The Synergy of Brand Alliance: A Brand Personality Perspective for Benq-Siemens

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ABSTRACT

Brand management is the significant issue in the competitive business environment, for example, specialize a brand among many choices for consumers. The present paper explores the synergy and effects of brand alliance from BenQ-Siemens case by survey. The results reveal the consumers' perception and cognition for BenQ-Siemens and the effects of brand personality for brand alliance.

INTRODUCTION

The relationships between the customers and companies become dynamic and unpredictable in the existing business environment. Companies attempt to build a strong brand image in order to attract customer attention and bind the relationships. That is, brand is not only a company name but an embedded image for customers. The enterprises can attain high market share if they identify the personalities and specialization of their brands.

Brand alliance is a special strategy for brand management which combines two brands to a single brand with a unified name. Brand alliance is a branding strategy used in a business alliance. Brand alliance, which has become increasingly prevalent, is defined as a partnership or long-term relationship that permits partners to meet their goals (Cravens, 1994). For instance, Sony-Ericsson is a successful paradigm for brand alliance through joint venture. The synergy of brand alliance is unpredictable and potentially powerful. BenQ, the top 10 brand in Taiwan, merges the Siemens' telecommunication department in 2005. Despite the outcome is failure for two companies, the brand image and personality are worthy to explore from customer perspective.

The present research explores the perceptions of customers for two brands and allied brand through survey analysis. The results demonstrate the attitudes of brand personality for BenQ-Siemens based on customer perceptions. Meanwhile, several advantages are identified from this work: (1) providing clues for the perceptions of BenQ-Siemens from customers, (2) exploring the brand personality of BenQ-Siemens primitively, and (3) furnishing a roadmap for brand alliance research.

The rest of the paper are organized as follows, section 2 briefly defines the brand and brand alliance from the literature, section 3 demonstrates the research framework , section 4 provides data analysis, and a conclusion is furnished in section 5.

LITERATURE

Brand Definition and Brand Alliance

AMA (American Marketing Association) defines brand as "a name, term, symbol, design or the combination of above in order to identify the product or service and distinguish from the competitors". Furthermore, Aaker (1991) defines brand is "a specialized name or symbol". That is, brand is not only the tool to identify products, source, or assurance of quality, but transmits the message of attributes, functions, and quality to customers.

Chernatony and McWilliam (1989) specify the functions of a brand: (1) a tool for identification and the differentiation from competitors, (2) the assurance and commitment for product quality, (3) a way to project the image, and (4) a means for decision making. Hence, the brand affects the customer's decision for purchasing products or services. The customers simplify decision making process through a well-organized brand management and the companies earn advanced profits and competition.

In addition, brand alliance is a short-term or long-term partnership for two or more brands. Five types of bundled products for brand alliance are furnished as follows.

1.Bundled Products

Bundled products is a type of short-term or un-frequent alliance. The benefit of this type is the increased customer needs from stimulating the prices. For example, buying a bottle shampoo getting a piece of soap free or buying a flight ticket getting three nights hotel free.

2.Joint Sales Promotion

Joint sales promotion combines the resources of two or more brands in order to decrease the costs and reach the sales opportunities. For instance, earning the mileages from using credit card.

3.Composite Brand Extension

Composite brand extension is the axiom of combinational concepts from psychology. Customers can acquire a new product information in purchasing process via combines two or more brands. For example, Slim-Fast chocolate cake-mix by Godiva.

4.Ingredient Branding

Ingredient branding attempts to build the perception and preference of product ingredient. One of the brands may play a vital role in terms of material or components. For instance, IBM laptops with Intel inside and Sony computers with Dolby digital system.

5.Co-branding

Co-branding indicates two or more brands combine to a single product. One of the brands expect the alliance can strength the brand preference and purchase intension in terms of a new name either A/B or B/A. For example, Sony-Ericsson and BenQ-Siemens.

Desai and Keller (2002) argued that the main advantage of a brand alliance is that a product may be more uniquely and convincingly positioned by virtue of the multiple brands involved, thereby generating more sales and reducing the cost of product introduction. However, an unsatisfactory brand alliance could have negative repercussions for the brands involved.

Most of the extant research focuses on how consumers' attitudes toward the brand alliance and the images of the allied brands interact with each other. Park et al. (1996) compared co-brands to the concept of conceptual combinations in psychology and revealed how carefully selected brands could overcome the problems of negatively correlated attributes. Argawal and Rao (1996) argued that a brand alliance could signal product quality when the loss of reputation (future profit) or sunk investments were significant enough for the branded allies. Simonin and Ruth (1998) found that consumers' attitudes toward a brand alliance could influence subsequent impressions of each partner's brands, although these effects also depended on other factors, such as product fit or image congruity.

Brand Personality

Big five model, proposed by Galton (1884), is the most well-known theory to measure personality in psychology which employs lexical hypothesis to describe human personalities. Allport and Odbert (1936) extend Galton's theory to 17953 adjectives for human personalities. Cattell (1943) reduces the number of adjectives from 17953 to 171. Next, Fiske (1947) utilizes factor analysis to extract 171 adjectives to five factors for human personality. Finally, Norman (1963) summarizes certain literature and redoes factor analysis to develop the big five model. The most used version of big five model is modified by McCrae et al. (1986) and Goldberg (1990) with five factors: surgency, agreeableness, dependability, emotional stability, and culture. Hough and Schneider (1996) verify that big five model is a good classification framework to measure human personality. Borkeanau (1992) and Peabody (1987) conduct the empirical research for big five model, and confirm to the research of MaCrae and Goldberg.

Kolter (2000) considers brand can deliver six levels of meaning to customers, for example, attribute, benefit, value, culture, personality, and users. Brand personality is "the human personalities related to a brand" (Arnold, 1993). That is, the difference between brand and human is the source (Plummer, 1985). The human personality came from a person's behavior, appearance, attitude and belief (Upshaw, 1995) and the brand personality is the sum of messages such as experience, word of mouth, advertisement, and service. A strong brand personality may affect the customers, strength the purchase intention, and build the relationship with customers (Asker, 1993).

Brand is not only the characteristic but also the ability of self-expression (Keller, 1993). Asker (1997) constructs a framework of human personality in order to measure brand personality, including 114 characteristics and 5 dimensions. The five dimensions can mostly explain the brand personality from sampling 1000 US citizens and utilizing 60 brands from 42 questions in the survey.

RESEARCH FRAMEWORK

The present work explores the synergy of BenQ-Siemens from customer perspective. Four components of the proposed research framework will be discussed in the following sections, including the well-known degree, complemental ability of two brands, brand personality, and the attitude of the two brands and allied one. The first three components are the independent variables and the last one is the dependent variable of the framework. This paper attempts to analyze the relationships among independent and dependent variables (experience, evaluation, preference, perceived quality, and purchase intension) from the survey.
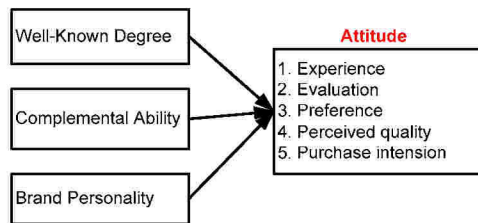
Figure 1 Research framework

DATA ANALYSIS

This work samples 200 questionnaires around a week in national Chenchi university (NCCU) in Taiwan. There are 184 questionnaires are validated with returned 190 ones. We sampled the students randomly in NCCU across different colleges. Furthermore, we revise the questionnaire that refers to Aaker (1997) in terms of brand personality dimension and utilize 5-points Likert scale (Agree very much with 5 and Disagree very much with 1).

The perceptions of BenQ and Siemens

BenQ and Siemens have high brand visibilities in terms of familiarity, well-known degree, image, and perception. The average score reveal the subjects familiar with BenQ (3.28) and Siemens (3.0) but higher for BenQ. Moreover, the subjects perceive high brand image (BenQ is 3.57 and 3.44) and well-known degree (BenQ is 3.89 and Siemens is 3.6) for both brands.

Table 1 The perceptions of BenQ and Siemens

Item	Question	Disagree Very Much	Disagree	No Comment	Agree	Agree Very Much	Ave. Score
BenQ							
1	I am familiar with BenQ	6	20	89	54	15	3.28
2	I think BenQ is well-known	2	2	36	118	26	3.89
3	I think BenQ has high brand image	1	7	73	91	12	3.57
4	I think BenQ is a good brand	3	10	58	105	8	3.57
Siemens							
1	I am familiar with Siemens	6	41	91	36	9	3.00
2	I think Siemens is well-known	2	10	66	86	19	3.60
3	I think Siemens has high brand image	1	9	90	74	9	3.44
4	I think Siemens is a good brand	2	11	82	80	8	3.44

The perception of an allied brand: BenQ-Siemens

The results reveal subjects have positive attitudes for BenQ-Siemens in terms of acceptance (3.46) and appropriateness (3.36). Customers consider BenQ-Siemens can satisfy their needs instead of single brand (BenQ).

Table 2 The perception of an allied brand: BenQ-Siemens

Item	Question	Disagree Very Much	Disagree	No Comment	Agree	Agree Very Much	Ave. Score
1	I feel appropriate for the new cell. phone of BenQ-Siemens	3	17	50	100	13	3.56
2	I think BenQ-Siemens can satisfy needs more compared to BenQ	2	16	99	49	17	3.34
3	I highly accept the allied brand: BenQ-Siemens	2	12	79	79	11	3.46
4	I think the combination of BenQ and Siemens is appropriate	2	9	104	57	11	3.36

The perception of brand personality for BenQ-Siemens

The results show that brand personality of BenQ-Siemens close to fashion (3.42), young (3.56), specialized (3.54) and innovative (3.57). That is, it matches to the original BenQ image. However, it doesn't match the personalities of simple (2.63) and honest (3.01) for the allied brand.

Table 3 The perception of brand personality for BenQ-Siemens

Item	Question	Dismatch Very Much	Dismatch	No Comment	Match	Match Very Much	Ave. Score
1	Simple	5	78	79	21	0	2.63
2	Honest	1	31	114	34	1	3.01
3	Conservative	6	74	77	22	1	2.65
4	Warm	4	44	105	26	0	2.85
5	Emotional	7	48	101	24	0	2.78
6	Confident	8	32	77	52	10	3.13
7	Fashion	4	21	64	74	15	3.42
8	Young	3	15	54	90	16	3.56
9	Specialized	3	9	69	80	16	3.54
10	Innovative	2	13	63	80	19	3.57
11	Reliable	2	23	87	58	7	3.25
12	Diligent	6	36	112	19	4	2.88
13	Intelligent	4	25	100	44	4	3.10

The attitude of BenQ-Siemenes

The results reveal subjects trust the brand of BenQ-Siemens (3.57), consider the brand image is good (3.50), durable (3.34) and reliable(3.46) with superior functions (3.46). However, the subjects are willing to by the product without taking price issue into account. That is, the customers think over the price of the allied brand before purchasing.

Table 4 The Attitude of BenQ-Siemenes

Item	Question	Disagree Very Much	Disagree	No Comment	Agree	Agree Very Much	Ave. Score
1	In general, I think the brand image is good.	1	7	79	84	8	3.50
2	In general, I think the quality of the cell. phone is trustable.	3	8	61	96	10	3.57
3	In general, I think the functions of the cell. phone are good.	1	15	68	89	6	3.46
4	In general, I think the cell. phone is reliable.	2	14	69	85	8	3.46
5	In general, I think the cell. phone is durable.	3	16	82	71	6	3.34
6	In general, I will purchase the cell. phone without considering the price.	16	44	64	44	10	2.90

Coefficients of overall attitude for BenQ/Siemens and BenQ-Siemens (College)

Most students who have superior attitude of BenQ will support the allied brand. The students from college of science prefer the appearance or innovation and have negative attitude of product functions for Siemens (-0.05). Conversely, most students who have superior attitude of Siemens will support the allied brand. For example, students from college of foreign languages, commerce, and international affairs have higher perceptions of brand image than other colleges.

Table 5 Coefficients of overall attitude for BenQ/Siemens and BenQ-Siemens (College)

	BenQ	Siemens
College of Foreign Languages	0.36	0.38
College of Commerce	0.47	0.37
College of Liberal Arts	0.31	0.21
College of International Affairs	0.55	0.36
College of Science	-0.05	0.22
College of Social Sciences	0.41	0.29
College of Communication	0.39	0.30

Coefficients of overall attitude for BenQ/Siemens and BenQ-Siemens (Degree)

All sampled students have superior brand image of BenQ and Siemens respectively will trust the new allied brand. The coefficient of freshmen is significant (0.47) for BenQ, that is, freshmen prefer the appearance of the products. Conversely, the coefficient of sophomore is significant (0.44) for Siemens, that is, sophomore trust Siemens much compared to BenQ and are willing to purchase the product of allied brand.

Table 6 Coefficients of overall attitude for BenQ/Siemens and BenQ-Siemens (Degree)

	BenQ	Siemens
Freshman	0.47	0.24
Sophomore	0.36	0.44
Third year	0.38	0.30
Fourth year	0.39	0.26

CONCLUDING REMARKS AND LIMITATION

The present paper investigates the synergy of brand alliance from BenQ-Siemens case. The results reveal customers have high brand image for BenQ and Siemens, and expect the allied brand with high quality and durably. The released products of BenQ-Siemens demonstrate the allied brand was fashion, young, specialized, and innovative in the past three quarters. This confirms to our work from subjects perspective. Thus, this work provides clues for the perceptions of BenQ-Siemens, explories the brand personality of BenQ-Siemens and sketch the skeleton for future brand alliance research in brand personality perspective.

As for the research limitation and suggestion, the present paper sampled in national Chenchi university in Taiwan which provides bounded information to generalize. Additionally, the subjects are only students in Taiwan. We can sample Europe countries such as Germany to compare different perspectives around the world. This research is an explore-oriented work that investigates the synergy of brand alliance in brand personality perspective. Empirical research can provide advanced insights to give assistance in the future. As for the instrument, we only measure the attitude but not the intensity in the revised questionnaire. The customized questionnaire for brand alliance can be developed to provide accurate and in-depth information.

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