

Co-branding between luxury and mass brands: its influence on consumers' purchase intention

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Abstract

Co-branding is a marketing strategy that involves the collaboration of two or more brands to create a unique offering combining the partner brands individual attributes. In recent years, there has been a growing trend towards co-branding within the luxury industry, where luxury brands collaborate with either other luxury brands or brands from different sectors, such as the mass-market industry. Luxury co-branding allows brands to create exclusive offerings and unique positioning by leveraging the prestige of the luxury partner. The current thesis aims to explore the effects of co-branding between luxury brands and mass-market brands from the perspective of the non-luxury brand. The empirical part of the thesis includes an online survey with a stimulus illustrating a co-branded product between the luxury brand Dolce & Gabbana and mass-market brand Magnum. The survey was conducted to test the researcher's six hypotheses that were developed based on the theoretical framework after reviewing existing literature. The survey collected a total of 134 responses, which were later analyzed and statistically tested to accept or reject the significance of the hypotheses. The data collected revealed that two variables of the research model, namely attitudes toward luxury brands and product fit have a positive effect on consumers' likelihood to purchase the co-branded product presented in the stimuli. Moreover, findings also confirmed that attitudes toward the co-branded product and consumers' purchase intention based on their perceptions positively affects the intention to purchase the mass-market brand in the future. The results failed to support the rest of the assumptions that limited edition scarcity messages, brand familiarity and brand fit have a positive effect on the likelihood of purchasing the co-branded product. The findings contribute to the understanding of consumer perceptions of the mass-market brand within co-branding partnerships and provide implications for brand managers in terms of luxury partner selection and optimizing strategies to achieve positive brand alliance outcomes.