
Brand Alliance, a Strategy to Enter New Markets and a Tool for Positioning

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Brand alliance has emerged in the last two decades as a form of cooperation between two or more established brand names and has expanded as a business strategy to include both the production/ service sectors. This strategy is taking different forms; the most common one is co-branding which involves associating a single product with more than one brand name. Another approach to create a brand alliance is brand licensing, in which one business obtains the rights to utilize the brand name owned by another business for a specific project or activity under a licensing agreement or contract. The third common approach is known as cross-marketing, and this implies the creation for a joint marketing campaign which allows two or more companies to promote each other and consequently broaden their prospective consumer bases. Brand alliance may be a short-term tactical partnership to increase awareness in the consumer's minds, promote sales and provide urgent financial resources, as it may also be a long-term strategic tool for brand growth and development and marketing success. In this sense, relying on a case study which involves a contracted alliance since 2005, between Algeria post foundation and mobiles branch, the researcher will try to demonstrate the advantages of such a strategy for these two operators, as a tool to enlarge the target population, penetrate new markets, strengthen the brand image in the mind of the consumer and reinforce its competitive position.

Keywords: strategic alliance; co-branding; corporate communication; Algeria post; Mobilise

Introduction

Brand alliance is a contemporary marketing form of cooperation which has a great impact not only on the consumer's behaviour, but also on the brand name itself. It is a kind of cooperation which has appeared mainly in the last two decades and has expanded to include a huge number of sectors such as the automotive sectors, food industry, the electro-domestic industry, the cosmetics industry, telecommunications, and has recently started to invade the distribution sector, insurance, and even banking.

A multitude of terms have been used to express this kind of marketing cooperation between brands (brand alliance, co-branding, joint-marketing, cross-promotion, joint-branding...) This richness in terminology is due, in our view point, to the diversity of forms this cooperative activity can take. Therefore, it becomes very hard to limit this concept of "brand alliance" to a single and unified definition.

The nature of brand alliance

A wide range of literature has been used to define the term "brand alliance". This latter may be divided into two main categories or groups:

- The first group includes all the definitions of brand alliance based on the elaboration or development of the product and co-branding.

Kapferer definition: in order to distinguish between the term alliance in its broad sense, and that which relies only on the contribution to the development of the co-product, Kapferer states. On the contrary to this, Keller says that the alliance may take different forms, and that co-branding is the most important one.

However, the most well established definition as far as this matter of brand alliance is concerned is that stated by J. J, CEGARRA et M. GERALDINE who propose the classification of the term alliance according to the stages of the elaboration and development of the product, i.e, product creation, labeling, and promotion.

In this sense, during the elaboration of the product, the alliance becomes a form of industrial cooperation which involves gathering the suitable intellectual and financial capacities to create a product that may take a same or a different brand name.

Additionally, in co-branding, brands complement each other and help each other to achieve their aims, i.e, increase revenue or brand recognition, penetrate new markets by introducing new products, create trust in the mind of the consumer, and enhance sales.

- The second group: it implies all the definitions of brand alliance that are based on co-communication, namely those of (B. SEBECEVAC, M.KOULLIBALY, Rim DORAY). In the same way, M. GERALDINE & J. J. CEGARRA define the term alliance as a marketing activity which involves the cooperation of different brand names to make joint-advertising on newspapers, TV channels, and even Internet sites in order to introduce the two brand names simultaneously in these campaigns.

So, from the definitions mentioned above, one may conclude the following:

- Brand alliance is a marketing activity which aims at the elaboration of two or more brand names that are jointly presented to the consumer.
- This alliance may be a long-term practice to express a strategic activity, or a short-term partnership which reflects a tactical action to achieve specific purposes.
- It may be a marketing activity exclusively limited to two brands, as it may also entail different brand names.
- Finally, brand alliance may imply a co-production in the production/service sector, as it may also be limited to co-communication, i.e, and joint advertising campaigns to promote the brand names, or endorse the brand products.

Types of brand alliance

On the light of foregoing conclusions, we may categorize brand alliance into two main types: functional versus, symbolic alliance.

Functional alliance

This kind of alliance implies conveying a specific idea, which is a real contribution of the two brand names to make the new product. Consequently, these two brand names prominently appear either on the new product or on its package. For example, in Philips & Nivea alliance to product the shaver (Philips/Nivea), Philips plays a prevailing role not only in

the production of the new product, but also on its selling, whereas Nivea participation in the elaboration and the selling of product is only complementary (secondary).

Additionally, cooperation in functional alliances may be exclusively limited to one brand name, as it may also include different brand names as for the brand Intel which appears in different computers IBM, HP, ACER, COMPAQ...

Symbolic alliance:

Under this kind of alliance, there is no complementarity at the functional level between the alliance brands. Therefore, we often notice that these brands belong to different activity sectors. For example, one category of the products may benefit from the brand image of another product which is completely different by putting the brand name of this latter on its package. Similarly, in the symbolic coalition, the partnership may be exclusive to two brand names, as it may also be multilateral including different brand names which appear on the package of the product, on the product itself, or side by side in common advertising campaigns.

An analysis of the advertising supply provided by the allied brands

Starting from the belief that brand alliance aims primarily at influencing the consumer behaviour through the coalition of two products, we may distinguish between two models of advertising supply. The first model reflects an unbalanced relationship in the adopted way of advertising, while the second model expresses a balanced way in the different advertising campaigns.

Methods of unbalanced advertising supply adopted in brand alliance

Disparity is the main characteristics of such a kind of advertising supply, in the sense that one brand is principal, strong and always seeks to strengthen its position in the mind of the consumer, whereas the other brand is secondary, weak, and usually needs support.

- The sponsorship method: in this case, a well-known brand appears side – directly or indirectly- which the host brand on the advertising board as a way to endorse this latter.

- The recommendation method; unlike in the sponsorship method, the host brand is already known and well-established in the mind of the consumer and is used as a way to support the second brand and enhance its use.

- The contribution method: in this case, the alliance is based on a real contribution of both brands to make the joint product. Thus, the host brand is actually the owner of the product, whereas the contribution of the second brand is additional in the sense that it either provides the former with new technology to improve the performance of the new product, or it constitutes one of its basic components as is the case in the “hp”/ “intel” product where the brand “hp” is the owner of the product, whereas “intel” represents just one of the components that make the computer.

As a conclusion to what has been stated above, one may confirm that the two first methods enable the unknown brand to improve its image in the mind of the consumer and to gain his confidence and trust due to its coalition with a well-known brand. Contrary to this, in the contribution method, the common product is attributed to the host brand since it is the one that makes this latter, whereas the second brand is only complementary.

Methods of balanced advertising supply adopted in brand alliance

These reflect a state of balance in the strength of the allied brands. They also show the same power of presence in the mind of the consumer. In this case, we may state two distinct methods:

In the first method, we may notice a kind of equal and unified participation of the allied brands. In this sense, there is no strong or weak brand, since the name of the two brands appear with the same power on the package of the product, or on the advertising board, a think which strengthens the brand image in the mind of the consumer and gives more trust and reliability to the common product.

The second method is based on surprise and attraction, since the alliance is basically made between two or more brands that are equal in strength, but different in nature and from different production sectors. Thus, the aim of coalition here is the creation of a kind of association – in

the mind of the consumer – between two products from two distinct sectors by relating them to some common values such as attractiveness, luxury and beauty.

The brand “Smart/Orange” is a good example of this alliance between two different sectors since the former refers to the automotive industry whereas the latter to mobile phones.

To conclude with, we may say that this balanced or unbalanced relationship in brand alliance does not automatically imply that one brand will make benefit more than the other. On the contrary of that, each brand will make its own gains and will realize its goals according to the principal of mutual benefit.

Brand alliance as a tool of positioning

The concept of new markets does not only imply these geographical locations or places where the buyer and seller meet to do some commercial transactions.

It also refers to this act where a company expands its activities to include others varieties of products and creates new markets that did not exist before.

As for the geographical concept of the market, it is more interesting for the local brand to be allied with other brands outside the national borders than to enter the market individually since the former can widely benefit from the fame, trust, and image of the latter in the mind of the consumer. In the same way, the foreign brand benefits from low costs especially those concerning market research and the distribution channels.

In contrast to this, if we consider the alliance as a tool to expand the field of activity of the brand, i.e, to expand its reference borders, we may say that this coalition can allow one brand to invade the other production sectors as is the case for the partnership of Nivea with Philips to produce the razor "Philips /Nivea" where we notice that Nivea – which is normally a brand advocated for women- has entered a totally new market , i.e, that of men, a thing which has led to the reinforcement of its position in the market.

Additionally, brand alliance may be a way to create new markets that did not exist before. A good illustration of this is the coalition of Rowenta which is a brand of household electrical appliances, with Ariel the detergent brand, to produce a new kind of product, that of stain-removing.

The alliance as a tool for repositioning

By definition, positioning means how we would like the consumer to perceive the product or the brand, which is actually a marketing strategy designed to follow the evolution of the market and the changes that may occur with the consumer's motivations and requirements.

Lendrevie et Lindon relate the definition of positioning to that of brand image. Hence, brand image represents these cognitive associations- real or imaginary qualities- in the mind of the consumer, while positioning represents the process which allows the consumer to distinguish the targeted product from the competitor's ones.

Consequently, positioning is based on two points which are:

- discovering the reference source means to choose the category of products to which the brand should belong, i.e, this voluntary act of positioning seeks to establish the idea that the product belongs to a specific category in the mind of the consumer. In addition to this, positioning in this particular case should detect the competitors who produce the same product and those who make products which respond to the consumer's same choice.

- differentiation means the different characteristics that the consumers attribute to the product or to the brand. In this sense, the product should be attractive, reliable, original and durable.

To sum up, positioning aims at demonstrating the functional and symbolic characteristics of the product, these characteristics which distinguish it from the competitors' one, for example, in its advertising campaign, Duracell, the battery brand has emphasized on the product long lifecycle, and has given less importance to the environmental and aesthetic side of the product. Consequently, positioning becomes a concept which is largely related to the brand image. Thus, the choice of brand positioning is actually the choice of the brand image that the consumer builds in his mind compared to that of the competitor. Therefore, it is crucial for all the marketing policies and strategies, starting with the policy of the marketing mix, to the policy of direct marketing and public relations and ending with the alliance strategies as a way to strengthen its position in the mind of the consumer or a way for re-positioning and the expansion of the brand image to attract new categories of consumers.

In some other cases, we may find some brands allied with more than one particular brand in the field of common communication policies, aiming at expanding the circle of its positioning and improving its vision on the part of the consumers, as is the case for the brand Opel which has developed different alliance contracts for the promotion of Corsa automobiles by participating in some advertising campaigns with the brand Durex as a sign of power and security and also with the brand Worldonline as a symbol of evolution and a guarantee of technological development.

In the same way, some brands may make an alliance with non-governmental organizations (ONG) whether humanitarian or charities, to relate their image with these ethics and human values that these organization are known for, a thing which can be very beneficial for the product/brand promotion.

To conclude with, we may confirm that coalition whether in the form of common communication or in the form of co-branding- allows the development of the brand image in the mind of the consumer as it also strengthens its position in the market.

Evaluating the experience of the alliance between Algeria post and mobilis branch

One of the most striking things in this research paper is that it seeks to discuss the issue of alliance from a marketing point of view. Thus, it is very important for the consumer to feel that in the different strategies adopted for such coalition.

In this direction, Algeria post and Mobilis branch have experienced an alliance by providing three common services which are: mobiposte, racimo and racidi.

The researcher will try to evaluate this experience, by exposing the kind of partnership adopted to provide such a kind of services, as he will try to demonstrate how these brands have succeeded to invade new markets, to expand their activities and to strengthen their position in the mind of the consumer.

The definition of the different services involved in the alliance

Mobipost service

Is a common service between Algeria posts and mobilise. It was introduced into the market in April, 2005 and was intended for people who have a postal current account. This mobile operator is available in all post-offices. The cost of the putting into service varies from 1200 dinars to 2000 dinars until 3000 dinars. The amount chosen by the customer is automatically withdrawn from his account each month. If this amount is consumed before time, the customer can use recharge cards available in the market.

Racimo service

This operator was introduced into the market in September, 2007. It is a service intended for customers who have a postal current account. It aims at loading the phone line –either that of the customer or that of another person- at any time and with any sum, only by sending an SMS, i.e, calling the number 9030, entering the secret code and then the number of the postal current account.

Racidi service

It started to operate in April, 2011 and its aim is to have access to the customer current account by sending an SMS to the number 603, entering the secret code and then the number of the current account. The answer is then given immediately in the form on an SMS too.

An analysis of the experience of alliance

The first noticeable thing concerning these common services is the real involvement of each of them. Therefore, this coalition may be considered as a functional alliance in its exclusive form. Add to this, that the two operators have adopted two different strategies to illustrate this alliance and transmit it to the consumer. For example, (mobipost) has used the strategy of co-

branding since (mobi) refers to (mobilis) whereas (poste) refers to (Algeria post). Besides, all the adverts for this common service reflect a kind of balanced relationship between the two brands, a thing which eliminates the concept of the “host” and “hosted” brands. This is mainly noticeable in the investigation that the researcher has made, where 67,33% of the interviewees refer the “product” to both brands (services) whereas only 20% of them refer it to mobilis and 12,66% refer it to Algeria post.

The same thing may be said about (Racimo) and (Racidi) since the two operators represent a kind of functional alliance in its exclusive form. The only difference is that these two operators did not rely on co-branding but they adopted the strategy of co-communication by showing the logo of the two brands –side by side- on their advertisement. This strategy has led the consumers to trust more these common services offered by these operators, and this is shown in this investigation where 51, 33 % of the participants certify that they strongly trust these operators, whereas 32, 66 % say that they trust them to a certain extent, and only 5, 33 % reply that they do not trust these operators at all.

Exclusivity is also an important thing which has characterized the alliance of these three operators. Indeed, the contract has been signed between mobilis and Algeria post without the interference of any other operator. This has been very fruitful and beneficial for both sides and has enabled the two brands (operators) to expand their activities into the market. Thus, on the one hand, mobilis has benefited from Algeria post by encouraging people to pay their phone bills through a postal transfer, and on the other hand, Algeria post has made benefits too, by enhancing mobilis customers to open postal current accounts and do withdrawals to charge their mobile phones.

The following figures confirm what has been said above, since it has been found that 82% of the customers assume that both operators have gained new categories of customers, whereas only 6 % of them do not agree with this assumption and 12 % prefer not to give their point of view.

The exclusive partnership between mobilis and Algeria post has also permitted the distinction of these two operators from other services which already exist in the market, namely Djezzy and Nedjma. Indeed, 81 % of the customers agree that (mobipost) is “different” for its creativity and the new services it always tries to provide, as they also certify that this alliance is advantageous for them since it allows them to pay their bills without

making too much effort, a thing which is in accordance with the policy of positioning that is adopted by Mobilis and Algeria post with mottos like “Mobilis...and everybody talks”, or “Mobilis, with you everywhere” or “to be next to you, we promise to be everywhere”.

Conclusions

To conclude with, we may say that all the forms of alliances that have been dealt with in this research paper have the same marketing objective which aims at influencing the consumer's behaviour through the appearance of the two brand names on the common product or on the common advertising pages.

Thus, when the two brand names appear on a same product or on a common advert, this will definitely have a good impact on the consumer's behavior. Consequently, the two brands can make various benefits such as: expanding the size of their market, gaining other categories of consumers, entering and invading new markets by exposing new products, strengthening their brand image and re-positioning in the mind of the consumers. This was the case for the alliance between Mobilis and Algeria post which has fulfilled the expectations of its customers by creating a product (service) that is attractive, reliable, durable and that inspires trust and continuity. This alliance has also succeeded in strengthening its position in the market by creating contemporary services, a thing which has allowed the expansion of its consumption basis.

However, it is important to notice that this alliance has neglected some points which could provide it more advantages and benefits since it has not made a lot of effort in the field of communication and the promotion of its product for we notice that 56 % of the interviewees in this study do not know (mobipost) service, 53, 33 % do not know (Racimo) and 36 % ignore (Racidi) service. These people in our point of view represent lost opportunities for gaining more money, expanding the market of telecommunication and encouraging competition in this field which is witnessing each day an extensive spread of technological development due to the influence of globalization.

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