a brand's image. These associations include product attributes, user imagery, brand personality, functional benefits, experiential benefits, and symbolic benefits.

A product attribute association is one in which products and/or services of both entities in the partnership are used in the same context, making the two entities have strong 'fit.' For example, Nike and athletic sponsorships are a good fit as the two entities create or endorse products of similar sports context. In addition to product attributes, user imagery, another type of association, largely effects the fit of partnering entities on the consumer side as user imagery states that the "same type of person uses both brands."⁴⁷ Fit, in this case, is established based on the two partnering entities targeting a similar demographic or consumer base. Next, brand personality, the third type of brand association, is where brands are seen as similar in their "personality." For example, a youthful brand like Free People has a better fit with, for example, a music festival like Coachella than does a more conservative brand like Rolex.

In addition to these three types of brand associations, there are also three types of co-benefits that partnering brands can derive from one another to increase fit. For example, brands that have potential *functional* benefits between each other often have strong fit as the two partnering entities "provide similar benefits."⁴⁸ For example, having an insurance provider partner with a Tough Mudder Race is logical in terms of a partnership based on functional benefits as the two entities provoke the importance of

⁴⁷ Smith, 465.

⁴⁸ Ibid.

health benefits. *Experiential* benefits, can produce a strong fit when “brands have a similar level of emotional attachment or sensory pleasure.”⁴⁹ For example, beer companies often partner with male sporting events in an attempt to link the two pleasures of sport and drinking. Finally, a *symbolic* benefit can be produced when both partnering brands “appeal to the consumer’s self-concept in terms of status, prestige, and exclusivity.”⁵⁰ For example, Rolex’s partnership with Formula One Racing is a prime example of strong symbolic association fit as the two entities often appeal to people of status and prestige. The main takeaway is that the greater the perceived fit and brand associations of one partnering brand to the other, the greater the transfer potential of those associations.

The importance of strategic fit in a partnership can best be seen through Bank of America’s many partnerships in sport. While a primary goal of any partnerships is to connect to “the passion of the fan,” it is integral for a brand or company to focus on what makes them a good fit in a partnership otherwise consumer attitudes toward the brands may decrease. Bank of America, through its extensive partnership roster over the years, clearly understands the importance of fit as they state “We are a bank. If we sponsor, we expect banking relationships. We are concerned about getting banking business instead of just generating brand awareness and brand association, or generating more retail traffic. Sponsorship for Bank of America is ultimately a banking business decision--a decision to help our lines of business.”⁵¹ Bank of America, having partnered with elite sport entities such as NASCAR, the U.S. Olympic Committee, and the Dallas Cowboys, understands

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Greyser, Stephen and Teopace, John. “Bank of America Sports Sponsorship.” *Harvard Business School*. 12 August 2009. Web. 11 September 2018.

and proves through successful partnerships that fit is important in a partnership as it allows for the “bank’s business segments [to] accomplish their business.”⁵² Bank of America is positioning itself within these sporting entities as those entities provide a platform for the bank to follow their ‘stand-alone’ business goals, providing evidence to the occurrence of both a reaffirming partnership and a partnership of good fit.

Bank of America’s partnership with the U.S. Olympic Committee (USOC) is said to be “a good strategic fit with the bank” due to the global reach of the Olympics, the financial services category exclusivity, and their fan base fit. A survey of Bank of America customers indicated a positive impact from the Olympic sponsorship where “57% who considered themselves avid fans of the Olympics were highly favorable towards Bank of America.”⁵³ In this case, the two partnering entities had strong fit on the consumer level where Bank of America’s consumers and consumers of the Olympics overlapped in a way that produced a positive impact for both entities.

Further, Bank of America’s partnership with NASCAR proved to be successful in terms of strategic fit where Bank of America was able to insert its business platform into NASCAR’s services where Bank of America had the opportunity to promote “a broad array of financial solutions to 75 million fans and to NASCAR’s community of racing teams, sponsors, and business.”⁵⁴ In this case as well as the case with USOC, Bank of America was able to insert its business platform into NASCAR and USOC events, creating a mutually beneficial environment where both entities were able to stick to their business plans with the added bonus of a partnership. Thus, not only was Bank of

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Ibid.

America benefiting from these partnerships by reaching a broader audience but they were also staying true to their business efforts, making these partnerships of strong, strategic fit.

In addition to Bank of America, other companies such as Toyota have partnered with USOC and produced very different reaffirming associations. Unlike Bank of America, Toyota, an automobile company, cannot have their business objectives as well integrated into the USOC partnership as a car is less relevant to a huge event than a banking platform. Thus, to integrate their brand in a partnership with USOC, Toyota's reaffirming objectives played out much differently. Toyota's branding was included on LED signage and other digital platforms during the Olympics. Toyota, like Bank of America, had interest in pursuing a partnership with USOC because of its known quality, large viewership, and worldwide reach. While Toyota cannot necessarily insert their business platform directly into the venues of the Olympics, Toyota can still benefit from the associations made between a partnership with USOC. Toyota, in this case, is capitalizing on USOC's viewership and the associations consumers make between any brand partnering with such a renowned organization. Consumers simply watching the Olympics and seeing increased advertisement of Toyota will benefit Toyota in that their brand is, at the very least, gaining broader awareness from partnering with such a large and renowned entity. This association is very different from that of Bank of America where, rather than solidifying business objectives, Toyota is simply getting more awareness for their brand. This is the case for several partners of USOC including Deloitte, Smuckers, and Hershey's. These brands, while not directly inserting their day-to-day business objectives into the Olympics, are producing strong associations on the

consumer end simply because they are partnering with an entity of high perceived quality, ultimately allowing for these brands as well to reaffirm their missions. Providing this additional example of Toyota's partnership with USOC shows how even though the same sporting entity (USOC) was relevant in both partnerships, different reaffirming associations can still be made.

1.1b.2 Quality

In addition to fit, quality is another integral influencer on BIT during a partnership. Quality, as mentioned previously, is the consumers' perception of the value the two partnering entities provide each other. Thus, quality can be interpreted as a sort of "value added" idea where partnering with an entity of high quality means the same as partnering with an entity that provides benefit or utility simply based off of its fundamental features. These features often include high revenue earning brands or brands with extensive resources. Quality can allow brands to gain association or positive image transfer when fit is poor. For example, if an unrelated brand were to sponsor the FIFA World Cup, the brand would likely still gain association transfer due to the event's perceived high quality. Entities such as the FIFA World Cup and the Olympics are often credited with having high quality due to the amount of money that goes into these events. Quality is deemed high because of the high quantity and quality of resources that is poured into these events. On a brand level, quality, based on inference, also stems from both the quality and quantity of resources a company has at their disposal. For example, Microsoft is often noted to be a brand of high quality where a partnership with Microsoft will likely produce success simply due to the sheer availability of resources at their

disposal. Similarly, Coca Cola is perceived to be a brand of high quality, particularly in the partnership marketing space, as Coca Cola, being such a large and notable company, is rather diversified in their partnerships and has the adequate resources, revenue, and network capabilities at their disposal.

With quality being such an importance influencer on brand image transfer, it is important to understand how instances of quality failure can affect a partnership. Quality is most often misaligned when one or both brands engaging in partnership lack the resources to be successful. These enterprises may lack the money, means, assets, labor, or general capability to be an entity of high quality. For example, smaller companies often lack the quality to partner not only with other small companies but also with bigger companies simply because they do not possess high enough value to be a successful contributor. This stipulation of quality as an influencer in brand image transfer essentially serves as disclaimer to brands who do not possess the resources to partner. Partnerships, as mentioned, are rather costly and require the sharing and collaborating of several resources. If an entity cannot hold their weight in a partnership, it is likely due to the fact that the entity is not of high enough quality to enter partnerships, most often those brands being small in nature. Thus, quality of brand is integral in a brand's want to partner in any regard. Specifically, however, quality as an influencer on brand image transfer serves a large role in the reaffirming strategy as quality has a large effect in how a consumer views your brand through partnership where high brand quality often correlates to a more flexible transfer of associations.⁵⁵

⁵⁵ Smith, 466.

BIT, as discussed, is the primary reason brands choose to get involved with each other in a partnership. Image, for a single brand alone, is important as that is how a brand is recognized and thus why one brand is often chosen for purchase over another. BIT is guaranteed to happen when two entities choose to partner. Therefore, it is important that the partnering entities analyze the quality and fit of this partnership in order to gain strong, positive BIT. This strong, positive BIT will create a more effective partnership overall as consumers will recognize the integrity of the partnership and be more likely to show interest in both entities.

1.2 Reaffirming Strategy: Effects of Product Understanding

Another direct objective of a reaffirming strategic partnership is the goal of increasing consumer product understanding. Reaffirming strategic partnerships often prove to be successful because of their ability to further push the partnering brand's product to their consumers. This amplified presence of a brand's product in a market leads to a concept known as product understanding. Product understanding is where a consumer, based on perception, grasps the brand's intention of a product or service. While product understanding is a primary goal on the individual firm level, it is also of relevance during a partnership. Further, not only is product understanding an important objective in a partnership for both parties but it is also often a direct output of a partnership as well. For example, Nike's partnership with Apple allowed for the two parties to create Nike+. Nike+, a product of Nike, uses activity tracking technology built into athletic clothing and gear that syncs with Apple iPhone apps to track and record

workout data.⁵⁶ These tracking transmitters, according to Nike, can be built into shoes, armbands, and even sporting equipment such as basketballs to measure time, distance, heart rate, and calories burned. On its own, Nike would not have the wherewithal or reputation to produce tracking technology. Apple, on the other, would alone not have the ability to produce athlete clothing and gear. Thus, separately, these two brands would not have successfully evidenced the power of their brands and technology. Through genius co-branding, however, Nike and Apple were able to provide a product to their customers that manipulated the general product intentions of both brands.

In addition to the case provided, studies suggest that “when consumers evaluate a new product, they presumably consider salient or diagnostic attributes of the product and, on the basis of these attribute, form an opinion of the product.”⁵⁷ Brown and Dacin provide evidence that corporate associations have the ability to influence product responses.⁵⁸ This means that a consumer’s view of a company does in fact reflect on the consumer’s perceptions of their products or services. If that is the case, it is possible to infer that product sales could be impacted by a consumer’s corporate association. With that being the case, it is imperative that a brand seek to present the most accurate depiction of their brand to consumers as those brand associations can and will influence a consumer’s perception of the products and/or services they sell. This is important because a brand’s revenue and sales driven success is based off of their ability to sell their products and services to their consumers.

⁵⁶ Bernazzani, Sophia. “13 Examples of Successful Co-Branding Partnerships.” *HubSpot*. 6 August 2018. Web. 13 October 2018.

⁵⁷ Brown, Tom J. and Dacin, Peter A. “The Company and the Product: Corporate Associations and Consumer Product Responses.” *Journal of Marketing*. Volume: 61 Issue: 1. January 1997. Pp 68-84. Web. 15 September 2018. Pp 70.

⁵⁸ *Ibid*.

The research presented is specific to the corporate associations of consumers for an individual brand or company. However, it may be fair to infer that, due to the previously discussed topic of brand image transfer, consumer corporate associations can and will additionally be derived from the partnering entity. That is, for example, when Anheuser Busch (Budweiser) partners with the U.S. Men's National Soccer Team, consumer perceptions of Budweiser products will not only be based on the corporate association derived from Budweiser but also the corporate associations derived from the U.S. Men's National Team. To put this more bluntly, a partnership with another entity has the ability to affect the sales of one's own products simply due to the fact that consumer perceptions will be altered with brand image transfer. While Brown and Dacin's work only looks at individual firms rather than two partnering entities, their research provides a platform for discussion in the partnership marketing community. Specifically, their research provides a gateway into the idea that corporate associations do affect a consumer's view of products and a consumer's product understanding. While not stated explicitly, we can infer that these findings would be similar amongst partnering entities due to extensive literature on the effects of brand image transfer.

1.3 Reaffirming Strategy: Revenue Builders

While revenue is a byproduct of any partnership, revenue increase can also be a direct strategic objective of a reaffirming partnership. Revenue or sales is the amount of money a company brings in or earns before any expenses are taken out. Revenue can consist of both product and service sales. Revenue, at its most basic level, is important to any company, brand or entity because, without revenue, a company cannot earn a profit or stay viable in the long run.

As a metric, revenue is a measurement of growth and success. With flat or declining sales, a company is presumed to have slowed in growth. This slowing of growth may deter potential investors and potential partners. Revenue thus has critical psychological implications and effects that have the potential to either enhance or impair a firm's relationship to another firm. Revenue affords security to business partners, suppliers, community members and other stakeholders impacted by your business. Partners and investors want to see a potential partner's individual success, most often by means of revenue growth, before partnering. A stable, continuous stream of revenue produces a sense of confidence in a partner. For example, it can be inferred that many companies such as Nike and MasterCard have the confidence to partner with Apple because of the continuously high revenue the company attracts and their ubiquitous name in the technology category. Due to Apple's strong reputation and high earning ability, stakeholders and partners are more than willing to put both their brand name and their money forward to partner.

Revenue building is most often the product of strong alignment. Thus, brands that truly achieve vast revenue growth are brands that find a partner who truly fits their direct message. More often than not, these high revenue partnerships are between two already high earning brands where, through partnership, they are reaffirming each other's brand goals and missions. To bring this out of abstraction, the partnership between McDonald's and Disney may be one of the best examples that show how revenue building can be a direct objective in a partnership and how strong alignment is the driver of this objective.

Disney and McDonald's had a ten-year partnership from 1996 to 2006 and recently renewed their partnership to last several more years. Disney focuses their efforts

primarily on children's entertainment. McDonald's as well focuses heavily on the youth (as can be seen through their philanthropic efforts). The two entities have partnered for their commonalities. With Happy Meals at McDonald's and Disney's movies, amusement parks, and toys, the partnership simply makes sense. The most recent partnership, being renewed this year in 2018, includes Disney creating toys that will make "their way back in to a Happy Meal."⁵⁹ The partnership renewal "will pair Happy meals with figures from movies from Walt Disney Animation Studios, Pixar Animation Studios, Disney Live Action, Marvel Studios, and Lucasfilm."⁶⁰ In creating joint products and cross marketing, the two firms are simply combining their brands to better reach their like audiences. In reaching these like audiences, they are both reaffirming their own brands where they are 1) not straying from their brand missions, 2) not straying for their normal business objectives (i.e. Disney always makes toys and McDonald's always makes Happy Meals), and 3) not straying from their staple demographic. By following a classic reaffirming strategy, Disney and McDonald's are able to focus on their primary objective of building revenue. In their previous deal from 1996-2006, it was reported that a cross promotion similar to the one in this renewal was "worth \$1 billion to Disney,"⁶¹ an *incredibly* valuable deal. This case illustrates how, if alignment and fit is strong, a reaffirming partnership can truly have the direct objective of revenue building. Disney and McDonald's, in this case, both followed their everyday business objectives just with a partner and, in doing so, they were able to focus on revenue building as a direct goal, ultimately being successful.

⁵⁹ Bach, Natasha. "McDonalds and Disney are Reuniting After Over a Decade Apart--and it Means Disney Toys in your Happy Meals." *Business Insider*. 28 February 2018. Web. 15 November 2018.

⁶⁰ Ibid.

⁶¹ Ibid.

1.4 Reaffirming Strategy: A Means of Engaging and Motivating Employees

Up until now, a reaffirming strategic partnership has been discussed as a way for an external partner to reaffirm a brand or company's outward business strategy. However, a reaffirming strategic partnership has the ability to also affect a brand's internal organizational strategy as well. Because of this potential impact, a company may want to purposefully engage in a partnership to influence employee perceptions. Companies may do this for multiple reasons ranging from reaffirming internal values to cultivating an environment aimed at achieving excellence to employee motivation. This is most often achieved through brand-sport partnerships where the interaction between brands and sport entities can 'rally the home team.' Sport partnerships, for example, often encourage employees internal to a partnering brand to root for something, eliciting a notion of cohesion, communication, and motivation. Thus, not only does sport sponsorship have the ability to increase brand revenues, publicity, and image but it also, according to the literature, has the ability to provide a motivating component internally to the brand's employees. A study conducted by Francis J. Farrelly and Stephen A. Greyser investigates the effect of sport sponsorship on the sponsoring brand's employees. Using research from a larger study, the researchers summarized the conclusions of a study looking at the "sponsorship and brand management practices of 20 global companies and sport organizations."⁶² The researchers, in short, looked into big name brands such as UBS (financial firm), BNP (bank), and Nike and investigated their employee's reaction to their sport sponsorship deals to Team Alinghi (Yachting team), the French Tennis Federation,

⁶² Farrelly, Francis J. and Greyser, Stephen A. "Sports Sponsorship to Rally the Home Team." *Harvard Business Review*. Web. 13 September 2018.

and FIFA respectively. The authors find that “sponsorships are being used strategically inside companies to motivate employees or facilitate a major structural change.”⁶³ This is being accomplished through companies creating partnerships with sport entities or other brands that give the company's' internal employees a team or entity to root for that is linked to their day to day business success. That is, the employees of the company now have another, external entity that affects their internal success, so rooting for them essentially means rooting for oneself.

Where most sponsorship studies discuss how sport teams and events tend to promote their brands to the public, the authors here found that “sport-related internal communication programs can create cohesion, elicit pride in the company, and enhance perceptions of it as a vibrant “winner” or leader in its industry.”⁶⁴ This internal motivating component places sport sponsorship, in this sense, under the umbrella of a reaffirming partnership as the effect of this partnership, on this one aspect of internal motivation alone, is enhancing the brand's internal employees' views of their own company.

2. Type 2: Repositioning Strategies: Broader Brand Awareness, Philanthropic Advancements, and Opening New Markets

A repositioning strategic partnership is a partnership strategy in which brands seek to reach new demographics and “reposition” themselves amongst a new audience. Repositioning strategy, by definition, is a direct goal of a brand when initiating a partnership where the brand seeks to partner with an entity that will help to transform

⁶³ Ibid.

⁶⁴ Ibid.

their brand and reposition them into a new or different demographic. In order to understand the direct, strategic objective of a repositioning partnership, I will provide a clear, definitive example.

Saucony and Dunkin' Donuts, YES a rather unlikely duo, recently formed a short-term partnership. Saucony, a running brand, and Dunkin' Donuts, a doughnut brand, don't seem to be a natural fit. Dunkin' Donut does not target runners at their primary audience. Further, Saucony, does not directly target consumers who follow a less healthy lifestyle as they promote health and wellness through running. However, Saucony created a limited edition running shoe for the Boston Marathon in partnership with Dunkin' Donuts. These brands, being rather opposing in their missions, collaborated in order to represent a cause (the Boston Marathon) and reached new audiences that they would not have otherwise reached.⁶⁵ This is a classic example of a repositioning partnership where both brands, through strategic collaboration, are able to deviate from their normal audience and place themselves amongst a new, broader demographic.

Repositioning can be accomplished in a multitude of ways, but research shows that broadening brand awareness through both attracting philanthropic advancements and seeking to open new, currently unavailable markets are the best-known ways in which repositioning is most successful. This is the case because repositioning, by definition, aims at situating a brand within a new demographic, most often through creating new outlets for marketing and sales.

2.1 Repositioning Strategy: Broader Awareness

⁶⁵ Kravitz, Melissa. "You Can Literally Run To Dunkin' in This New Saucony Collaboration." *Forbes*. 27 March 2018. Web. 29 November 2018.

Brand awareness is most often the primary goal of a repositioning strategic partnership. Brand awareness is “the extent to which consumers are familiar with the distinctive qualities or image of a particular brand of goods or services.” Often times, in order for a brand to properly reposition themselves, they must either achieve broader brand awareness in general or increase brand awareness amongst a specific target audience. Further, it can be deduced from extensive research that increasing brand awareness is often best achieved through a partnership with a highly publicized entity. That is, partnerships with large, worldwide sporting events such as the FIFA World Cup or the Olympics often allows for a brand to increase awareness by reaching a massive (over 11 million viewers), worldwide demographic.

An example of the usefulness of partnerships in increasing brand awareness can be seen through Sony Corporation’s partnership with Federation Internationale de Football Association (FIFA). In 2005, Sony Corporation partnered with FIFA with the goal of maximizing their marketing potential and achieving a high return on investment (ROI). FIFA, with their “increasing prominence in the world of sports,” at the time represented “300,000 soccer clubs worldwide”⁶⁶ and attracted over 28.8 billion people in terms of year round viewership. Due to the federation’s high viewership, increased fan base, and worldwide reach, a partnership with FIFA makes for a great opportunity for increasing brand awareness.

As a FIFA partner, Sony would have the opportunity to “energetically promote advertising and marketing activities... utilizing the global strength of [FIFA].”⁶⁷ FIFA, in

⁶⁶ Jeffrey, Mark. “Sony-FIFA Partnership Marketing Program: The Value of Sponsorship.” *Kellogg School of Management*. 29 June 2006. Web. 13 September 2018.

⁶⁷ *Ibid.*

the past, has had several successful partnerships in which they aid in increasing brand awareness for the partnering companies. For example, MasterCard and Hyundai's partnership with FIFA allowed for them to use FIFA's "marks and logos"⁶⁸ in order to create more "creative marketing campaigns"⁶⁹ that reached a broader audience than they ever would have before simply due to the fact that FIFA has such a large and worldwide viewership. While direct metrics on these partnerships are not provided, these partnerships, as denoted by the research presented, provided a basis for Sony Corporation to seek partnership with FIFA as past partnerships proved to create successful "marketing opportunities with a strong ROI."⁷⁰

This case study further supports the previously discussed principles of achieving brand awareness in a repositioning strategic partnership where partnering with a large entity, like FIFA, with a massive viewership, high publicity, and worldwide reach is often key in achieving success. This case study also provides evidence to the fact that, in the case of the three companies discussed, return on investment is often strong when marketing opportunities to a large audience is available.

2.2 Repositioning Strategy: Philanthropic Advancements

Corporate social responsibility, a term used to describe a corporation's initiatives to assess and take responsibility for the company's effects on environmental and social wellbeing, is receiving significant awareness in the corporate world. Now more than ever companies are not only having to take responsibility for their actions in terms of social

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Ibid.

responsibility, but they are also having to take initiative in the space as well. Companies are often looking to highlight their philanthropic efforts in order to gain a better social reputation amongst their consumer demographic. For example, UNICEF's partnership with Target, known as the Kid Power Partnership, blends a brand with a cause. Target retailed fitness trackers in which kids across the U.S. could earn points that could be used to unlock 'therapeutic food packets' that UNICEF would deliver to malnourished children around the world.⁷¹ This partnership "merges a philanthropic initiative with a wellness-wearable device"⁷² with the goal of encouraging "healthy living with greater global awareness."⁷³ This brand-cause partnership, on Target's end, brought a new demographic of customers that sought to purchase this specific item due to its causal relationship, supporting the idea that cause related marketing has the ability to produce a better social reputation.

In addition to this case study example, a Nielsen Global Online Survey shows evidence that "56% of consumers are willing to pay more for products from brands and companies that demonstrate a commitment to social value, and 53% said they'd pay more for a product because of a company's community commitment."⁷⁴ This statistic supports the idea that consumers appreciate a brand that is philanthropically involved and are more likely to invest in its products and/or services.

Now that evidence has been provided that brand-cause partnerships are important to the consumer, it is next important to determine how to properly navigate a brand-cause

⁷¹ Lotman.

⁷² Ibid.

⁷³ Ibid.

⁷⁴Wozniak, Karrie. "How Cause Marketing Can Boost Your Brand." *Forbes*. 25 October 2017. Web. 2 October 2018.

partnership. In order to do so, one must understand the evolution of corporate social responsibility and its link to a marketing technique known as Cause-Related Marketing (CRM). CRM “allows firms to link their philanthropic activities with the strategic marketing goals of the firm” where, specifically, “the firm makes an offer to contribute a portion of the proceeds of a consumer purchase of the firm’s products or services to a charitable cause.”⁷⁵ Cause Related Marketing is an important marketing technique for a firm as studies suggest that “firms with high levels of compatibility between the core business and social activities are viewed more favorably than firms who have lower levels of compatibility with social activities.”⁷⁶ Thus, from a partnership standpoint, if a firm can partner with a social cause that fits their brand, perhaps the firm has a better chance of being viewed as more favorable to their consumers, ultimately increasing awareness and revenue.

The concept of fit is, again, an essential point for compatibility in a partnership for philanthropic reasoning as well as studies continue to suggest that “consumer attitudes towards brands are increased when compatibility is high.”⁷⁷ For example, a partnership between a non-cruelty free brand (i.e. brands who test their products on animals) and the American Society for the Prevention of Cruelty to Animals (ASPCA) would have low compatibility and thus elicit poor consumer attitudes. However, a partnership between The Truth, an anti-smoking campaign, and the M.D. Anderson Cancer Hospital would show high compatibility as both entities are presumed to have high fit as they both

⁷⁵ Thomas, Michael L, Fraedrich, John P., and Mullen, Linda G. “Successful Cause-Related Marketing Partnering As a Means to Aligning Corporate and Philanthropic Goals” An Empirical Study.” *Academy of Marketing Studies Journal*. Volume: 15 Issue: 2. 2011. Pp 113-132. Web. 28 September 2018. Pp 113.

⁷⁶ Ibid, 114.

⁷⁷ Ibid, 115.

profess the goal of increasing health benefits. Other studies show the importance of fit in a cause-related partnership as well. Garcia and colleagues (2017) conducted a study titled *Co-Branding Strategy in Cause-Related Advertising: The Fit between Brand and Cause* where the researchers investigated the concept of fit as it relates to a brand and a social cause. Through both qualitative and quantitative measures in which the researchers examine which fit dimensions are involved in brand-cause partnerships, the researchers find that “consumers’ affinity with the social cause is an important precedent in consumer’s affective response to a brand-cause message and, moreover, if brand-cause is perceived that fit strategically in some of the strategic fit dimensions.”⁷⁸ Garcia and colleagues provide further evidence to the idea that brand-cause fit is essential in producing high consumer attitude toward a partnership. Thus brand-cause fit is important in a brand’s argument for philanthropic repositioning as, assuming fit is perceived to be high by consumers, partnership success is that much more possible.

While philanthropic partnerships are often presented through the means of a company or brand partnering with a certain social cause, philanthropic partnerships can also occur through two brands partnering together in the effort of donating to a cause. This version of philanthropic partnership allows for both companies to increase their social responsibility, a cause many consumers wish to see in the brands they purchase from, while also increasing their revenue. All types of philanthropic partnerships create a platform for brand repositioning as brand-cause partnerships often allow for brands to reframe their image to their consumers in a more socially responsible way.

⁷⁸Garcia, Ruben. “Co-branding Strategy in Cause-Related Advertising: The Fit between Brand and Cause.” *Journal of Product & Brand Management*. Volume: 26 Issue: 2. 2017. Pp 135-150. Web 28 September 2018. Pp 141.

2.3 Repositioning Strategy: Opening New Markets

The final broad category in which brands can reposition themselves strategically is through opening distinct and specific markets by way of partnership. Brand awareness, as discussed, is the mechanism by which brand can subject themselves to a broader community. However, more specifically, brands can also target specific markets through partnership that they have yet to access on their own. One of the best, most recent examples of targeted partnership advertising is through the collaboration between Adidas and Ikea. Ikea, known for “offering respectable home furnishings for an affordable price,”⁷⁹ and Adidas, a sport brand powerhouse, seemingly have nothing in common. Other than being two large and successful European based companies, these two brands have very little in common. With their product offerings and missions being incredibly different, it can be inferred that a partnership between the two should allow each company to target new, specific markets that they would not otherwise have reached.

In a partnership together, the two brands are collaborating in efforts to “connect Ikea's specialty (the home) with Adidas' (sports) by crafting an easier way to workout at home.”⁸⁰ Both Ikea, Adidas, and other news sources have announced that “the brands will be leaning into research by studying, learning, and analyzing how individuals incorporate wellness into their homes.”⁸¹ With Adidas primarily touches athletes and sport aficionados, it is unlikely that they would ever reach the audience interested in home furnishings. Similarly, with Ikea working in the home furnishings category, it is unlikely that they would have ever accessed the sport audience. Thus, while the effects of

⁷⁹ Flammia, Christine. “Adidas and Ikea are Launching a Collaboration.” *Esquire*. 8 June 2018. Web. 29 November 2018.

⁸⁰ Ibid.

⁸¹ Ibid.

the partnership cannot be known as this announcement is very recent, we can understand that these two brands teaming up allows them to open very specific markets they would not have otherwise reached. Further, the two companies can now create a wider range of products together where “ the two companies will spend time learning about habits of people across ages and countries to get a solid read on what would streamline their approach to a healthy home”⁸² by possibly creating, for example, “an Adidas-heavy smart gym.”⁸³ This example shows plain and clear how a partnership can truly allow brands to reposition themselves by way of opening new markets. Adidas, through this partnership, is showing that they are interested in broadening the scope of their mission to include in-home wellness while also reaching a new, distinct audience. Ikea is doing the same where, by partnering with Adidas, they are reaching an audience that they otherwise would not have and are creating new products to better connect with that new audience. This partnership will reposition both brands amongst a new, specific market, furthering the success and value of both entities.

In addition to Adidas and Ikea’s case, foreign companies have also attempted to reposition their brand by opening new markets in other countries, including the United States. Up until this point, we have seen partnerships mostly between U.S. based companies. Some partnerships with entities such as FIFA and the Olympics reach global markets but do not necessarily directly target a new regional demographic. However, one prominent form of repositioning to open new markets can be done through directly targeting a new region. Several Chinese companies including Alibaba Group, a Chinese multinational conglomerate specializing in e-

⁸² Ibid.

⁸³ Ibid.

commerce, and Mengniu Dairy, a Chinese dairy company, have taken advantage of this strategy and have partnered with entities in specific regions to grow their brand. Chinese companies have been to target their marketing efforts towards the U.S. and other countries because “the domestic market [in China] is so large and has grown so quickly, so [they] are looking at where else [they] can find growth.”⁸⁴ This expansion does not come without difficulty. A marketing research firm found that “38% of people have questioned the credibility and authenticity of a Chinese brand in the past due to a lack of trust as well as concerns over quality, counterfeiting, and unethical production.”⁸⁵ Another source of concern for these Chinese companies is that there is a “general lack of brand awareness”⁸⁶ where consumers in the West often do not know of these brands. With these issues, these Chinese companies must look to reposition their brand and create a new global identity that can adapt to new markets. This is done through the “power of association” also known as strategic partnering.

To provide cases in which this strategic partnering has work, please follow the next couple of examples. Alibaba, a distribution channel, (mentioned above) has partnered with entities like Kroger, the largest operator of traditional supermarkets in the U.S., and Valentino, a luxury designer brand. These partnerships have allowed Alibaba to have face in the U.S. and Italy by simply carrying the products these brands produce. In addition, these partnerships open up markets for all parties involved where Kroger and Valentino can expand to China and Alibaba can expand

⁸⁴ Rogers, Charlotte. “How Chinese Bands Are Breaking Through in the West.” *Marketing Week*. 21 September 2016. Web. 15 November 2018.

⁸⁵ Ibid.

⁸⁶ Ibid.

to the regions mentioned. These partnerships also allow Alibaba to reach new demographics as well. With Kroger reaching every day Americans and Valentino reaching the upper class worldwide, Alibaba's brand becomes more widespread in new markets.

Mengniu, on the other hand, has partnered with Argentinian soccer star, Lionel Messi, the National Basketball Association, and FIFA. While FIFA is a global entity, Lionel Messi and the NBA target very specific regional demographics. By partnering with Lionel Messi, Mengniu opens markets with soccer lovers and South America as a region. These partnerships allow for Mengniu to separate from their home country and reposition their brand amongst new markets. Both Alibaba and Mengniu have partnered with brands outside of their home country in direct effort to try to reposition their brand.

By partnering with large, high earning brands, these Chinese companies are able to reposition themselves as a global brand. This repositioning opens these companies, originally based in China, to regions all over the globe. Thus, these companies are repositioning themselves from being represented in a single country to being represented globally. This form of repositioning to new markets can be difficult as language barriers, currency exchanges, time difference, and simply different cultural balances and habits cause cross-country/region partnerships to be a bit more tedious. However, this form of reaching new markets is important to note for companies that wish to reach a global market. Reaching outside of your home country to partner with global companies or companies based in another country is almost always a repositioning partnership that presents enormous benefits if done

correctly. In extending your brand to external entities, you are showing your current consumer base that you are interested in having a more diverse brand platform, and thus a more diverse customer base.

CHAPTER 3:
Guidelines to Producing Successful Reaffirming and Repositioning Strategic
Partnerships

As detailed throughout this paper, strategic partnerships involve a lot of moving parts that make them difficult yet highly rewarding. This chapter will proceed to lay out what I believe to be the proper guidelines for creating successful Type 1 (reaffirming) and Type 2 (repositioning) partnerships. Prior to diving into each partnership type, however, I will first discuss how to assess what is the appropriate type given the needs of the brand.

While there are no metrics provided here on what is statistically proven to be the correct techniques of a partnership, I can provide some suggestions based on the literature of how to determine what is right. To determine whether you would like to seek a reaffirming strategic partnership or a repositioning strategic partnership, you must understand your end goal. Do you want to simply assert your brand to your current audience or do you wish to reach new boundaries and broader audiences? The former is the reaffirming strategy, and the latter is the repositioning strategy. Once you can answer this question, you can then attempt the best strategy to answer this question by following the steps below. We begin with the reaffirming partnership.

1. Reaffirming Strategic Partnerships

In discussing the step-by-step guidelines to forming a reaffirming strategic partnership, I will provide steps to follow that include illustrations on how one company in particular has consistently evidenced their ability to reaffirm their brand. This company, as will be used to illustrate each step below, is The Walt Disney Company.

Step 1: Know Your Brand

What is your brand's mission? What story are you trying to tell and can a partnership complete or enhance that story? If yes, can you afford a partnership? These are the questions that are most important to ask when entering the beginning stages of a reaffirming strategic partnership. Your first and foremost primary goal is study your brand carefully. Once you know the basic mission of your brand as well as the general demographic your brand seeks to touch, you can then begin searching for the best partner to fit your brand needs. To illustrate this step further, Disney, at the beginning of their many partnerships, seeks to reaffirm their brand and understand their brand's mission. Knowing that they can afford most if not all partnership offers (earning upwards of \$15 billion in the third quarter of 2018), Disney looks to partner with entities that will take on their one of their many, diversified platforms while also aligning with their creative, innovative, magical, happy, and kid friendly identity. For Disney, finding partners that fit that agenda allows them to reaffirm their brand through another company's platform, ultimately strengthening their mission and growing their mission.

While Disney will be used as the staple example for a brand consistently engaging in reaffirming partnerships, it is still possible for Disney to deploy a repositioning partnership. With Disney is so multifaceted and diversified, it is difficult to imagine a partnership that would bring them to an entirely new customer base or product market. It

is conceivable; however, that Disney could partner with brands that attract age restricted audiences. For example, Disney could partner with an alcohol brand or Tinder which would attract an audience they often do not target. While Disney obviously reaches people of all ages, they often do not target legal age limit restrictions.

Step 2: Define Your Objectives

After having a clear understanding of your brand as a ‘stand-alone’ entity, it is next important to understand your objectives for partnering. Why do you want to partner? Since we are discussing reaffirming partnerships, it can be assumed that you have an interest in restating or reaffirming your brand's overall mission or image. However, it is important to understand what your more nuanced goals such as creating co-branded material, creating joint products, providing reward systems for consumers, and gaining better access to events for top investors are for engaging in a reaffirming partnership. Further, enhancing brand visibility to your current target audience, increasing sales, and further educating customers on your brand missions are just a few possible direct objectives one can specifically seek to accomplish when looking into creating a partnership for reaffirming reasons. You, as a partnership marketing professional, need to ask yourself (i.e. your brand) “What do we wish to get out of a partnership with X Company?” By asking yourself this question prior to signing any contracts, you can actually research the best company to accomplish those goals. In other words, knowing your direct objectives for a partnership allows you to best find a partner that can complete those objectives.

Disney follows this step particularly well as they most often if not always select partners that complete or enhance a certain segment of their company, thus targeting

direct company goals through partnership. Disney, knowing the prevalence and utility of their brand and its many platforms, seeks to reaffirm their brand through simply accomplishing their business objectives through partnership. For example, Disney partnered with McDonald's to link their mutual "sell happiness" mission while co-creating products for happy meals. This allows Disney to not only market their upcoming movies to kids and parents but also to reach a huge world audience with McDonald's. Another example is Disney's partnership with Lego. Both companies primarily target children as their audience. Here, Disney can co-create toys, a huge part of their business platform, while utilizing Lego's audiences and resources. Again, Disney is targeting a specific point of their brand platform (i.e. kids, toys, and selling happiness) and using other companies such as McDonald's and Lego to spread their own platform/brand objectives.

Step 3: Do Your Research

If you are looking to create a successful partnership, you want to do your research. In specific, you want to know what type of brand suits your firm to create the best platform for success. That is, do you want a corporate, fortune 500 giant with scale, reach, and often more public scrutiny or a smaller, close knit event with a smaller audience but perhaps more personable clients? This can be accomplished through basic online research in which you would most likely attempt to locate a company that has an annual revenue large enough to support the partnership term deal you wish to pursue. In addition, once you know the brand size of interest, you next want to find a firm within that brand size that suits the category of partnership you are looking to fill. This category can be based off of the want to partner with a new company in which there is no current

brand filling that category or the want to find a brand that best fits your company's mission.

While there is no available literature regarding how Disney itself conducts research, we can infer a few key points. First, Disney being a diversified, high earning company, most likely does not have too many budget concerns. If that is the case, we can assume their research and choice of partnerships is largely based off of what fits or reaffirms their brand platforms best. In other words, Disney's research likely consists of finding the right (best aligning) brand for their platform in question. For example, when Disney opened its science based theme park, Epcot, it took corporate partnerships to a new level.⁸⁷ Disney partnered with Siemens, one of the world's largest industrial manufacturing companies, to create an innovative, tech focused atmosphere including "high tech educational interactive exhibits themed to some of Siemen's business units such as healthcare, mobility, and energy."⁸⁸ Here, Disney knew they wanted to create this science themed park and sought to partner with a company that could best help in achieving that goal. Disney, inferably, did their research to find a company to fit this platform that would not only aid in collaboration but also enhance or reaffirm their brand.

Step 4: Understand What Motivates Your Partner

In addition to doing your research, it is important to understand what motivates your partner. While cash is often a nice byproduct of a successful partnership, it may not be your partner's primary motivation. Many companies, especially nowadays, are interested in media presence and promotional assets. Brands want a reputation, a face in

⁸⁷ Sylt, Christian. "Inside Disney's Tech Partnerships." *Forbes*. 20 October 2016. Web. 29 November 2018.

⁸⁸Ibid.

the media that money can't always buy. Thus, it is important to truly understand what is important or motivating to your partner because, if not on the same page, fit may be low and the partnership may not be as successful as intended. Also, in terms of understanding your partner's motivations, it is also important to understand and consider their values. Do your brand's values align with your partners? You must dig deep into your partner's background to understand this. Perhaps your partner is largely philanthropically oriented. If that is the case, your partner may not be interested in a company that is largely profit oriented. This, again, comes back to the concept of fit. It is important to know, even on the value level, how you and your partner would match-up as both entities will take on each other's values once the partnership is enacted.

While Disney, again, does not provide evidence as to what they believe motivates their partners, we can infer some possible ones. For one, Disney, as discussed, often partners with large, notable entities. These can provide a scale of revenue growth which is noticeable given that the firm's revenues are already so significant. In addition, Disney may also be seeking to achieve reputational benefits. For example, Disney partners with clothing companies to create products that fit their iconic characters. Further, in doing so, Disney understand that, for these designers, creating unique, wearable clothing is what motivates them. Thus, knowing their certain clothing objectives, Disney seeks to find designers that can best accomplish them. For example, Disney will partner with Vans, a manufacturer of skateboarding shoes and related apparel, to create everyday wearable sneakers with Disney themed prints. On the other hand, if Disney is looking to create more upscale pieces, they partner with Christopher Kane, a notable designer. Disney

knows both companies are motivated by design and uniqueness. Thus, they play on their partners strengths while amplifying their brand with themed products.

Step 5: Ask Yourself, Your Business Intelligence Executives, Industry Analysts, and Your Key Investors If the Companies You Are Considering Will Reaffirm Your Brand Goals and Mission

This is where the literature on increasing revenue, gaining consumer product understanding, and defining brand image take place. In a reaffirming strategic partnership, your brand's goal is to find another entity whose mission aligns with yours in order to create a successful partnership. In doing so, you should first be sure that your potential partner fits your brand image. As previously mentioned, brand image transfer, a mechanism of transferring one brand's image onto the other, occurs when two entities chose to partner. Because this effect is likely guaranteed to occur, it is important to be sure that the effect will be both strong and positive. In order to accomplish a strong, positive BIT effect, one must have an in depth understanding of both what their brand is all about and what the other brand seeks to portray as well. With this knowledge readily accessible and understood, a brand can often gauge the success of potential BIT as the fit of the partnering entities will likely be high.

In addition to brand image, it is important to gauge the potential of success through potential revenue increase from partnership. While this may be difficult to accurately portray, and will likely be done through a rigorous cost-benefit analysis, one can deduce that revenue increases will stem from an increase in consumer and likely an increase in consumer product understanding.

Again, while direct sources of Disney following these steps are not available, we can infer that they look to confirm that their potential partnerships will be successful. Further, with Disney having accomplished so many partnerships through their time, we can infer that Disney has found some sort of metric or system that works for them, allowing them to more easily discern whether a potential partnership will be viable or not. This step serves as a check on all the others; this step allows on to rethink the potential costs and benefits associated with partnerships.

Step 6: Think Long Term

Partnership contracts often last several years. Thus, it is important to know how both your brand and your partner's brand plan to evolve over the term. In a reaffirming partnership, your goal is to solidify your brand's mission and image. Thus, it is important that this goal will happen across the length of the partnership term. It is nearly impossible to project both your and another brand's direction. Unintended issues such as executive changes, acquisitions, mergers, and other brand strategy changes could take place. However, it is important to feel confident in your investment. This is what I mean by thinking about the long term. As a partner, every move they make will be a reflection of your brand and your brand's positioning on any topic or issue. It is thus important recognize their history of behavior and see if it is something you as a brand can endure for the long run. For example, it is possible that Company A is really 'hot' right now in that they are garnering a large customer base and increasing sales at a fast pace. To you, Company A may look like a great partnership strategy right now as they are trending essentially. However, say you, Company B, are politically left and often speak about social or political issues from that viewpoint. Now say Company A is very right. You

may understand this gap in viewpoints and may wish to ignore this in the short run because you are profit seeking and see Company A's success to be valuable to your brand. While this may be the case, it is very chancy to pursue a partnership with a company that does not fit your current or long-term goals, concerns, or missions. This partnership could experience adversity in the long run due to these discrepancies. And, regardless of the duration of the contract (i.e. one off or long term), your consumers, the ones who typically agree with your ideologies, may not wish to be a part of anything, one off or long term, that involves a polar opposite viewpoint. Partnership marketers must understand the long-term effects on their brand, even if the contract is not long term in and of itself.

Disney, with ample partners over the years, takes duration into account when forming a partnership. For example, when Disney releases a new movie, they often partner with a brand to enhance that release. Recently, Disney released a new Christopher Robin movie. With that release, Disney UK partnered with P&G, in a shorter-term deal, simply to target the time of the movie release. This partnership had multinational consumer goods corporation Procter & Gamble run a campaign to promote its household, health and beauty brands.⁸⁹ The brands included in the promotion were "Ariel, Bold, Fairy Non Bio, Lenor, Fairy, Head and Shoulders, Pantene, Olay, Oral-B, Venus, and Gillette."⁹⁰ Through this example, Disney shows that knowing your time frame is very important. Here, they orchestrated a campaign with a short time frame in order to enhance the release of their movie. On the other hand, Disney has proven success with

⁸⁹ "Disney UK collaborates with P&G and Sony for the Release of Christopher Robin." *The Walt Disney Company*. 30 August 2018. Web. 29 November 2018.

⁹⁰ Ibid.

longer partnerships as well. With McDonald's, Disney has shown that, if alignment is good and fit is strong, two brands can reaffirm each other for decades.

Step 7: Draft a Request for Proposal (RFP) and Create a Contract Agreeing on Common Goals and Delegating Assets to Each Partnering Entity

This step is where you formally initiate the partnership by drafting a request for proposal. This request illustrates your interest in the partnering entity. Further, your goal in an RFP and contract is make sure that you are agreeing upon contractually allotted assets that, in a reaffirming partnership, set you on the best track to continue to achieve your brand's basic mission. In addition to delegating proper assets, it is also important to set common goals that both entities can agree. This, again, emphasizes the point of the partnership, now during the contract signing phase. You want to, one last time before signing, agree on a mutually beneficial set of goals that will allow both entities to project their brand mission and image.

With contracts not being public and often varying in terms, it is difficult to discern the necessities in a contract. Typical contracts will often include an allotment of resources such as tickets to games, LED signage, player usage, advertisement ability, and distribution rights. In addition, contracts tend to include a non-competition clause, a severability clause, and a non-disclosure clause. While certain assets are included in most contracts, no two contracts are ever the same. With that being said, Disney, simply through the sheer amount of partnerships they have enacted, has proven that equal collaboration seems to be necessary in a contract or else success may be less viable. That is, if a contract is not generally equal in terms of provision of resources or ROI, it may be

difficult for the two parties to get along. Thus the proper delegation of assets and agreement of common goals is essential to moving forward.

Step 8: Assuming the Partnership is Underway, Stay True to Your Brand and Your Mission

This is the final step, constantly staying true to your brand's mission and business objectives. Assuming you felt strongly about the other steps above, this phase should be easy. By accomplishing the previous steps, fit and quality should be high, making it easy to maintain your brand's image and perspective. Disney proves this step time and time again where Disney, with their vast and diversified amount of platforms, stays true to their brand in which the company focuses on inserting their business lines into their partner's ordinary business structure. From creating toys, to food, to beverages, to clothing, to theme parks, Disney allows stays true to their mission of selling magic and happiness. Disney, through smart, strategic collaboration, reaffirms their brand through enhancing their many business platforms.

2. Repositioning Strategic Partnerships

In discussing guidelines for a repositioning strategic partnership, I will follow the example Uber has set in this space as it has proven to have an unparalleled ability to alter or redirect its stance amongst broader or different demographics and/or markets.

Step 1: Know Your Brand

Similar to a reaffirming strategic partnership, repositioning partnerships require that those in charge of searching for potential partners know and understand their brand extremely well. A partnership marketer must know the brand's missions, goals and

objectives, and values. Again, it is important to know what story you are trying to tell and if a partnership can complete or enhance that story. Additionally, however, in a repositioning market, it is imperative that you know your brand's goals to reach a new demographic. What demographic or new target audience are you trying to reach? Why are you trying to reach this new audience? Is it to sell a certain new wave of products, to broaden general reach and awareness, or draw the attention of a very specific group of individuals? When it comes to knowing your brand for a repositioning partnership, it is of utmost importance to know what direction your brand is headed and why.

In referencing an example, Uber clearly understands its brand and its mission. Uber's mission is to provide "transportation as reliable as running water, everywhere for everyone."⁹¹ Uber often seeks to stay true to this mission while simultaneously working to insert itself into new and different demographics. By knowing their brand, Uber knows exactly when and where to reposition itself. For example, Uber, wanting to reposition its company to reach a huge, broader audience, it partnered with Starwood Hotels and Resorts. With this partnership, Uber followed its brand mission and collaborated with Starwood to award its passengers with hotel points for each ride they take. Here, Uber partnered with an entity that operates outside of their typical brand function in order to gain broader brand awareness. This partnership proved Uber's knowledge of their brand in that they collaborated with Starwood on a reward-based transportation system while also proving their ability to reposition amongst a broader general audience.

Step 2: From What Angle Are You Repositioning Yourself? Broader Reach? Attaching to a Cause? Opening New Markets?

⁹¹ "Our Mission." *Uber*. 2009. Web. 30 November 2018.

As mentioned, it is important for a company engaging in a repositioning strategic partnership to focus on why they are trying to reposition themselves. Is the goal to sell a certain new wave of products? Or is it to broaden general reach and awareness? Or maybe to draw the attention of a very specific group of individuals? Once a partnership marketer knows the company's goals in terms of how they wish to reposition themselves, the company can then navigate the proper techniques to do so. For example, if your brand is trying to reach a broader, general audience, perhaps looking into partnerships with brands or events that attract high volume of viewership (i.e. the FIFA World Cup or the Olympics) would be best. On the other hand, if your brands repositioning goals are to target a specific demographic, perhaps strategically aligning with a company or event that reaches that audience is most preferable. Repositioning is all about knowing 1) why you want to reposition, 2) who you are trying to reach with this new repositioning goal, and 3) and how can you navigate this repositioning to best achieve your goal.

Uber, over the years, has shown that repositioning can happen in several ways. With their partnership with Starwood, Uber proved they can reposition their brand to reach a broader audience while staying true to their business objectives. Prior to UberEats, Uber was partnered with Walmart for a food delivery service. Uber, at the time, solely was a taxi service. Uber had not commonalities between themselves and Walmart, a retail corporation. However, Uber sought to reposition itself brand by expanding its service, a common angle for repositioning. Uber partnering with Walmart allowed for Walmart to focus on their brand of food and retail services while Uber focused on their mission of driving and transportation. Uber remained focused on their

mission while repositioning their brand to include broader services, thus opening new markets for the brand.

Step 3: Once You Know What Strategy of Repositioning you're trying to Achieve, Search for a Company that Can Fit that Strategy.

While it is of integral importance to partner with a brand that fits your business intentions, it is also important that this partner can also hold up all ends of the deal. You must know, like a reaffirming partnership, the motivations and goals of your potential partner to see if their goals for the partnership align with your repositioning wants. For example, if Company A, the company you intend on partnering with, is about to launch a new marketing campaign that targets an entirely different demographic than their usual strategy, you, as Company B, may not be able to accomplish the repositioning goals you had intended on reaching. It is important to know what motivates Company A and what their projected strategy is in the future in order to be sure that you are able to accomplish the repositioning goals you want. Once you know you are interested in repositioning your brand, you ideally want to find a partner that 1) has proven to reach the audience you want to reach, 2) has similar goals to yours in that they will not be changing their marketing approaching in a way that will be disadvantageous to you, and 3) has the money, resources, and bandwidth to be the proper fit for your brand.

Uber, similar to Disney in the reaffirming example, is a high quality, high earning brand that often has the ability to partner with most interested entities. While there is not direct data on how Uber chooses to select its partners, it can be inferred that Uber, like Disney, opts for partners that fit their brand strategy. However, not only does a partner need to fit a brand's objectives but also, in a repositioning partnership, a partner must

have the ability to accomplish the specific repositioning needs of the brand. For example, Uber has partnered with Pepsi, a beverage supplier, to further their brand strategy. Like the previous examples, Uber and Pepsi do not fundamentally have much in common. However, Uber partnering with Pepsi allowed for Uber to grant free rides in a DeLorean with Pepsi's provision of resources. This allowed for Uber to further enhance their brand by providing rides in cars, but they are also able to get out of their typical price range through collaboration. This strategy clearly falls within Uber's business objectives while also targeting a new, perhaps higher class driver.

Step 4: Be Sure That This Potential Partner Can Truly Reposition You

If you are looking to reposition your brand, it is imperative that you define your goals and expectations from a partnership incredibly clearly. While measuring partnership success can be difficult to track and quantify, it is very important to attempt to measure the changes in demographic reach, changes in sales numbers, and changes in revenue. While it will be difficult to causally attribute those differences to the new partnership, correlation can be established. Ideally, those three aspects mentioned should be trending upward with a partnership. This is why you must truly evaluate if you're actually attempting to reposition your brand. A strategic repositioning partnership should aim to put you and your brand amongst a new or broader demographic. If that is the case, you, as a partnership marketing or business intelligence executive, should definitely be seeing changes in sales, revenue, and demographic reach assuming fit and quality of the partnership is strong.

In any partnership case, it is important to know if the potential partnership will truly accomplish the goals you are seeking to accomplish. While it is nearly impossible to

know the specific goals that Uber sets out for each partnership, we can infer that Uber, at the very least, wishes to gain broader reach and awareness and possibly enter new markets, as defined by a repositioning strategic partnership. While, as mentioned, it can be difficult to track performance, Uber can look at their partnership history and understand what worked and what did not. In addition, in a repositioning partnership, a brand has a better idea of knowing if repositioning will be likely to happen as the brand can see if their potential reaches the audience they wish to reach. For example, Uber may have investigated Pepsi's general demographic reach and saw that they have a high tendency to a certain subset of the population. Thus, with understanding Pepsi's information and demographic reach, Uber could make an informed decision to partner with Pepsi other than say Coca-Cola, a brand of the same beverage category. Knowing your potential partner's skill or ability within their category is important as that allows for you to understand if you are truly repositioning yourself.

Step 5: Think Long Term

Similar to a reaffirming partnership, it is always important to think long term. In a repositioning partnership, you are specifically looking to reach a new demographic or broader demographic. If that is the case, you want to make sure your partner can not only get you there but also keep you there in the long run. In addition, it is important to remember that this alignment, whether one off or long term, can and will affect your consumers' perceptions of your brand's image. Aligning your brand with any entity will cause brand image transfer to occur where your consumers will now, to some degree, base your brand's image off of your partner. It is thus important recognize their history of behavior and see if it is something you as a brand can endure for the long run.

Similar to Disney, Uber, with its long term contracts, must think about how repositioning their brand with a certain entity may affect them later on. Partnership contracts often last a few years as it takes time to create collaborative marketing campaigns and joint products, and be able to see their effect on the consumer end. Uber's partnership with Spotify is a great example of how partnerships must be thought of in the long run. Uber's partnership with Spotify allowed for consumers of Uber to personalize their music in rides. This partnership is very well thought out and proves long term thinking as music and car rides have and likely will always go together. In recognizing this trend, Uber chose to partner with Spotify as this collaborative compatibility will likely exist in the long term.

Step 5: Draft a Request for Proposal (RFP) and Create a Contract Delegating Assets to Each Partnering Entity

Different from a reaffirming partnership, the two entities in a repositioning partnership do not necessarily need to have common goals. They need to agree on what they can provide each other to reach their individual goals. It is possible that you, as Company A, are looking to reposition yourself while your partner, Company B, is looking to reaffirm themselves. This is an important nuance to understand in a repositioning partnership. That is, delegating resources may be a bit trickier as the two partnering entities may have different goals. Once again, it is thus extremely important that what each party wants out of the partnership is clearly defined. If definition is clear, delegating contractual assets should be less of a challenge.

While it is, again, difficult to know what any company includes in a contract for partnership, it can be assumed that Uber overtime has mastered a partnership contract and

has learned what best fits their company when they attempt to reposition. Contracts, as mentioned in the reaffirming guidelines, can come in many different forms but often includes some staple characteristics involving contribution, distribution, protective clauses, and ownership rights. While these assets are different in all contracts, it is important to understand, particularly in a repositioning partnership, that contractually allotted assets have the ability to make or break your repositioning attempt. Something to note in a repositioning partnership at the contract phase is to know what assets you as a brand want contractually allotted in order to reposition yourself. For Uber and Manchester United, this could mean, if trying to reach a more health oriented, athletic audience, having more social media time or promotional signage involving Uber's services and Manchester United players. It is important to note that contractual allocation of assets can target certain assets like social media exposure, LED signage, or advertisements that specifically focus on the demographic the brand wishes to target.

Step 5: Assuming the Partnership is Underway, Stay True to Your Brand and Your Mission

While the goal of a repositioning partnership is for your brand to broaden your horizons, you must still be sure to stay true to your brand and your brand's mission. While you may now be reaching new audiences and markets, it is important to stay true to your original brand message and audience before the partnership. You want to be sure to maintain your original consumer base while also expanding to reach new markets.

Uber, throughout all of their many partnerships, has stayed true to their mission of bringing "transportation as reliable as running water, everywhere for everyone."⁹² While

⁹² Ibid.

Uber approaches each partnership with different demographic or market reach goals,
Uber most definitely stays true to their brand in that they are always targeting ride
sharing or transportation services.

CHAPTER 4:

The Potential Downsides to Marketing Partnerships

While there are many potential benefits to partnerships, there are also several distinct drawbacks. These can occur in either type of partnership, reaffirming or repositioning, and come in a multitude of forms. While not much research has been in the area of the downsides of partnership marketing, several cases can be inferred. These can often stem from the issues that arise when any two entities unite. For example, when two people start dating each other, there are often disagreements, instances of vulnerability, and discrepancies on how things should be shared. A partnership between two companies is no different. The two partnering entities are joining in order to collaborate and share resources but that partnering often does cause potentially harmful tensions that can hurt both enterprises. These tensions include: the difficulty of tracking performance, the difficulty of quantifying outcomes, the high costs, potentially higher turnover/crossover rates, disagreements in ownership, sharing expenses and profits, agreement clarity concerns, and more. These potential downsides or issues, outlined below, with strategic partnerships are largely based on my interference and experience with the partnership marketing community.

One potential downside to a partnership is that it can be very difficult to track performance.⁹³ Other than the media value earned, noticing the increase in overall sales from a sponsorship campaign can be difficult. That is, it can be difficult to determine if

⁹³ Cristal.

the partnership is the cause of a revenue increase or decrease or if other factors may be involved. Thus, if causality cannot be definitively determined, it is fair to say that the performance of partnership marketing will never be as accurately tracked as some forms of digital marketing. This inability to track performance can obviously deter marketers from taking this route of partnership marketing as the costs of forming a partnership are incredibly high and the true return on investment is essentially unknown.

Another similar yet slightly different challenge with partnership marketing is that results--media value, sales, profits or loss, interest from consumers, employee motivation, success or failure within their respective category--can be difficult to quantify.⁹⁴ While performance, as mentioned is difficult to track, quantifying results provides another layer to this complication where it is essentially unknown how to causally quantify results. As mentioned, performance can primarily only be tracked through media value. Often times, marketers have questions of whether the costs be quantified accurately in comparison to that media value earned where marketers tend to be concerned when spending huge amounts of money for an unquantifiable result. Thus, not only is performance difficult to track but it is also not exactly known how to quantify that performance anyway. When it comes to partnerships, numbers and quantifiable evidence of success can become vague where many feel the true, absolute value of a new acquisition, new consumer audience, or even new employees cannot confidently be associated with the partnership itself.

Another downside of strategic partnerships is the fact that these projects are often very costly undertakings. Partnerships, primarily with elite sport entities, cost hundreds of thousands or millions of dollars. These contracts are also, most often, term contracts

⁹⁴ Ibid.

meaning that they last a certain duration, usually years. This long-time frame combined with a high price can easily make any executive weary of entering a partnership. If the partnership were to, for example, cause controversy or not produce successful results, millions of dollars would be 'stuck' in a contract for years. This is of real concern to a lot of brands, especially those who are trying to take a repositioning risk. This high price, in addition, often limits smaller brands and companies on what they can do. Smaller companies who wish to engage in a partnership because they believe the potential partner to be a strong fit in reaffirming their brand or repositioning it are oftentimes stuck because they simply cannot afford the partnership price. While these companies may need to build revenue or find other marketing avenues, it is still a drawback to not be able to even pursue the strategic partnership option.

Another source of concern is the potential for employee crossover from a partnership. When two entities chose to partner, they chose to share resources, including employees. This sharing of employees can be improperly treated or misused where one company's team may be working for the new partner more. This can not only cause crossover to the partner, where employees from one brand crossover to the partner, but it can also cause general turnover where employees of the brand chose to leave because they feel they are over worked by this new partner. A partnership can have the ability to hurt an entity by forcing turnover and crossover if not done strategically. In addition, this turnover/crossover can lead to low employee morale if occurring too frequently.

With partnerships, disagreement is also possible, especially when the partnership involves co-branded material or joint products. Ownership problems often arise when the two partnering entities disagree on where the line is drawn on jointly created or owned

materials. These materials could be products, production sites, or even media rights.

While disagreement is arguably fixable in most situations, disagreement of ownership has the potential to lead to costly lawsuits which would in turn hurt both company's bottom line, ultimately diminishing themselves as both a stand-alone brand and a collective.

Out of this issue arises the issue of bureaucracy. Prior to partnering, a company could make every decision they wanted because they were the sole owners of their company and had complete authority. Now, with a partner, approval on projects, advertisements, products, and marketing must be run by an entirely different company prior to release. Further, imagine if your new partner is in a different time zone or operates at abnormal hours. These timing issues could cause yet another delay in the release of a product or marketing campaign. The downside of bureaucracy is that you must now wait on your partner's approval prior to completing a task. This could cause issue with efficiency and productivity to the point where 1) a brand may not be getting information or products to their consumers fast enough and 2) the brand could be paying employees who are not working because they are waiting for approval. Essentially, bureaucracy issues cause internal brand efficiency problems that could ultimately affect a brand's bottom line if production slows too much.

Additionally, disagreement between partners also tends to occur with the new idea of sharing. In a partnership, both entities will often share both the expenses and profits. Before, as a sole owner of a company, you were able to take 100% of the profits and deal with 100% of the expenses. However, with a partnership, one may now only receive, say, 33% of the profits and pay some expenses. In other words, if you have a partner, you are most likely splitting the costs and profits in some way. This sharing of profits and

expenses ultimately dampens a company's potential returns where they now are being split. In addition to the issue of sharing, partnering companies often find difficulty with how the splitting should be divvied up. Disagreements of how to contractually allot the amount of profits, expenses, and general resources to be shared can destroy a partnership if agreement cannot be made. While this may mean that the fit between the two companies just was not correct, it may also mean that this concept of sharing was not strategically tackled.

This previous topic of the difficulty of contractual allotment leads to the next downside of partnerships: unclear partnership agreements. If a partnership is ill defined, the success of the partnership is likely to never be found. The partnership agreement is the fundamental building block of the partnership. If this agreement is not both clear and understood by both parties, the partnership will fall apart simply due to a construction error. That is, if the two partnering entities do not understand their partnership, each other's goals in the partnership, and each other's contractually allocated resources to achieve those goals, then the partnership has little hope in succeeding. To put this bluntly, an unclear partnership agreement can and will ultimately lead to discrepancies that will affect how long each entity believes the partnership to last. These discrepancies will damage the partners trust in each other, leading to less productivity between the partners and ultimately causing a decrease in potential partner earned revenue.

Strategic partners can also cause disagreement due to simple and innate stylistic differences. Stylistic differences occur when the two partnering entities do not agree on how business strategy should proceed. Partnering entities having stylistic differences can be a sign that fit just was not high in the partnership to begin with. Ideally, partnering

entities should have some similar goals in how they wish to grow their business (i.e. fit). However, sometimes these goals are miscommunicated. This miscommunication can lead to stylistic differences where the two entities just disagree in their goals. This disagreement can prove to be a real challenge as growth and broadening one's audience is a primary goal in any partnership. Thus, if stylistic differences interfere with day-to-day or even long-term business strategies, both entities have the potential to lose revenue due to interference and low productivity.

In addition to stylistic differences, miscommunication issues in terms of scandal or controversy can be of concern. If one company chooses to support a controversial or scandalous figure, the partnered company could suffer. For example, if Company A were to support Donald Trump, a notably scandalous figure, through his candidacy, partnered Company B may receive backlash from its, say, more progressive consumers. Company B, although not directly supporting Donald Trump, is directly supporting a supporter of him. This could leave the company liable and have adverse effects on a company that had no intent on creating a controversial situation. Further, one company's internal scandal could also, now in a partnership, affect the partnered company. For example, if the Chief Executive Officer (CEO) of Company A were to have sexually assaulted many of his or her employees, consumers and internal employees of partnered Company B may not take kindly to the situation and may leave the company. Thus, when entering a partnership, both entities must be aware of the other company's reputation and must understand the risks they are taking in that regard. These scandals or controversial situations can affect employee retention and turnover and effect the company's overall customer base and sales, again ultimately having the potential to decrease revenue.

Perhaps the largest downside to a strategic partnership, or perhaps the summation of this chapter at large, is the issue of risk. All of the negatives discussed above run the issue of risk. As mentioned, partnerships are very costly and their results are both difficult to track and quantify. Further, disagreements in ownership, styles, and agreements all put a company at risk. This risk could be financial risk, risk of customer loss, risk of poor product understanding, risk of reduced sales, risk of employee turnover, or risk of revenue loss. Partnerships are risky in every aspect. It is a nerve racking step to pour millions of dollars into something that could fail and has no quantifiable means of being successful. General risks, including all those mentioned above, are simply more likely to happen with more “cooks in the kitchen.” While these risks are high, due to the high monetary stakes, the potential reward of broadening brand reach and largely increasing revenue could be worth it.

Chapter 5

Conclusions and Recommendations for Further Research

Strategic partnerships give an enterprise the ability to compete in a commercial world with the power of combined marketing efforts and shared resources. Partnerships of either type, reaffirming or repositioning, offer a brand, company, or entity the ability to broaden the scope of their marketing campaigns due to the effects of having shared, co-operated partnership strategies. A reaffirming strategic partnership is one in which a brand chooses to partner with another entity on the basis of reaffirming their image, mission, demographic reach, or products/services. This type of partnership can be enacted through partnering with enterprises that will 1) reaffirm or best align with your brand image, 2) create a better understanding of your products to consumers, 3) stabilize or continue to build revenue, and 4) motivate your internal employees. Opposite of a reaffirming partnership, a repositioning strategic partnership is a partnership strategy in which brands seek reach new demographics and “reposition” themselves amongst a new audience. This form of strategic partnership can be attempted through partnering with enterprises that will 1) broaden your brands awareness, 2) allow for your company to reposition themselves amongst a philanthropic or causal group, and 3) open new product or consumer markets. While both forms of partnerships may have different goals and processes to achieve those goals, they involve the same type of dedication and risk assessment. Partnerships, of any form, are similar to a marriage where two entities are committing to one another (i.e. finances, resources, products, etc.) for some duration of

time. Now understanding the potential downsides and benefits of partnerships, along with the processes to enact either type of partnership, we can begin to understand the importance of all of this and how we can fill in the gaps in the literature.

The importance of partnership marketing and knowing how to partner properly connects back to its historical creation. Partnership marketing arose as a way to help firms better compete in the market. Where one firm could no longer be as competitive on their own, it could now partner with other firms and share the resources necessary to not only compete but excel. Strategic partnerships allow for businesses of any kind the opportunity to grow their customer base, increase revenue, and improve their business. A partnership could provide your 'stand-alone' business access to new products, new markets, and new customer bases. Partnership also allow firms to strengthen weak aspects of their business. Strategic partners may be specialized in an area that your firm is not and a partnership could allow your firm to outsource that specialization to better serve your customers.

While the literature research presented here is extensive, there are gaps. Perhaps the most important step for further research would be to investigate ways to track partnership success. Finding the means to causally attribute an increase in revenue or an increase in consumers to the addition of a partnership would be huge in understanding the true importance and success of partnerships. Being able to pinpoint the effectiveness of partnerships would allow for partnership marketers to better assess both their brand and the partnering entity better when engaging in a partnership. Further, being able to track performance would alleviate many of the downsides mentioned in Chapter Four. Having causal evidence of metrics on performance would reduce the fears of high cost and lack

of quantifiable evidence of success associated with partnerships as information regarding a company's history in partnering would be available.

This leads to the next point that increased transparency regarding the inner workings of partnerships would allow for greater development of this area of marketing. Partnership marketing, as shown through much of the research presented in this paper, is very much novel marketing technique. While further research in general must be done to expand our understanding of this area of marketing, information from partnered companies needs to be more readily available for this to occur. While specific contractual deals cannot often be made public, metrics regarding certain aspects of a company pre and post partnership can be released. That is, if a partnering company were to gauge and record metrics regarding their revenue, spending, consumer base, product reach, social media and media viewership, and demographic range pre and post partnership, perhaps researchers could begin to track trends. Further, if several companies were to do this, perhaps researchers could track correlations that are consistent from firm to firm pre and post partnership, potentially providing data driven evidence to the success of partnerships. Thus, it is important that enterprises realize that the release of statistical data pre- and post- partnership can not only help the partnership marketing arena as a whole, but it would also help individual firms learn how to better make and spend their money, objectively a primary goal of any firm.

Researcher interest in partnership marketing has largely been focused on Fortune 500's top earning brands. Because of this, it may be of interest for researchers to investigate how partnerships can be successful and feasible with organizations outside this elite club. Partnerships, as previously mentioned, require massive amounts of money

in order to create and prolong them. This often inhibits smaller firms from engaging in this shared marketing technique. While these small firms can partner on a lower level, these partnerships do not have the same effects as a partnership with, for example, VISA who reaches a worldwide customer base. Thus, it would be interesting for researchers to explore how smaller firms can make a bigger splash in the marketing space. This research would potentially allow for startups and small firms to grow their brand faster, contributing to success of the field of partnership marketing.

Partnerships marketing, as evidenced throughout this thesis, has come a long way and is now one of the best-known ways to advance your business. With important gaps in the literature, researchers and marketing experts have the space to further advance this platform, ultimately benefiting enterprises worldwide. Learning more about the field of partnership marketing can allow firms to better stay competitive in a growing corporate climate and increase their ability to broaden their reach, boost their brand, and accomplish their mission.

Through my research, I have learned and hopefully illustrated the growing importance of partnership marketing. As evidenced in Chapter One, it arose as a mechanism to enhance a company's competitiveness. I learned not only the importance but also the necessity of enterprise collaboration for brands today to stay relevant. In addition, I realized how important it is for a brand to understand the workings of basic image transfer from brand to brand. This image transfer, as evidenced through the brain's basic neural workings regarding memory, will happen no matter what. This image transfer is thus what makes or breaks a brand in a partnership. A brand must realize that

image transfer from their partner will occur and that this extended image will influence their consumers, ultimately impacting their bottom line.

In addition to appreciating the necessity of partnership marketing and its effect on the engaged entities, I have come to understand how the two distinct strategies operate. This separation of strategies into reaffirming and repositioning has allowed for me to grasp each strategy as its own, hopefully helping marketers better understand their goals in a partnership and the potential outcomes of those goals.

With understanding the salience of partnership marketing itself, I also discovered that it is equally as critical to realize the downsides of the technique in order to best prepare for success. As evidenced in Chapter Four, the primary disadvantage to partnership marketing stems from the aspect of collaboration. Going from a stand-alone brand to a joint venture can be challenging and occasionally detrimental if alignment between the partnering entities is off.

As evidenced in Chapter One, large portions of marketing spending nationally is going towards partnerships. The necessity and importance of this marketing technique is growing and becoming ever more present. I have come to appreciate that, overall, partnership marketing is one of the most successful ways to market your brand if done correctly. This thesis shows marketers and anyone interested in expanding their brand that collaborating with another entity, if done right, is extremely beneficial in keeping your company competitive, relevant, and successful.

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