How Brand Collaborations Change Customers' Self-Brand Connections to High-Priced Brands

Hikaru Nozaki, Kansai University
Hitomi Fukui, Kansai University
Makoto Okazaki, Kansai University
Takahiro Chiba, Kansai University

ABSTRACT
There are many brand collaborations although high-priced brand users are more likely to express their self-concept than low-priced brands users. This study explores negative effect of unbalanced brand collaborations on self-brand connections of high-priced brand customers. The results of analysis of variance reveal three moderators that attenuate the negative effect.

Keywords: *brand collaboration, co-branding, self-brand connections, high-priced brand*

Introduction
Customers define and create their self-concept by using a brand's products and express that self-concept to others (Escalas and Bettman, 2003; 2005). In particular, high-priced brand users are more likely to express their self-concept than low-priced brands users are because high-priced brands are shared by a small population. Incidentally, the customers of a high-priced brand have stronger psychological connections to the brand. Escalas and Bettman (2003) called the connections between customers and brands as self-brand connections. Thus, high-priced brand managers should always pay attention to the level of self-brand connections of their customer base.

On the other hand, recently, we have found many cases where high-priced brands collaborate with other brands that are in a lower price range and in a different industrial category. For example, Kenzo, a high-priced brand, has collaborated with H&M, a low-priced brand, while luxury car brand Mercedes-Benz has collaborated with popular watch brand Swatch. Firms are increasingly interested in collaboration as a means to gain entry into more marketplaces, to manage the threat of private label brands, and to share the production costs for new products with partner brands (Spethmann and Benezra, 1994).

Previous studies have not analyzed the relationship between brand collaboration and customers' psychological connections to a brand, that is, self-brand connections. Analyzing such relationship is crucial, as customers of a high-priced brand might feel that the brand does not express their self-concept, and their relationship with the brand can weaken when the brand collaborates with moderate- or low-priced brands. Thus, it is urgent for marketing and brand research to clarify the influences of brand collaboration on self-brand connections. We hypothesize that self-brand connections can become deteriorated owing to unbalanced brand collaborations and empirically examine the validity of the hypotheses using analysis of variance.

In addition, there might be marketing tactics to attenuate or moderate the deterioration of customers' self-brand connections resulting from unbalanced brand collaborations. For example, firms can plan marketing tactics such as limiting the sales quantity of and collaboration period for products and creating a new brand name for them. We also hypothesize and test these moderating factors. In this empirical study, we conduct an experimental survey and ANOVA. Our findings provide theoretical implications for brand researchers and managerial implications for brand managers.

For further information contact: Takahiro Chiba, Kansai University (chiba1127@gmail.com).

Theoretical Development

A Prime Effect of Brand Collaboration

Consumers often use brands as a way to express themselves. In particular, customers utilizing a high-priced brand might strongly express their self-concept and show a high level of self-brand connection. Self-brand connections are defined as "the extent to which individuals have incorporated brands into their self-concept" (Escalas and Bettman, 2003, p. 340). Escalas and Bettman (2003; 2005) empirically examined the effect of a match between images of a reference group, such as an in-group, out-group, or aspiration group, and brand association on self-brand connections. They found that the match between images of in-group or aspiration group and brand association has the positive effects on self-brand connections and that the match between images of out-group and brand association has the negative effect on self-brand connections.

However, prior research has not analyzed the effect of brand collaboration on self-brand connections of high-priced brand customers. While co-branding or brand collaboration brings some benefits to both brands (Spethmann and Benezra, 1994), it might not bring benefits to self-brand connections of high-priced brand customers. First, users perceive a change in brand image or personality from a brand collaboration (Plummer, 1985), and this change makes them feel that the psychological association of self-concept with the brand weakens. Second, collaboration between high- and low-priced brands changes the customer base and thus the user image. This change might be favorable for the customers of the low-priced brand but unfavorable for the customers of the high-priced brand because the shift of the user image of the low-priced brand to that of the high-priced brand makes it difficult for customers to express their self-concept (Aaker, 1996). Therefore, we propose hypothesis 1 as follows.

H1: In the case of a collaboration between a high- and a low-priced brand, the self-brand connections of the high-priced brand customers decrease.

Moderation by Price

According to Keller (2008), logical consistency is important to successful co-branding and brand collaboration. High-priced brand users tend to conspicuously exhibit their status through purchasing and utilizing a high-priced brand. On the other hand, if a high-priced brand collaborates with a low-priced brand, such high-priced brand users lose some benefits resulting from the high-priced brand because the price of the collaboration product is often lower than that of a similar product of the high-priced brand. As a result, the users do not perceive logical consistency of the brand collaboration.

However, it is possible to maintain a high-priced brand's selling price by collaborating with another high-priced brand. In that case, the customers of the high-priced brand will continue to feel superior, and they will perceive logical consistency of the brand collaboration. Therefore, we propose hypothesis 2 as follows.

H2: In the case of a collaboration between a high-priced brand and another high-priced brand, the self-brand connections of the high-priced brand customer are less likely to decrease. That is, there is an interaction effect between a collaboration and the price range of a collaboration partner.

Moderation by Limitation

When a high-priced brand collaborates with a low-priced brand, the customers of the high-priced brand might perceive that the user image of the brand will change. This change in the brand's user image means that the customers perceive that a different type of user will consume the brand, and consequently, the customers feel the connection between the focal brand and their self-concept will weaken (Escalas and Bettman, 2005).

Meanwhile, the psychological reactance theory implies that customers are strongly motivated to obtain the restricted option when the freedom of choice is limited than when it is not (Brehm, 1966). Also, Cialdini (2000) indicated that consumers consider a product of limited availability to be of high-value. An unbalanced brand collaboration between a high- and a low-priced brand decreases customers' self-brand connections to the high-priced brand, but if the sales quantity of and/or period of collaboration for the products are limited, the customers might perceive the limited brand as valuable because the limited quantity and/or period imply that the user image associated with the high-priced brand might differ little from that before the collaboration. Therefore, we propose hypotheses 3-1 and 3-2 as follows.

H3-1: In the case of a collaboration between a high- and a low-priced brand, when the sales quantity of collaboration products is limited, the self-brand connections of the high-priced brand customers are less likely to decrease. That is, there is an interaction effect between a collaboration and sales quantity.

H3-2: In the case of a collaboration between a high- and a low-priced brand, when the sales period for collaboration products is limited, the self-brand connections of the high-priced brand customers are less likely to decrease. That is, there is an interaction effect between a collaboration and sales period.

Moderation by a New Brand Name

Brand managers of a firm or a business unit can roughly choose between two alternative strategies when they launch a new product. The brand extension strategy utilizes an existing brand name, making it is easy for customers to process product information. In contrast, the new brands strategy utilizes a brand name that is completely different from that of the extant brand, enabling customers to have a new brand image and association.

High-priced brand customers are likely to perceive changes in brand image and personality when the brand collaborates with a low-priced brand (Plummer, 1985), and these changes resulting from the collaboration might weaken the connection between the customers' self-concept and the high-priced brand. However, if the brand name of the collaboration product is new, the connection will not weaken because the new brand name enables the customers to distinguish it from the high-priced brand, and thus, the brand association of the high-priced brand might be different from that of the new brand after the collaboration (Aaker, 1996). Therefore, we propose hypothesis 4 as follows.

H4: In the case of a collaboration between a high- and a low-priced brand, when collaboration products bear a new brand name, the self-brand connections of the high-priced brand customers to the brand is less likely to decrease. That is, there is an interaction effect between a collaboration and a new/extant brand name.

Empirical Analysis

Pre-Test

Based on the work of Escalas and Bettman (2003), in a pre-test designed to select stimulus brands that are meaningful to the participant population, 89 people from the general public on the internet, different from the participants in the main survey, were asked to list up to five brands that they considered to be high-priced and defining a narrow target and another five that they considered to be low-priced and defining a wide target. Seventeen brands that were mentioned most by the participants were used in the main survey. These brands included 16 high-priced brands, namely Chanel, Louis Vuitton, Hermes, Prada, Gucci, Yves Saint Laurent, Dior, Coach, Rolex, Bvlgari, Burberry, Marc Jacobs, Ferrari, Porsche, Mercedes-Benz, and Beams, and one low-priced brand, Uniqlo.

Procedure and Data Collection

In the experimental survey, we reestablished the conditional scenario method used by Escalas and Bettman (2003; 2005). For hypothesis 1, we assigned two scenarios in a within-subjects design (before/after an unbalanced collaboration). For hypotheses 2 to 4, we assigned 32 scenarios: 2 (before/after a collaboration) × 2 (with high-priced/low-priced brand) × 2 (limited/no limited quantity) × 2 (limited/no limited period) × 2 (new/extant brand name) with collaboration (before/after) as a within-subjects variable and the other factors as between-subjects variables.

The scale used to assess self-brand connections was also based on the work of Escalas and Bettman (2003; 2005). First, the participants were asked to select one high-priced brand from among the 16 brands selected in the pre-test and to assume that the selected brand and Uniqlo concertedly produced collaborated goods. When we tested the price range of the collaboration partner, we asked the participants to select two brands and to assume that these brands have collaborated. Second, the participants were asked to indicate how much they disagree or agree with the following seven statements, which were anchored by strongly disagree [0] to strongly agree [100]: "This brand reflects who I am," "I can identify with this brand," "I feel a personal connection to this brand," "I use this brand to communicate who I am to other people," "I think this brand helps me become the type of person I want to be," "I consider this brand to be "me" (it reflects who I consider myself to be or the way that I want to present myself to others)," and "This brand suits me well"; the participants' responses were aggregated to form one self-brand connection score per participant per brand ($\alpha = 0.685$). The participants were 200 passersby and undergraduate students from the general public in an urban area, Japan, yielding a total of 118 responses, of which 92 were deemed usable after list-wise deletion (46%). Of 92 valid responses, 49 are female (53.261%).

Manipulation Checks

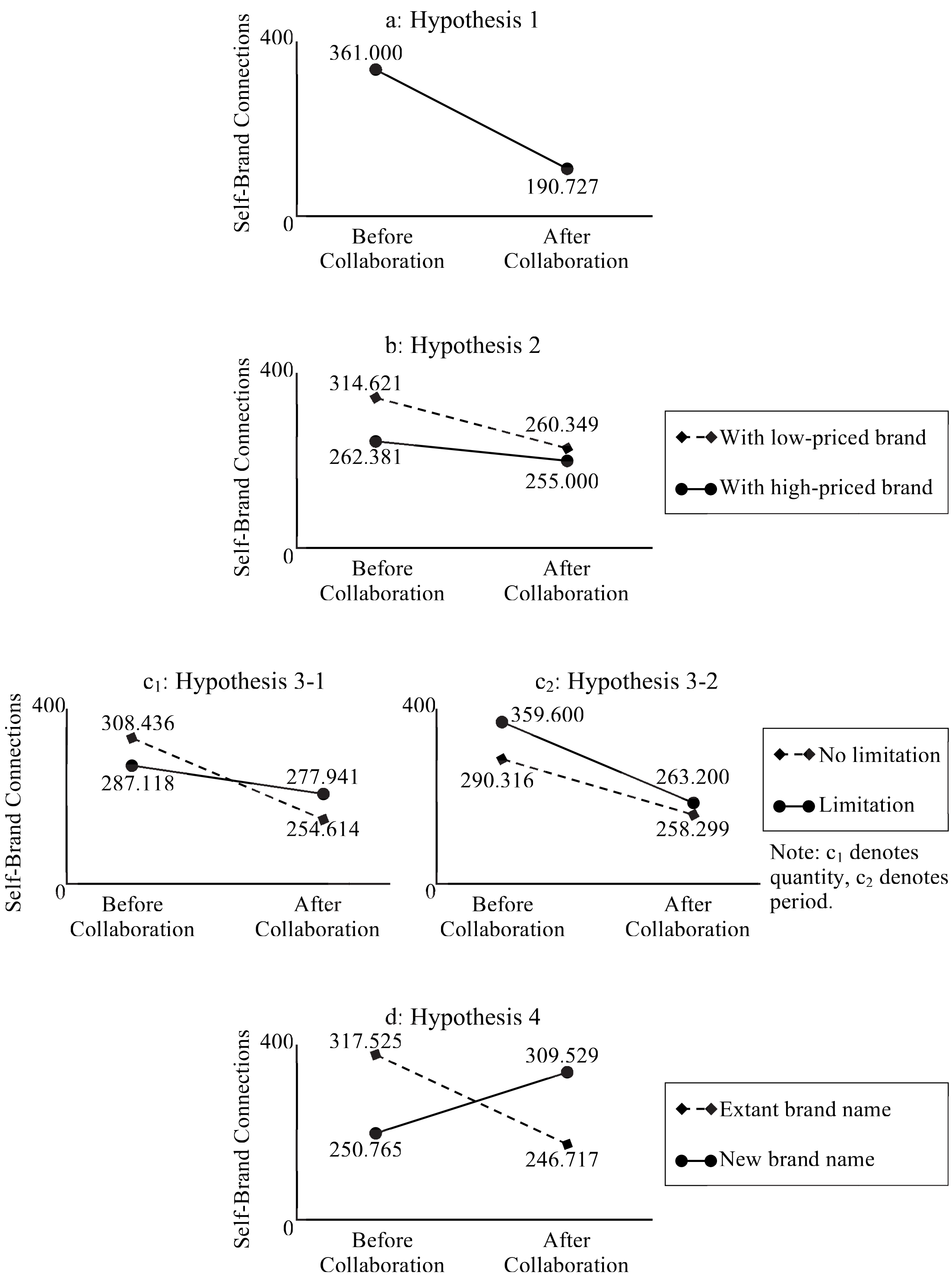
In the scenarios for hypotheses 1 and 2, the participants were asked to answer either of the following yes-no questions: "Did you think about the brand collaboration between the brand that you chose and Uniqlo?" or "Did you think about the brand collaboration between the two brands that you chose?" We conducted a univariate χ^2 test, and the results showed that the participants comprehended the contents of the scenarios for hypotheses 1 and 2 ($\chi^2_{H1} = 9.091$, $p < 0.05$, $\chi^2_{H2} = 11.143$, $p < 0.01$).

In the scenarios for hypotheses 3-1, 3-2, and 4, the participants were asked to answer the following yes-no questions in addition to the first yes-no question: "Did you assume that the collaboration product was sold in a limited quantity?" "Did you assume that the collaboration product was sold for a limited time?" and "Did you assume that the collaboration product bore a new brand name?" We conducted a bivariate χ^2 test, which showed that the manipulation succeeded ($\chi^2_{H3\text{-}1} = 7.529$, $p < 0.05$, $\chi^2_{H3\text{-}2} = 11.267$, $p < 0.001$, $\chi^2_{H4} = 22.118$, $p < 0.001$).

Results for Hypothesis 1

Hypothesis 1 asserts that an unbalanced collaboration would statistically decrease the degree of self-brand connection to a high-priced brand. The one-way ANOVA of the hypothesis 1 model revealed that the F-value was 32.316, which was significant at the 0.1% level, and the R^2 value was 0.435. Therefore, hypothesis 1 was supported. Figure 1a shows that the values of self-brand connections were 361.000 before collaboration and 190.727 after collaboration (standard error was 21.180).

Figure 1. Hypotheses Testing



Results for Hypotheses 2, 3, and 4

A five-way ANOVA, which is 2 (before/after a collaboration) × 2 (with high-priced/low-priced brand) × 2 (limited/no limited quantity) × 2 (limited/no limited period) × 2 (new/extant brand name), was conducted to test hypotheses 2, 3, and 4. The overall F-value was 3.783, which was significant at the 0.1% level, and the R^2 value was 0.164.

Hypothesis 2 implies that the collaboration between high-priced brands would moderate the negative effect of a collaboration on self-brand connections. The F-value of the interaction effect between a collaboration and price range was 10.350, which was significant at the 1% level. Therefore, hypothesis 2 was supported. Figure 1b shows that the values of self-brand connections were 262.381 before collaboration and 255.000 after collaboration with another high-priced brand (standard error was 25.609).

Hypothesis 3-1 implies that limiting the sales quantity of a collaboration product would moderate the negative effect of a collaboration on self-brand connections. The F-value of the interaction effect between a collaboration and quantity limitation was 9.035, which was significant at the 1% level. Therefore, hypothesis 3-1 was supported. Figure $1c_1$ shows that the values of self-brand connections were 287.118 before collaboration and 277.941 after collaboration with quantity limitation (standard error was 28.463).

Hypothesis 3-2 implies that limiting the sales period of a collaboration product would moderate the negative effect of a collaboration on self-brand connections. The F-value of the interaction effect between a collaboration and limited period was 1.767, which was not significant. Therefore, hypothesis 3-2 was not supported. Figure $1c_2$ shows that the values of self-brand connections were 359.600 before collaboration and 263.200 after collaboration with period limitation (standard error was 30.301).

Hypothesis 4 implies that creating a new brand name would moderate the negative effect of a collaboration on self-brand connections. The F-value of the interaction effect between a collaboration and a new brand name was 18.263, which was significant at the 0.1% level. Therefore, hypothesis 4 was supported. Figure 1d shows that the values of self-brand connections were 250.765 before collaboration and 309.529 after collaboration with a new brand name (standard error was 28.463).

Discussion and Conclusion

Findings and Contributions

Self-brand connections are deeply involved in brand images, such as the user image and/or brand personality. Escalas and Bettman (2003; 2005), focusing on the user image of brands, examined the effects of types of reference groups on customers' self-brand connections. In this study, focusing on both user image and brand personality, we examined self-brand connections that result from co-branding or brand collaboration between high- and low-priced brands. To our knowledge, this study is the first to conduct this kind of study.

The logical and empirical examinations produced the following findings:

1. When a high-priced brand collaborates with a low-priced brand, the self-brand connections of high-priced brand customers decreases.

2. Three moderators attenuate the negative effects of an unbalanced collaboration on high-priced brand customers' self-brand connections, which are as follows:

   2-1. The first moderator is choosing a collaboration partner that is a brand within the same price range.

   2-2. The second moderator is limiting the sales quantity of a collaboration product.

   2-3. The third moderator is creating a new brand name for a collaboration product, rather than using an existing one.

This study contributes to marketing and brand research by revealing that an unbalanced brand collaboration results in negative consumer reactions to the high-priced brand, which is consistent with balance theory predictions (Heider, 1946). In addition, the study provides logical and empirical support for the notion that deliberate selection of partner brands ensures the logical consistency of co-branding (Keller, 2008). The management of a firm with high-priced brands should deliberately review their own brands' history, concept, price range, and other relevant aspects, and then select the appropriate collaboration partner to prevent their customers from being disappointed. We also find that limiting the sales quantity of and creating a new brand name for a collaboration product attenuate the negative effect of an unbalanced brand collaboration on customers' self-brand connections. Thus, high-priced brand managers need to accurately comprehend their brands' user images. When a collaboration makes it possible for a different customer base to utilize products bearing their brand name, brand managers should determine the profile of these new customers to help ensure that only the appropriate users utilize the brand. Also, managers should determine a new brand name for a collaboration product if they think that the product's price, advertising, or distribution strategies would harm the focal brand, to avoid diluting the personality of that brand.

Limitations and Future Research

In this empirical study, we focused on customers' self-brand connections when co-branding or a brand collaboration strategy is executed. We found that even if customers' self-brand connections decrease owing to an unbalanced collaboration between a high- and a low-priced brand, after a long time has elapsed, self-brand connections might recover to the level before the collaboration if the customers forget the brand collaboration itself or if subsequent collaboration strategy has positive effects. Further research could explore the effects of the elapse of time on the level of self-brand connections and the moderators that strengthen or weaken the effects.

The moderators in this article reflect the marketing decision making of firms with high- or low-priced brands. An interesting issue for future research would be to explore moderating factors pertaining to a reference group, such as an in-group, strange group, antagonistic group, or aspiration group, where a brand is used (Escalas and Bettman, 2005). We hope that this study is a first step toward exploring the relationship between co-branding and self-brand connections and that the above recommendations will result in an increased understanding of marketing and brands.

References

Aaker, David A. (1996), *Building Strong Brands*, New York, NY: Free Press.

Brehm, Jack W. (1966), *A Theory of Psychological Reactance*, Oxford, UK: Academic Press.

Cialdini, Robert B. (2000), *Influence: Science and Practice, 4th Edition*, Boston, MA: Allyn & Bacon.

Escalas, Jennifer Edson and James R. Bettman (2003), "You Are What They Eat: The Influence of Reference Groups on Consumers' Connection to Brands," *Journal of Consumer Psychology*, 13 (3), 339–348.

——— and ——— (2005), "Self-Construal, Reference Groups, and Brand Meaning," *Journal of Consumer Research*, 32 (3), 378–389.

Heider, Flitz (1946), "Attitudes and Cognitive Organization," *Journal of Psychology*, 21 (1), 107–112.

Keller, Kevin Lane (2008), *Strategic Brand Management, 3rd Edition*, Upper Saddle River, NJ: Prentice Hall.

Plummer, Joseph T. (1985), "How Personality Makes a Difference," *Journal of Advertising Research*, 24 (6), 27–31.

Spethmann, Betsy and Karen Benezra (1994), "Co-Brand or be Damned," *Brandweek*, 35 (45), 20–24.