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ADVANTAGES AND PROSPECTS OF CO-BRANDING IN THE UKRAINIAN MARKET

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BACKGROUND

OBJECTIVES. The marketing practices of companies over the past two decades have increasingly been based on co-marketing, or inter-firm marketing alliances. The mutual recognition and understanding that each firm's success depends in part on the other firm forms the foundation underlying co-marketing activities. Firms move from trying to win alone to forming networks of partner firms. Corporations understand the need for alliances to acquire and maintain competitive advantage.

METHODS. We used general scientific and special research methods: abstract-logical – to summarize theoretical and methodological foundations of co-branding as an integrative marketing tool for joint development of companies; economic-statistical – to analyze the level of development of poultry companies; monographic – to study the experience of individual companies with horizontal form of co-branding; analysis and synthesis – to study the components of co-branding companies; sociological research – to identify key success factors of co-branding.

AND FINDINGS. The structural and logical model of co-branding alliances of poultry companies, the use of which is based on a co-branding strategy, creates the necessary basis for its further development within the framework of modern marketing theory, will increase the effectiveness of co-branding.

CONCLUSION. Co-branding, which is a form of strategic collaboration between two brands that involves bringing them together to create a new product or service, makes the marketing alliances of companies visible to the consumer. In doing so, companies imply recognition of the fact that their prominence represents added value. Closer collaboration with retailers, more focused promotion, and co-branding are becoming ways for many consumer companies to control costs and keep prices down. An example of such cooperation is the use of a co-branding strategy for poultry companies.

KEYWORDS: co-branding; alliance; poultry companies.

NUMBER OF REFERENCES	NUMBER OF FIGURES	NUMBER OF TABLES
15	1	5

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ПЕРЕВАГИ ТА ПЕРСПЕКТИВИ КО-БРЕНДІНГУ НА РИНКУ УКРАЇНИ

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ПОСТАНОВКА ПРОБЛЕМИ ТА ЗАВДАННЯ. Маркетингова практика компаній у останні два десятиліття дедалі частіше виходить з ко-маркетингу, чи міжфірмових маркетингових альянсах. Взаємне визнання та розуміння того, що успіх кожної фірми частково залежить від іншої фірми, утворює фундамент, що лежить в основі спільної маркетингової діяльності. Від спроб перемогти наодинці фірми переходять до формування мереж партнерських фірм. Корпорації розуміють необхідність альянсу для придбання та підтримки конкурентних переваг.

МЕТОДИ. Використані загальнонаукові та спеціальні методи досліджень: абстрактно-логічний – для узагальнення теоретичних та методичних засад ко-брендингу як інтегративного маркетингового інструменту спільного розвитку компаній; економіко-статистичний – для аналізу рівня розвитку птахівницьких підприємств; монографічний – вивчення досвіду окремих підприємств із горизонтальною формою ко-брендинга; аналізу та синтезу – для вивчення складових ко-брендингу компаній; соціологічного дослідження – для визначення ключових факторів успіху кобрендингу.

РЕЗУЛЬТАТИ. Розроблено структурно-логічну модель ко-брендингових альянсів птахівницьких компаній, використання якої базується на ко-брендинговій стратегії, створює необхідний базис для його подальшого розвитку в рамках сучасної маркетингової теорії, підвищить результативність спільного брендингу.

ВИСНОВКИ. Спільний брендинг, що є формою стратегічного співробітництва двох брендів, що передбачає їх об'єднання для створення нового продукту або послуги, робить маркетингові альянси компаній видимими для споживача. При цьому компанії мають на увазі визнання того факту, що їх популярність є доданою цінністю. Тісна співпраця з роздрібними продавцями, більш сфокусоване просування та ко-брендинг для багатьох компаній споживчого сектора стають способами контролювати витрати та не допускати зростання цін. Прикладом такої співпраці є використання стратегії ко-брендингу для птахівницьких компаній.

КЛЮЧОВІ СЛОВА: ко-брендинг; альянс; птахівницькі компанії.

INTRODUCTION.

Economic development in the new millennium is characterized by rapid and sometimes unpredictable and contradictory changes (Bucklin and Sengupta, 1993), associated with technological transformations, market evolution, rapid change in preferences, tastes and fashion. From the point of view of F. Kotler, F. de Bez, companies face fundamentally new challenges, requiring from them non-standard solutions in the field of promotion of their products on the market (Kotler and de Bez, 2010). As K. Keller, in the conditions of technological progress providing a constant inflow of innovations, "brands must without the slightest hesitation push their boundaries far beyond the initial prototype" (Keller, 1993).

In the era of globalization and increased competition in domestic and foreign markets, domestic enterprises need effective competitive advantages, which is achieved by branding technologies (Park et al., 1996). For corporations in most countries of the world, branding is an important element of their market activities (de Bono, 2005), but the Ukrainian experience of working with brands is not yet rich enough (Nifatova, 2017).

The vast majority of domestic manufacturers do not use branding technologies, especially those worked out in the West in recent years (Nifatova and Dudko, 2020). In the conditions of intensified activity of Ukrainian companies without creating strong brands that would guarantee a high level of consumer preference for domestic goods and services, it is very difficult for their producers in a competitive environment not only to succeed in the domestic market, but also in international markets (Anderson and Narus, 1990).

Scientists predict that in the near future large multinational corporations will prefer to control markets through the ownership of dominant brands, rather than simply enterprises for the production of goods. This trend becomes evident in the conditions of intensified processes of mergers and acquisitions of companies: buyers are willing to pay huge money for the ownership of popular brands among consumers (Cegarra and Michel, 2001).

As a result of the global financial crisis a significant change in the position of many strong consumer brands on the global market is predicted. Under these conditions it is very important for Ukraine not to miss the chance to promote its national brands (Nifatova, 2017). Strong national commercial brands known to foreign consumers would allow Ukraine to form a positive image of the country, increase its attractiveness and improve its investment climate (Nifatova and Dudko, 2020).

Marketing tools can and should be used to enhance innovation and integration processes in the economy. One of the relevant and convenient forms of transformation for medium and large businesses is a partnership based on co-branding (Carter, 2002). Co-branding can act as a powerful "driver" of modern

innovative and integration projects simultaneously. The advantages of using this marketing tool can be: improvement of companies' management, increase of communication potential, reduction of costs of market information, as well as exchange of experience between partner companies. Thus, the competently formed system of organization of innovation and integration processes on the basis of co-branding is able to provide competitiveness and successful development of domestic enterprises in the long term.

The purpose of the study is a comparative analysis of the advantages and prospects of co-branding in the market of Ukraine. The study was conducted in 2020 on the basis of the study of brands of poultry industry enterprises in Ukraine.

RESULTS AND DISCUSSION.

Some researchers call co-branding a brand alliance. It involves a short- or long-term association or combination of two or more individual brands, products and/or other company assets, in which products can be presented "physically" (combining several products in one "package") or "symbolically" (joint product advertising). In other words, co-branding is a form of cooperation between two or more brands, sufficiently known to the consumer, in which the names of all brands are preserved. The proposed classification is based on three forms: advertising sponsorship, value chains, and innovative co-branding alliances (Table 1).

Table 1

Definitions of co-branding

Authors	Definition
C. Hillyer and S. Tikoo (1995)	The practice of "double branding", which allows you to demonstrate ownership of a product by more than one brand
L. Leuthesser, C. Kohli, R. Suri (2002)	Combining two or more recognized brands into a single whole
P. Kumar (2005)	Two or more brands (component brands) combined to produce one unique product (composite brand)
C. Hadjicharalambous (2006)	Use of two or more brands in the name of a new product, service or business
O. Wright and L. Frazer (2005)	Synergistic association of two or more brands in one business, product or promotion action

The type of co-branding implies fixing its typical situations: merger of companies or creation of a joint venture. The level of co-branding indicates the structural unit within which the interaction is carried out - separate divisions of the company or the firm as a whole. Co-branding, respectively, is divided into: coalition, coordination, collaboration and cooperation (Wright and Frazer, 2005). F. Kotler, F. de Bez indicate the existence of co-branding joint ventures (Kotler and de Bez, 2010). Table 2 summarizes the main types of co-branding.

Table 2

Types of co-branding

Types	Contents
Ingredient co-branding	The brand ingredient is part of a product promoted under another brand
Co-branding to achieve awareness	Rapid growth of knowledge about the company's brand through contact with the partner's customer base
Co-branding to achieve value	Improved consumer perception of the firms product within the framework of the association
Co-component co-branding	Introduction of one company's product as a component of another company's product.
Co-branding based on complementary competencies	Combining the abilities and expertise of companies, including in the intangible sphere
Promotional sponsorship	Building associations with an event or activity with one or more brands
Co-branding in value chains	Associations of manufacturers of similar goods; alliances of manufacturers and retailers
Innovative co-branding alliances	Creation of completely new products or services
In-branding	Promotion by a company of a product which is a component of a complete solution offered by another company
Functional alliance of brands (alliance of constituents)	Creation of a new product out of components offered by different brands
Symbolic alliance	Co-promotion of partners' own products by combining their sales and marketing communications efforts
Coalition	Two companies merge to form a single firm with a double name
Coordination	Two companies merge their two units into a single firm by giving it a double name
Collaboration	The two companies establish a joint venture, sharing resources, informal knowledge and know-how
Cooperation	Two companies work in a joint venture created from their units.
Co-branding joint company	Two companies jointly finance the creation of a co-branded product (often combining products from the same category)

The unprecedented growth of co-branding activity in recent years has prompted the idea that "strategic partnerships are a serious brand building tool. The benefits of co-branding are systematized in Table 3.

Possible obstacles to the implementation of co-branding are summarized in Table 4.

In the context of the concepts of co-branding considered by us, a co-brand would be a set of expectations and associations arising as a result of the unification in the minds of target consumers of the images of jointly operating companies, formed on the basis of contacts with their goods, communication messages and other points of interaction. Active use of co-branding by

companies leads to the fact that co-brands are gradually taking their full place in the continuum of existing brand forms in marketing practice.

Table 3

Benefits of co-branding

Authors	Benefits
C. Hillyer and S. Tikoo (1995)	Increased sales and revenues in markets where the brand is already present and in new markets Opportunity to sell at a price above face value, due to greater added value Consumers receive products with additional features, functions and applications
L. Leuthesser, C. Kohli, R. Suri (2002)	Ability to enter new markets at a relatively low cost Gain synergies due to technological specialization in different areas Joint marketing efforts can lead to an expansion of geographic and media presence
P. Kumar (2005)	New source of funding, as costs will be shared among partners More visible image and credibility of products and brands Improved consumer perception of the brand and product
C. Hadjicharalambous (2006)	Risk allocation in adverse conditions Growth of brand awareness and recognition Transfer of positive associations about the original brands to the new co-brand
O. Wright and L. Frazer (2005)	Ability to reach markets more easily and quickly due to association with a partner brand Smaller brands can achieve advantages along with well-known brands by connecting with their markets, positive associations, credibility, image and reputation

Table 4

Disadvantages of co-branding

Authors	Disadvantages
C. Hillyer and S. Tikoo (1995)	Difficulty for one of the parties to abandon the partnership and create their own market Transfer of competitive advantages to the partner, creation of a potential competitor
L. Leuthesser, C. Kohli, R. Suri (2002)	Incompatibility of co-branding partners due to different business cultures
P. Kumar (2005)	Negative impact of one of the brands on the overall product Unbalanced benefits for partners from participation in co-branding
C. Hadjicharalambous (2006)	Probability of one brand's market shrinking as opposed to the original plans "Blurring" of one brand in the shadow of another
O. Wright and L. Frazer (2005)	The possibility of one party behaving to the detriment of the other Risk associated with the exchange of information and know-how between partners

When combining their marketing efforts, cooperating companies must choose a specific form of co-branding. However, while co-branding has become very fashionable, not all alliances are worth flaunting. Thus, the question of the extent to which marketing alliance partners should "publicize" their collaborative efforts is not trivial or unambiguous, which has given rise to a continuum of co-branding architectures, or forms of relationship between the brands, companies and their products and services being brought together (Figure 1).

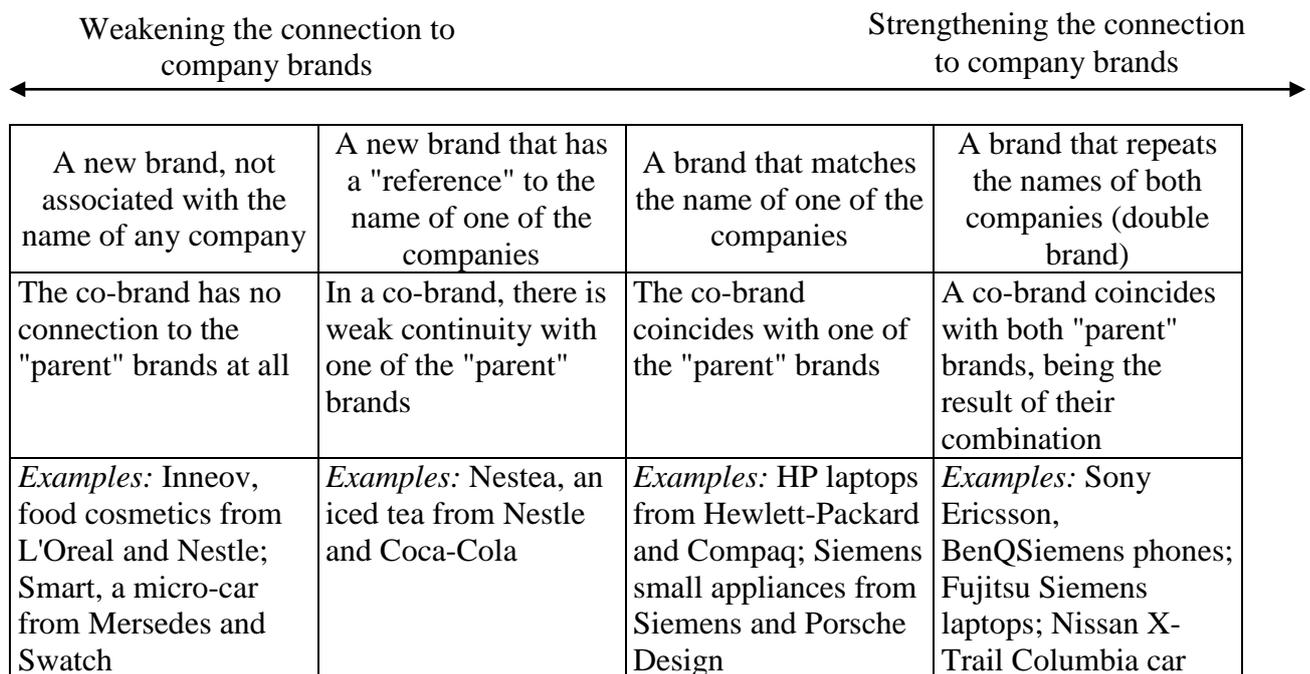


Figure 1. Co-branding architectures

The bipolar structure of the continuum suggests that in choosing a particular form of co-brand, companies can either veil or emphasize the fact that the product is the result of their joint efforts. As we can see, co-brands do not always carry the features of their parent brands.

Theoretical generalizations concerning the essence of branding, co-branding and brand management and their empirical confirmation, based on the experience of using branding to promote products by agricultural companies of the poultry industry, allowed to propose the author's algorithm of design, implementation and development of the poultry brand. co-branding.

A set of strategies for poultry companies, referred to such type of companies as nicheurs, is formed. These companies specialize in serving one or more segments of the market, left unattended by other market participants. The directions of realization of strategies are proved. A methodical approach to the development of new poultry meat brands by agricultural companies for their

joint promotion through the franchise network of the producer-leader of the poultry industry on the co-branding basis is proposed. Proposals to determine the impact of branding on increasing consumer loyalty (approval and preference for certain products, brand attributes, marketing activities, point-of-sale service, etc.) to the brands of poultry companies have been developed.

On the example of the company "Podolsky Broiler", an insignificant by market share and competitive position of the poultry company, a set of strategies for different stages of brand formation was formed (Table 5).

Table 5

Set of strategies of poultry company and franchisee of TM-producer-leader at different stages of their brand formation

Type of strategies	Strategies selected for two co-branding participants
According to the BCG matrix	For the leader – a strategy to maintain competitive advantage in order to maintain their market share; for Nisher – a strategy of development, intensification of efforts to increase their market share.
According to the matrix of M. Porter	For the leader – a strategy of differentiation; for Nisher – a strategy of concentrated marketing.
Behind the McKinsey matrix	For the leader – a strategy to protect positions; for Nisher – a strategy of selective development.
Global marketing strategies	For the leader – a strategy of internationalization, globalization and diversification; for Nisher – the strategy of cooperation.
Basic marketing strategies	For the leader – the strategy of price leadership and product (brand) and service differentiation; for the niche – the strategy of focusing (concentration) on product (brand) and image differentiation.
Marketing growth strategies	For the leader – strategies of intensive and integrative growth and strategy of diversification; for Nisher – a strategy of intensive growth and a strategy of integrative growth.
Competitive marketing strategies	For the leader – the strategy of the market leader, namely the strategy of protecting their positions, increasing the share of the available market capacity, expanding market capacity; for an outsider – a niche strategy, namely – strategies for maintaining positions in this niche, integrating efforts with another partner, going beyond the niche; follower's strategy in terms of compiling and simulating the components of the leader's marketing complex.
Functional marketing strategies	For the leader – co-branding strategy; for Nisher – branding strategy.

At the initial stage of this process it is reasonable for the company to stick to the strategy of supporting the position in the niche, left without attention of other market participants and realization of which is possible at the expense of search of ways to provide competitive advantages, investing into segments with high profitability and low level of risk. Specialization of the company concerning the niche is formed according to two criteria: qualitative properties of the products and one of the elements of the marketing complex – the system

of constant sales promotion. At the second stage of branding it is reasonable to use such a niche strategy as integration strategy (or cooperation strategy as a kind of global strategy) – joining forces with another manufacturer (another brand) for mutually beneficial cooperation, including through the joint creation of a new brand.

Vertically integrated agro-industrial holding "Mironovsky Product" was chosen as a partner of "Podolsky Broiler" on cooperation and integration efforts, which is offered the strategy of integrative growth – joining efforts with competitor companies in the regional market. The essence of cooperation, integration and integrative growth strategies is to create a strategic marketing alliance between the two companies on a co-branding basis (lateral co-branding of Podolsky Broiler with a regional franchisee of TM Nasha Ryaba). Participants of this alliance, in addition to suppliers, producers, intermediaries, competitors-partners, should be loyal to its products consumers who have formed a desire to be involved in the process of brand formation, involved in the dissemination of brands in the market.

CONCLUSION.

Theoretically proved that co-branding of poultry industry companies based on its binary nature should be considered as a way to implement individual perceptions and expectations of the target audience into specific differential brand characteristics, which create added value and are transformed for consumers into steel values, and for brand owners provide capitalization of the brand.

Management of co-branding of poultry companies should be carried out with the help of the developed structural and logical model, which is based on the use of brand attributes for stage-by-stage involvement of consumers in this process, formation of image vision of brands, perception and acceptance by target audience, and also evaluates the effectiveness of appropriate marketing activities, predicts the time horizon of co-branding. The implementation of such a model involves the following steps: 1) action of existing laws, principles of construction and promotion of brands, development and use by companies of attributes of brands of different levels create in consciousness of consumers nine rows of images of these brands; 2) created images form eight levels of attraction of consumers to the brand; 3) established in consciousness of consumers levels of attraction are transformed in four levels of perception of the mentioned brands by consumers

The feasibility of implementing this method is based on a combination of such parts as: 1) new technologies of poultry production; 2) development of all components of the future brand using marketing research methods; 3) effective use of marketing complex components (4P) as the basis of positioning and key factors of brand success; use of the latest creative technologies on the process of

branding (branding) of poultry products; 5) application of effective brand management in maintaining brand viability in the market.

ABBREVIATIONS:

%	Percentage
Eq.	Formula of calculation
Fig.	Figures

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