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FUSING PRODUCTS AND BRANDS: WHEN DOES PARTNERING PAY OFF?

Abstract
The goal of this study was to examine consumer reactions towards branded hybrid product. We examined how consumers interpret and evaluate hybrids with a single brand vs. multiple brands. The results show that consumers are more likely to interpret a product symmetrically (i.e., give equal status to both categories) when two category cues are used. We also found that a co-branded hybrid is preferred over a single-branded hybrid when the hybrid is interpreted symmetrically. Finally, we confirmed that a hybrid with emergent attributes is evaluated more positively than a hybrid product with no emergent attributes.
FUSING PRODUCTS AND BRANDS: WHEN DOES PARTNERING PAY OFF?

Hybrid products are formed by the combination of multiple functionalities into one product (e.g., messenger watch) (Jain and Ziamou 1995). To date, few studies exist on hybrid products (Gill and Dube 2007; Gregan-Paxton et al. 2005). In particular, none of the studies have focused on the branding of hybrids. The goal of this study is to examine consumer reactions towards branded hybrid products.

Consumers may interpret hybrid products asymmetrically or symmetrically. In an asymmetric interpretation, one of the concepts in the combination is considered dominant (i.e., the header) and is used as a base for the interpretation (Costello and Keane 2001). The other concept (i.e., the modifier) modifies the representation of the header as features are imported from the modifier to the header (Wisniewski 1997). In a symmetrical interpretation, consumers fuse the two concepts and both are given equal status (Goldvarg and Glucksberg 1998).

A brand is likely to change the interpretation of a hybrid as a brand constitutes a concept in itself (Boush and Loken 1991). When a hybrid is single-branded, consumers encounter a product with two functionalities and one brand (e.g., messenger watch by Timex). As a brand is often associated more with one of the functionalities than the other, consumers are likely to reach an asymmetrical interpretation. When the hybrid is co-branded, consumers encounter a product with two functionalities and two brands (e.g., messenger watch by MSN and Swatch). With co-branding, each brand is presumed to be associated to one of the functionalities and thus the interpretation process is likely symmetrical. However, the symmetry evoked by the two brands may be altered when one brand is associated more to the new product than the other.

In study 1 we examine how consumers interpret and evaluate hybrids that are branded with single vs. multiple brands. In study 2 we extend the findings of study 1 by including the role of emergent attributes. Emergent attributes signal that hybrids are more than the sum of its parts as they are features that are considered to be part of a combination, but not of the original products or brands (Bristol 1996).

Method

For study 1 we used a two (unbranded vs. branded) by three (header, modifier, header-modifier cue) between subjects by two (durable, FMCG) within subjects design (N=286; M<sub>age</sub>=46; 60% female). For study 2 we used a three-level (header, modifier, header-modifier cue) between subjects design (N=210; M<sub>age</sub>=46; 50% female). In both studies the order of the header-modifier cues were counterbalanced across participants to eliminate possible order effects. Stimuli consisted of a headline with the brand(s) and/or category cue(s) (e.g., Braun, a producer of coffee machines) and a short description with a visual. Four new hybrids were used for study 1 and two new hybrids for study 2. Appropriate product(combination)s and brands were determined through a series of pre-tests.

Attitude toward the hybrid was a nine-point six-item scale (Samu et al. 1999; Simonin and Ruth 1998). (A)symmetry on the product level was measured with a single item (product looks more like product A or B). (A)symmetry between the brands of the co-branded hybrid was measured with two items (product and brand A fit/complement each other better than product and brand B). We controlled for fit between the categories, fit between the brands, the

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1 Co-branding is the development of a product through a partnership between two (or more) existing brands that is made explicit to the consumer (Blackett and Russell, 1999).
2 As there were no order effects, the data were collapsed.
innovativeness of the hybrid, familiarity and prior attitude towards each brand, and the participant’s experience with the original categories. In study 2 two open ended questions were added to determine whether emergent attributes were inferred.

Results
We proposed that a single-branded hybrid product (SB) would be more likely to be interpreted using asymmetrical interpretation, and a co-branded hybrid (CB) would be more likely to be interpreted using symmetrical interpretation. However, if one of the brands in the co-branded product was considered dominant over the other brand, asymmetrical interpretations are more likely. We also proposed that a co-branded hybrid product would be considered more attractive than a single-branded product.

The results show that there was no difference between SB and CB if brand dominance is unaccounted for (asymmetrical interpretation 82% versus 85%; $\chi^2=0.22, \text{ ns}$). However, if we account for brand dominance, consumers who considered the CB to have no dominant brand are less likely to use an asymmetrical interpretation (brand symmetry 69%, brand asymmetry 100%; $\chi^2=12.86, p<.001$). Thus, consumers are more likely to interpret the hybrid symmetrically when they believe both brands contributed equally to the new product.

We conducted an ANCOVA with attitude toward the new product as the dependent, brand strategy and (a)symmetrical interpretation as the factors, and fit between the product categories as a covariate. We found an effect for the covariate ($F(1,133)=38.20, p<.001$) and a main effect for brand strategy ($M_{\text{CB}}=5.6, M_{\text{SB}}=4.7; F(1,133)=4.66, p<.04$). A co-branded hybrid is preferred over a single-branded hybrid. We also found a significant interaction effect ($F(1,133)=4.39, p<.05$). Consumers who interpreted the hybrid symmetrically considered the product more attractive when it was co-branded than when it was single-branded ($M_{\text{sym.CB}}=5.9, M_{\text{sym.SB}}=4.1; F(1,18)=6.02, p<.03$).

In study 2, we replicated the findings of study 1 in relation to type of interpretation (brand asymmetry: asymmetrical interpretation 86%; brand symmetry: asymmetrical interpretation 58%; $\chi^2=10.27, p<.001$).

We proposed that emergent attributes (EA) would increase the attractiveness of hybrid products. The results regarding the emergent attributes showed that respondents with EA evaluated the new product more positively than the respondents with no EA ($M_{\text{EA}}=6.4, M_{\text{no EA}}=5.7; t(202)=2.87, p<.01$).

Discussion
This study examined consumer reactions to branded hybrid products. The results show that co-branding leads to a more symmetric interpretation (unless one brand is dominant), whereas single-branded products lead to more asymmetric interpretations. In addition, we found that consumers find co-branded products more attractive than single-branded products, provided that none of the brands in the co-branded product is dominant. Finally, we confirmed that a hybrid product with emergent attributes is evaluated more positively than one without such attributes. With this study we contribute both to the literature on branding and the literature on hybrids by showing that consumer reactions to hybrid products is dependent on the brand strategy utilized.
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