AN EXAMINATION OF GLOBAL BRAND ALLIANCE EVALUATION
IN A CONGRUENCE PARADIGM

Expectancy and relevancy are important in explaining congruency among global alliance partners. Empirical results indicate both factors directly influence evaluations and, furthermore, that the influence is strongest when both are high. Our findings suggest firms should seek partners that consumers believe to be relevant and who they expect to ally with the firm.

Introduction

Brand alliances have been around for years and are being used increasingly by marketers. They may take different forms, such as co-branding, ingredient branding, composite brand extension, and dual branding (Keller and Lehmann, 2006). Given the increasing popularity of brand alliances (Kapferer, 2004; Abratt and Patience, 2002; Keller and Lehmann, 2006), it is not surprising that both academic and practitioners have attempted to examine the effects of different types of brand alliances. By forming an alliance with the right partners, firms may gain a host of benefits, including facilitating new product introduction, entering into new markets, decreasing risk and cost, and enhancing competitive position in current markets (Desai and Keller, 2002; Norris, 1992; Park et al., 1996; Rao and Reukert, 1994; Voss and Tansuhaj, 1999). But the key to a successful brand alliance is choosing the right partner brand.

From an individual partner brand’s perspective, a critical question in forming a brand alliance is how to identify the right partner brand? To date, little academic research in the brand alliance literature has directly addressed this critical issue or provided any integrated framework to examine this problem. To fill the gap, this study attempts to investigate partner brand selection based on a congruence theory that is derived from social psychology (Osgood and Tannenbaum, 1955; Shaver, 1987). By proposing and empirically testing an integrated framework combining brand alliance literature and congruence theory, this study offers theoretical insights regarding the formation and assessment of brand alliances and provides practical guidelines for marketing practitioners in choosing brand alliance partners. For the purpose of this study, the term “brand alliance” will be used as an umbrella term encompassing all forms of marketing activities wherein two brands are linked in a manner that is both visible and meaningful to customers.

Literature Review

Various theoretical approaches have been employed to understand how consumers react to brand alliances and to examine factors influencing the effectiveness of such alliances. To date, prior brand alliance research can be summarized as (a) the fit between partner brands and brand alliance evaluation, (b) the formation of brand alliance and its effectiveness, and (c) spillover effect in brand alliance, and (d) global brand alliance studies.
The Fit between Partner Brands and Brand Alliance

As a seminal piece in brand alliance research, Simonin and Ruth, (1998) proposed that brand alliance evaluations were a function of the fit between partner brands. Focusing on the relationship between partner brands and brand alliance evaluations, the authors proposed a “fit” concept that was separated into two dimensions: product fit and brand fit. They discovered that brand and product fit were related positively to attitudes toward the brand alliance, which suggests that consumers’ perceptions of “fit” between partner brands influences consumer’s evaluations of brand alliances. Although perceived “fit” between partner brands is an important issue, and has long been discussed in the context of brand alliances, there is no consensus among branding researchers regarding its definition. The commonality among researchers, however, is that strong affinities must exist before brand alliances prove to be effective.

The Formation of Brand Alliance and Its Effectiveness

Park, Jun, and Shocker, (1996) used concept combination theory to examine the formation and effectiveness of a composite brand alliance. According to their study, a composite brand alliance is composed of at least a header brand and a modifier brand, which are determined by their positions in the composite brand. For example, in the case of Slim Fast chocolate cake mix by Godiva, the header is the first noun (Slim Fast) and the modifier is the noun following the preposition “by” (Godiva). Since a brand can be operationalized in terms of a set of attributes, Park, et al., (1996) argued that, when an attribute is highly salient to one of the partner brands, it is also highly salient to the combined composite brand. Further, the header brand is used to identify the brand alliance; thus, it is expected to be more dominant in influencing the interpretation of the composite brand alliance than the modifier brand. Their empirical results supported the hypothesis that the evaluation of the composite brand alliance depended on the degree of complementarity between the partner brands. In addition, their results indicated that the positions of the partner brands one to the other played a role in consumer evaluations of the brand alliance. Although their findings were important to understanding alliances, nonetheless they were also limited in two ways. First, they defined complementarity in terms of whether the performance-level strengths and weaknesses of the partner brands’ relevant attributes meshed well together. However, as Simonin and Ruth (1998) have argued, brand alliance evaluations may be based on an overall brand image. Secondly, they only examined one product category and one pair of partner brands, which limited the generalizability of their results. As we will demonstrate, more recent studies have attempted to address these two limitations.

Signaling theory has been used to explore the formation and effectiveness of brand alliances (Rao, Qu, and Ruekert, 1999; Rao and Rucker, 1994; Washburn, Till, and Priluck, 2000). Based on theorizing in information economics (Spence, 1974), Rao and Ruekert (1994) suggest that brand alliances might be an appropriate strategy for enhancing the perceived quality of the unknown partner brand in forming brand alliances. Following the same logic, a brand alliance can also serve as a credible signal of product quality. They argue that firms with established brand reputations will not likely form alliances with low quality products, which may lead to negative outcomes such as losses of brand equity and profits. Washburn, et al. (2000), in examining the effects of a brand alliance on the brand equity of the partner brand, argued that consumers assumed that a high equity brand would likely form alliances with other high equity brands, therefore increasing the value of the alliance and consequently enhancing each partner brand. Their results indicated that the mere act of pairing together in a brand alliance had a positive impact on both partner brands, irrespective of each brand’s initial equity. Although signaling theory has been used to address an alliance between an established brand and a new brand, it does not answer the fundamental question—that is, why a well-known brand wants to form an alliance with an unknown
brand. In other words, it is in the unknown brand’s interest to form an alliance with the established brand, but it is not in the interest of the established brand to form an alliance with an unknown brand. In addition, partner brands involved in a brand alliance may be equally established brands. Therefore, a proposed framework should be flexible enough to account for a number of different brand alliance strategies.

**Spillover Effect in Brand Alliance**

Spillover effects refer to the reciprocal effects of brand alliances on partner brands (Park, et al., 1996). Several researchers have examined the spillover effects of different forms of brand alliances on partner brands (Levin and Levin, 2000; Park, et al., 1996; Simonin and Ruth, 1998; Rao and Ruekert, 1994; Washburn, et al., 2000). In general, these studies have concluded that brand alliance strategy has a positive influence on consumers’ evaluations of partner brands. A review of the previous studies shows that brand alliance has a positive impact on post-alliance partner brand evaluations regardless of the brand alliance form.

**Global Brand Alliances**

Most of past research on brand alliance has examined the brand alliance comprising two domestic partner brands. To the author’s knowledge, only two studies have investigated global brand alliances (Bluemelhuber, Carter, and Lambe, 2007; Voss and Tansuhaj, 1999). In this study, global brand alliance refers to a type of brand alliance where at least one of the partner brands is a foreign brand. In a global brand alliance context, country of origin may play a role in evaluation of the cross-border brand alliances. For example, Voss and Tansuhaj (1999) examined brand alliance in a market entry context, and, more specifically, they were interested in how a brand might be successfully introduced into another country. Their research findings demonstrated that consumer evaluations of an unknown brand from another country were more positive when the brand formed an alliance with a local reputable brand than when it entered into the country without an alliance. Furthermore, their research findings indicated that the country of origin factor was an important covariate in brand alliance evaluations. Most recently, Bluemelhuber, et al., (2007) also examined the role of country of origin in brand alliance evaluations. In addition to replicating Simonin and Ruth’s (1998) findings in the context of cross-border brand alliances, they introduced the concept of country of origin fit, which referred to the consumer’s perception of the overall compatibility of the two countries of origin involved in the brand alliance. Compatibility was defined as the consumer’s overall perceptions of the countries’ ability to produce quality goods. According to the authors, when evaluating the country of origin information of a cross-border brand alliance, consumers relied on their perceptions of the overall quality of products made in each of the partner countries. Inconsistencies across country of origin cues could lead to unfavorable brand alliance evaluations. Their results confirmed that country of origin fit was positively related to consumer attitudes about cross-border brand alliances.

The preceding discussion has suggested the importance of the country of origin effect in global brand alliance evaluation; however, past research has not examined the direct effect of country of origin image on global brand alliance evaluation. For example, Voss and Tansuhaj (1999) failed to confirm that country of origin is positively related to brand alliance evaluation. Thus, in the current study, we evaluate the direct effect of country of origin image on consumer evaluation of global brand alliances.
Conceptual Framework and Hypotheses

Conceptual Relationships

We have identified several theories that have been used to explain the formation and effectiveness of brand alliances. However, a close review and examination of the brand alliance literature identifies several research questions that have gone unanswered and that will be explored in this study. First, major findings of past research can be summarized as shown in Figure 1. It is clear that no studies in the brand alliance literature have examined the direct relationship between each individual brand and the brand alliance, which are indicated by the two dotted arrows in Figure 1.

Figure 1

Summary of the Brand Alliance Literature

![Diagram of Brand Alliance Literature]

While researchers have explored the effect of brand “fit” on the effectiveness of an alliance brand, we propose that brand alliance effects should also be examined separately from each individual partner brand’s perspective. Specifically, in a partner selection context, from brand A’s perspective (see Figure 2), it is necessary to identify which brand B_i is the best partner with which to form a brand alliance (AB_i). Similarly, from brand B’s perspective, it is important to identify with which brand A_i is the best partner to form a brand alliance (BA_i). Brand alliances may be a powerful marketing strategy, but it has potential negative effects. From the perspective of an individual partner brand, brand alliance may bring favorable outcomes but may also cause difficulties in financial and marketing areas if forming a poor brand alliance. Thus, determining the correct partner for an alliance is vital to the success of the brand alliance. Further, in order to model the relationship between each individual brand and brand alliance, a congruence framework, which originated from social psychology and has been applied in advertising and sponsorship research, will be employed to help identify the best partner brand for each individual brand.
Second, the literature has indicated a spillover effect of brand alliance on partner brands. However, few studies have investigated the conditions under which positive or negative spillover effects will occur. In addition, past research has assumed that two partner brands are treated equally; thus, it is difficult within the literature to identify differential effects of brand alliance on each of the partner brands. To fill this gap, the spillover effect of brand alliance will be examined in the current study from the individual brand’s perspective.

Third, with the exception of two studies (Bluemelhuber, Carter, and Lambe, 2007; Voss and Tansuhaj, 1999), there has been a lack of research on global brand alliance. For the purpose of this study, the impact of country of origin on brand alliance evaluation will be examined.

**Congruence Theory and Conceptual Framework**

Congruence theory was originally developed as a specific explanation for attitude change that occurs when a source is connected to a particular attitude object (Tannenbaum, 1968). Since then, congruity theory has been applied in social psychology to examine such topics as memory, affect, attitude formation and change. Recently, congruence theory has been widely used in celebrity endorsement research. Scholars have examined the effect of congruence on brand recall and brand affect (Bower and Landrech 2001; Kahle and Homer, 1985; Kamins, 1990; Russell 2002). This stream of research has found that congruence between a celebrity and an advertised product/brand enhances product and advertisement evaluations (Bower and Landrech, 2001; Kahle and Homer, 1985; Kamins, 1990; Russell, 2002). These findings are consistent with the theory of congruity as applied in social psychology.

Congruence theory has also been applied to sponsorship research, which is more closely related to brand alliance phenomena. One of the most rapidly growing marketing activities is sponsorship whereby a company provides financial support for an event (Hawkins, Mothersbaugh, and Best, 2007). The most frequently examined theoretical concept related to the effect of sponsorship is the issue of congruence between the sponsor and the other entity, event or set of activities (e.g., Becker-Olsen and Hill, 2006; Cornwell et al., 2005; Fleck and Quester, 2007; Gwinner and Eaton, 1999; Johar and Pham, 1999; Poon and Prendergast, 2006; Rifon et al., 2004; Speed and Thompson, 2000). Across a range of studies, sponsorship researchers demonstrate that the perceived congruence between sponsor and event generally have a significant positive impact on outcomes, such as awareness, image, and liking.

Interestingly, although congruence is an important construct in sponsorship research, to the authors’ knowledge, only Fleck and Quester (2007) examined the dimensionality of the congruence construct. They followed Heckler and Childers’ (1992) approach which first proposed a bi-dimensional conceptualization of congruence. According to Heckler and Childers (1992), congruence has two
dimensions: expectancy congruence and relevancy congruence. Fleck and Quester (2007) validated this two factor congruence construct by using samples from two different countries. The Heckler and Childers (1992) and Fleck and Quester (2007)’s two-factor congruence framework has been applied successfully to studies focusing on advertising and sponsorship. Thus, the congruency theory may be equally applicable to building a theoretical understanding with regard to brand alliance evaluation.

As mentioned in an earlier section, brand alliance is defined as two brands linked in a manner that is both visible and meaningful to customers. For illustration purpose, brand alliance comprising two partner brands will be used as an example. The objective of this study is to identify the right partner brand Bi for host brand A by using the two-factor congruence theory. Applying congruence theory, the model in Figure 3 is proposed for evaluating brand alliance. From brand A’s perspective, consumers’ responses to a brand alliance are proposed to be affected by (1) perception of expectancy congruence of the partner brand B, and (2) perception of relevancy congruence of the partner brand B. In addition, consumers’ responses to each of the partner brands after brand alliance is formed are also proposed to be affected by the congruence effect. The remainder of this section discusses the nature of these constructs, outlines the research that justifies their inclusion, and proposes the hypotheses about their relationship with brand alliance.

**Figure 3**

A Congruence Framework for Partner Brand Selection in Brand Alliance

From Brand A’s perspective

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**Effect of Expectancy Congruence on Brand Alliance**

Based on Heckler and Childers (1992), Fleck and Quester (2007) extended the expectancy concept into the sponsorship context and defined expectancy as the degree to which a company is expected to sponsor the event. Following Fleck and Quester (2007)’s conceptualization of expectancy, in the current study, expectancy is the degree to which brand A (host brand) is expected to form a brand alliance with brand B (partner brand). Expectancies are beliefs about a future state of affairs. According to the social psychology literature, expectancies are derived from beliefs, which come from people’s direct experience and information from others or are logically inferred from other’s beliefs. Ultimately, expectancies come from either personal experience or information from others. Because expectancy is a future state of affairs, it can be confirmed or disconfirmed. This confirmation or disconfirmation is likely
to have consequences. In general, confirmation of an expectation will induce positive affect. For example, Srull (1981) provided evidence that people best remembered information that was congruent with prior expectations. In another study, Heckler and Childers (1992) empirically confirmed the expectancy effect and further proposed that the congruence effect could easily impact research on attitude formation, inference making, and decision making. Although it is not empirically examined, the positive effect of expectancy congruence on sponsorship is proposed by Fleck and Quester’s (2007) recent study, in which the focus of the study is the validation of the expectancy construct.

Despite the theoretical importance of expectancy congruence in understanding consumers, few empirical studies in the brand alliance literature have employed the construct either directly or indirectly. Extending the expectancy argument to the brand alliance context, it would seem intuitively logical that the degree to which brand B is an expected partner is positively related to consumers’ response towards the newly formed brand alliance. In other words, the higher the congruence between the host brand and the partner brand in terms of expectancy, the greater is the effect of the congruence on consumers’ responses to the brand alliance. Therefore, we hypothesize:

**H1**: From the perspective of brand A (host brand), a brand alliance will be more highly evaluated under the high-expectancy congruence condition than under the low-expectancy congruence condition.

**Effect of Relevancy Congruence on Brand Alliance**

Relevancy also contributes to the notion of congruence. In relation to sponsorships, Fleck and Quester (2007) suggest that a sponsorship/event is deemed relevant if it makes sense and contributes some meaning to the sponsor. Extending the argument to the brand alliance context, relevancy refers to brand image consistency between host brand A and partner brand B. Specifically, it refers to the extent to which the brand image of brand B is consistent with that of brand A. Brand image is defined as perceptions of the brand that reflect consumer associations of the brand in memory (Keller 1993). Some scholars have used schema theory to examine the congruent effect of partner brand images on evaluation of brand alliance (Simonin and Ruth, 1998; Washburn, et al., 2000). According to Fiske (1982), if an item is congruent with an existing schema, it will receive the affect associated with that schema. The basis of this affect transfer process is the congruence between schemas. A consumer evaluates a brand alliance using a variety of criteria based on his/her knowledge (e.g., schemas) and perceptions about the brands used to name the brand alliance (Simonin and Ruth, 1998; Walchli, 2007). When the host brand and the partner brand are presented jointly, both brands’ specific associations are likely to be elicited (Broniaczyk and Alba, 1994). In addition, consumers have affect associated with host brand and partner brand, which is evoked when they encounter a brand alliance (Boush and Loken, 1987). If the two brand images and associations are not consistent, confusion may result about why the brand alliance should be formed, which in turn will reduce or eliminate the likelihood of successful affect transfer from the partner brands to the brand alliance. In contrast, if there is an overall perception of consistency in terms of brand images, the effect of congruence will trigger a positive affect, which in turn will lead to a positive evaluation towards the brand alliance. Thus, it is hypothesized:

**H2**: From the perspective of brand A (host brand), a brand alliance will be more highly evaluated under the high-relevancy congruence condition than under the low-relevancy congruence condition.

**Spillover Effect on Brand A and Brand B**

Spillover effect refers to the impact of brand alliance on individual partner brands after a brand alliance is formed (Baumgarth, 2004; Park, Jun, and Shocker, 1996). Simonin and Ruth (1998) have examined the spillover effect of brand alliance on partner brands. Their results suggest that consumers’ attitudes towards a brand alliance could influence subsequent evaluation of each partner brand. Such an
assertion that a brand alliance improves consumer evaluation of the partner brands has been replicated several times (e.g., Baumgarth, 2004; Lafferty, Goldsmith, and Hult, 2004; Washburn et al., 2004; Voss and Gammoh, 2004). In general, these studies are consistent and indicate that the brand alliances that are positively evaluated have positive spillover effects on the individual brands that formed the brand alliance. Thus, we propose that:

**H3**: The alliance brands A and B will individually have higher evaluations after the alliance is created than that held prior to the alliance.

**Country Image**

In this study, global brand alliance refers to the type of brand alliance comprising partner brands from different countries (Bluenmelhuber, Carter, and Lambe, 2007; Voss and Tansuhaj, 1999). Since the brands are from different countries, it indicates that country of origin information may have a role in the evaluation of brand alliance. By examining the effect of country of origin on consumers’ evaluations of a brand alliance, marketers can determine when and how to use this information to potentially increase the probability of consumer favorableness of their cross-border partnerships.

According to Broniarczyk and Alba (1994), evaluating a brand typically evokes certain brand-specific associations stored within the consumer’s memory that make up an overall brand image. Consumers differentiate a brand from other competing brands by using these brand-specific associations. There are different types of brand associations, such as product-related and non-product-related, functional, experiential, or symbolic attributes of the brand (Keller, 1993). In reality, consumers are often forced to operate in a state of imperfect information, in which the existing brand associations are deficient in some way; therefore secondary brand associations can be leveraged to create strong, favorable brand association that otherwise may be lacking (Keller 1998). According to Keller (1998), secondary associations may be created by linking the brand to information that is not directly related to the product or service. For example, the brand may be linked to some factors, such as the company, countries (through identification of country of origin), the distribution channel, other brands (through brand alliance), a spokesperson, or an event (Keller, 1993). Although country of origin is one type of second association that marketers may create and leverage, its strength as a brand association relies on the emphasis it receives. Consumers may allow the information to serve as a heuristic cue to simplify the construction of their brand evaluation when there is an absence of primary brand associations (Keller, 1993).

Previous research has shown that a product’s country of origin influences consumer judgment (e.g., Essoussi and Merunka, 2007; Han, 1989; Haubl and Elrod, 1999; Hong and Wyer 1990). For example, in their seminal study, Hong and Wyer (1989) compared the effects of product attribute information and country of origin on product evaluations and demonstrated that the product’s country of origin has a direct influence on consumers’ quality perceptions. Since then, a large body of research has provided some evidence of country of origin effects on product/brand evaluation as well as its effects on consumer’s purchase intention. Several meta-analyses have been conducted in attempting to synthesize the country of origin findings (Bilkey and Nes, 1982; Peterson and Jolibert, 1995; Samiee, 1994; Verlegh and Steenkamp, 1999), and the results confirm the global country of origin effect on product/brand evaluation and purchase intention.

To date, only two studies in brand alliance area have investigated the effect of country of origin effect. In experiments with Japanese and American subjects, Voss and Tansuhaj (1999) show that country of origin stereotypes have a positive impact on brand evaluations. In their study, a single item scale measured the construct. However, existing literature clearly shows that the country of origin construct is a complex phenomenon and a multidimensional cue (Pecotich and Ward, 2007; Voss and
Tansuhaj, 1999). In another study, Bluemelhuber, Carter, and Lambe (2007) demonstrate the positive influence of country of origin fit on attitudes toward brand alliance. Country of origin fit refers to the consumer’s perception of the overall compatibility of the two countries of origin involved in the brand alliance, which was manipulated in their studies. Both of these studies operationalize the country of origin image construct as a one-dimensional construct as well as specific to any product category. Recent studies suggest an alternative way to measure this construct where country of origin image (country image) is described as the overall and general country image comprising two dimensions: macro and micro images (Pappu, Quester, and Cooksey, 2007). Micro image refers to the totality of beliefs one has about the products of a given country (Darling and Wood, 1990; Han and Terpstra, 1988; Nagashima, 1977; Roth and Romeo, 1992) while macro image is described as the totality of all descriptive, inferential and informational beliefs one has about a particular country (Martin and Eroglu, 1993). According to Pappu, Quester, and Cooksey (2007), country of origin image/country image has two dimensions which are interrelated, and thus overcomes the limitation of country of origin research where most of studies consider either the macro or micro image of the country.

In sum, brands are likely to be impacted by an array of country of origin effects ranging from positive/negative perceptions rooted in typical country stereotype to possible positive/negative perceptions of the products from that country. Thus, country image is expected to influence global brand alliance evaluations. In line with country of origin literature, we hypothesize:

**H4**: Country of origin image/country image is positively related to global brand alliance evaluation.

**Subjects and Design**

In this study, undergraduate students in a business school participated in the study in exchange for extra credits. Data were collected in Canada (N=283). The study employed a 2 (expectancy: high; low) x 2 (relevancy: high; low) mixed design. Expectancy is a between-subject factor indicating the extent to which host brand A is expected to form a brand alliance with a potential partner brand B. Relevancy is a within-subject factor capturing the extent to which the image of partner brand B is consistent with the image of host brand A. Each subject evaluated two different brand alliances: brand alliances comprising different international airlines.

**Preparation of Stimulus Materials**

An airline was chosen in the study for several reasons. First, airline alliances are growing rapidly. Today more than 35 of the world’s largest air carriers have joined some sort of airline brand alliances (Kleymann and Seristo, 2004). Second, airlines have been used to examine country of origin effect (Bruning 1997). Therefore, for this study, it was deemed appropriate to select airlines to form a hypothetical brand alliance. A national carrier with a country name affiliation was chosen as the host airline brand. Accordingly, Air Canada was chosen as host brand.

Pretest 1 was conducted to identify the international airline partner brands that were employed to form different brand alliances with Air Canada Airlines in terms of expectancy and relevance congruence. For international airline partners, the potential partner airlines were selected based on the country of origin literature and airline industry experts’ recommendations. Eight international airlines identified were British Airways, American Airlines, Air France, Japan Airlines, Air China, Aero Mexico, Korean Air, and Air India. The pretest procedure started with an explanation of the concept of brand alliances and the logic behind brand alliances. Next, examples from daily lives were used to help students capture the brand alliance concept. After that, they were asked to indicate to what extent Air Canada was expected to form a
brand alliance with each of the potential international airline partners (on two 7-point semantic
differential scales: not unexpected/extremely unexpected and not surprising/extremely surprising). Next,
they were asked to indicate the degree to which each of the international airline partner brand images was
consistent with Air Canada brand image (on two 7-point semantic differential scales: not complementary/complementary and not consistent/consistent).

In terms of expectancy, the pretest results indicated that the high-expectancy partners were British
Airways, American Airlines, Air France, and Japan Airlines while the low-expectancy partners were Air
China, Aero Mexico, Korean Air, and Air India. The relevancy check suggested the following high-
relevancy partners: British Airways, American Airlines, Air China, and Air India while the low-relevancy
partners were Air France, Japan Airlines, Aero Mexico, and Korean Air.

The purpose of pretest 2 was to determine if the described brand alliances situations were realistic
and to help identify potential problems with the procedure. Fifteen undergraduate students participated in
this pretest. This pretest indicated that no change is needed for the experiment.

**Experiment Procedure**

Subjects participated in the experiment in groups of eight to twelve individuals per session. Each
session took about 45 minutes. In the first stage, subjects were asked to evaluate a host brand (Air Canada)
and two potential partner brands (international airlines) in terms of their familiarities with the brands,
attitudes towards the brands, evaluations of each brand, and evaluations of the brands on several specific
attributes. In the second stage, subjects were told that the home country airline was considering expanding
into the international airline market by forming a brand alliance with a partner international airline.
Subjects were first asked to evaluate the alliance between home country airline and one of the potential
international airline partners in terms of familiarity, attitude, and product evaluation. Next, they were
asked to indicate to what extent the home country airline is expected to form an alliance with the partner
brand and to what extent the partner brand image is consistent with the home country airline. They were
again asked to indicate their attitudes towards these two brands with the knowledge that the two brands
had formed a brand alliance. In the final stage, subjects were told that another partner brand was also
considered by the home country airline. They were asked to evaluate this brand alliance following the
same procedure as in the second stage. In addition, at the end of this section, subjects were asked to
indicate how knowledgeable they felt about choosing an international air carrier, how often they traveled
by airline, and how many trips they expected to take in the next twelve months. In the next stage, subjects
were asked to respond to several country image measures (15 items). Finally, we asked subjects to
provide specific demographic information, such as academic major, gender, age, and nationality. At the
conclusion of the experiment, subjects were debriefed, thanked for their contribution to the study and
dismissed.

**Measures**

**Dependent Variables**

Drawing on the brand alliance research to date, we examined the effect of congruence on consumers’ responses toward the brand alliance in terms of two conceptually distinct constructs: attitude
and product evaluation. Our attitude construct was assessed via three seven-point bipolar semantic
differential scales. These items were anchored by negative/positive, bad/good, unfavorable/favorable (e.g.,
“Based on your knowledge and experience of the brand, please indicate your overall attitude toward this
brand” Burnkamrnt and Unnava, 1995; Aaker and Keller, 1990; Osgood et al., 1955). The three attitude
items were averaged to create a summated scale. The scale achieved satisfactory reliability with a
Cronbach’s $\alpha = 0.82$. Product evaluation was measured using three 7-point items: low quality/high quality,
inferior product/superior product, not at all likely to try/very likely to try (Aaker and Keller, 1990). The three items were also averaged to create a summated scale, which represented a very favorably measure of reliability (Cronbach’s $\alpha = 0.90$).

**Independent Variables**

The key manipulated independent variables in this study were the two different dimensions of congruence between host and partner brands: expectancy and relevancy. Expectancy is defined as the degree to which the host brand is expected to form a brand alliance with a potential partner brand. Two seven-point semantic differential scales (not unexpected/extremely unexpected, and not surprising/extremely surprising (Fleck and Quester, 2007; Heckler and Childers, 1992; Lane and Jacobson, 1997)) were used to assess expectancy congruence. Relevancy congruence was measured via two seven-point semantic differential scales (not complementary/complementary, and not consistent/consistent (Aaker and Keller, 1990; Park, et al. 1996; Simonin and Ruth, 1998)).

Country of origin image is a set of country of origin associations that are organized into groups in a meaningful way (Keller, 1993; Pappu, Quester, and Cooksey, 2007). Country of origin image has been measured in different ways, such as country of design and country of manufacture (Essoussi and Merunka, 2007; Pecotich and Ward, 2007). For the purpose of this study, consumers’ perceptions of country of origin image were measured at two levels: macro and micro levels (Pappu, Quester, and Cooksey, 2007). Perceptions at the macro level refer to consumers’ perceptions of a given country in terms of its technological, economic, and political dimensions, whereas perceptions at the micro level refer to the perceptions of products of a given country in general. How was this measured?????

**Data Analysis and Results**

Data were collected from undergraduate students for extra credit. Five incomplete questionnaires were deleted from the sample resulting in a total of 278 usable questionnaires. A preliminary analysis was performed to assess the order effects because each subject evaluated two types of brand alliances. An ANOVA test shows that order effects are insignificant. Two manipulation checks were conducted. One was the two levels of expectancy and the other one was the two levels of relevancy. Overall, the results provided strong support that the manipulations of the two levels of expectancy and relevancy congruence were as expected.

**Overall Analysis of Hypothesis 1 and Hypothesis 2**

H1 and H2 were first tested using two-way multivariate analysis of variance (MANOVA). The between subject factor was expectancy congruence with two levels: high-expectancy congruence versus low-expectancy congruence. The within subject factor was relevancy with two levels: high-relevancy congruence versus low-relevancy congruence. The three dependent variables were attitude toward the brand alliance, evaluation of the brand alliance, and affect toward the brand alliance. The results of the MANOVA showed that the main effect of expectancy congruence (Wilks’ lambda=.926, $F = 69.38$, $p <.001$) and relevancy congruence (Wilks’ lambda = .983; $F = 22.03$, $p <.001$) were both significant. The interaction effect between expectancy congruence and relevancy congruence was not significant (Wilks’ lambda = .995; $F = .785$, $p = 0.457$). To address the hypotheses specifically, separate univariate analyses for each of the three dependent measures were conducted.
Hypothesis 1

Hypothesis 1 suggested that expectancy congruence had a positive effect on the dependent variables of interest. The influence of expectancy congruence was further tested by using a series of ANOVA analysis, and all the mean values of each dependent variable under different treatment condition were presented accordingly. The results revealed that the main effect of expectancy congruence was significant for attitude towards brand alliance (F (1, 276) = 90.36, p < .001) and evaluation towards brand alliance (F (1, 276) = 92.87, p < .001). Specifically, brand alliance attitude rating was higher under high-expected condition (M_{high-expectancy} = 5.15) than under low-expected condition (M_{low-expectancy} = 4.12, t (276) = 9.63, p < .001), and the same pattern held for brand alliance evaluation (M_{high-expectancy} = 5.15 vs. M_{low-expectancy} = 4.21, t (276) = 9.64, p < .001). Therefore, Hypothesis 1 was supported by the results from airline alliances.

Hypothesis 2

Hypothesis 2 posited that relevancy congruence had a positive effect on the dependent variables of interest. ANOVA analysis results demonstrated that the main effect of relevancy congruence was significant for attitude towards brand alliance (F (1, 276) = 18.33, p < .001) and evaluation toward brand alliance (F (1, 276) = 13.15, p < .001). Specifically, when conditioning on high-expectancy scenario (see Table 5.7), the brand alliance attitude rating was higher under high-congruent condition (M_{high-relevancy} = 5.33) than under low-congruent condition (M_{low-relevancy} = 4.97, t (276) = 2.60, p = .010), but it was not significant for brand alliance evaluation rating (M_{high-relevancy} = 5.24 and M_{low-relevancy} = 5.06, t (276) = 0.18, p = .171). However, the general pattern was still in the positive direction. When conditioning on low-expectancy scenario, the brand alliance attitude rating was higher under high-congruent condition (M_{high-relevancy} = 4.38) than under low-congruent condition (M_{low-relevancy} = 3.85, t (276) = 3.40, p = .001), and brand alliance evaluation rating was higher under high congruent condition (M_{high-relevancy} = 4.47) than under low congruent condition (M_{low-relevancy} = 3.96, t (276) = 3.66, p < .001). Overall, Hypothesis 2 was supported.

Hypothesis 3

Hypothesis 3 proposed a positive spillover effect of brand alliance on both partner brands. First, we examined the spillover effect of brand alliance on the host brand (brand A). In order to detect the pre-alliance and post-alliance differences, before and after paired t-test were employed to investigate the difference on each of the dependent variables.

As expected, the manipulation checks indicated that pre-alliance attitudes toward host brand yielded non-significant results across all four conditions (F (3, 552) = .079, p = .971). The comparison of host brand attitude before and after the alliance was conducted using a series of t-tests. Two of the four pairs of comparisons were significant. Specifically, the comparisons under a high-expectancy and high-relevancy condition (M_{before} = 4.68, t(276) = 2.99, p = .003), and under a low-expectancy and low-relevancy condition (M_{before} = 4.63, t(276) = 5.09, p < .001) were significant whereas the comparisons under a low-expectancy and high-relevancy condition (M_{before} = 4.63 vs. M_{after} = 4.46, t(276) = 1.45, p = .149), and under a high-expectancy and low-relevancy condition (M_{before} = 4.68 vs. M_{after} = 4.94, t(276) = 1.88, p = .062), were not significant. Overall, the results indicated a positive spillover effect of brand alliance on host brand under high-relevancy and high-expectancy condition. In contrast, it appeared there was a negative spillover effect under a low-expectancy and low-expectancy condition. However, under the mixed condition (high-relevancy and low-expectancy or high-expectancy and low-relevancy condition), no clear spillover effect were found.

Hypothesis 3 also proposed a positive spillover effect of brand alliance on the partner brand. In order to examine the pre-alliance and post-alliance attitude differences, before and after t-test was
employed to investigate the differences on each of the dependent variables. All the four pairs of comparisons, under a high-expectancy and high-relevancy condition (M_{before}=4.49 vs. M_{after}=4.99, t(276)=5.62, p<.001), under a high-expectancy and low-relevancy condition (M_{before}=4.29 vs. M_{after}=4.78, t(276)=4.39, p<.001), under a low-expectancy and high-relevancy condition (M_{before}=3.98 vs. M_{after}=4.58, t(276)=5.71, p<.001), under a low-expectancy and low-relevancy condition (M_{before}=3.91 vs. M_{after}=4.36, t(276)=4.50, p<.001), were significant. The overall pattern of these results suggests that there is a positive spillover effect on partner brand across all four conditions.

**Hypothesis 4**

Hypothesis 4 proposed that the effect of country image was positively related to global brand alliance evaluation. For the purpose of this study, country image was measured from two dimensions: macro country image and micro country image. This variable was tested as covariate. ANCOVA analyses of covariance were conducted to test the hypotheses. Two sets of dependent variables are related to the research purpose: attitude toward global brand alliance and evaluation of global brand alliance. In these analyses, the between-subject factor was expectancy congruence (two levels: high vs. low) whereas the within-subject factor was relevancy congruence (two levels: high vs. low). The results provided support for the positive impact of macro country image with attitude: (F (1, 549) =17.18, p<.001; evaluation: (F (1, 549) = 12.13, p=.001). The results also indicated that the micro image was positively related to global brand alliance evaluation. The micro image effect was positive and statistically significant for attitude (F (1, 549) =10.14, p=.002 and evaluation (F (1, 549) = 30.64, p<.001). The research findings indicated that both macro image and micro image had a positive effect on global brand alliance evaluation. There was strong support for Hypothesis 4.

**Discussion and Conclusions**

The main purpose of this dissertation was threefold. First, the study proposed an integrated congruence framework of brand alliance evaluation and empirically investigated the proposed hypotheses in the context of partner brand selection. The results from the current study supported the general proposition of Hypothesis 1 and Hypothesis 2 that the congruence between host brand and partner brand led to favorable evaluations towards the brand alliance. When the host airline brand partnered with a high-expected international airline, consumers provided more positive evaluations of the brand alliance than when the host airline brand partnered with a low-expected international airline. The results also suggest that host brands partnering with more image-congruent partner brands lead to favorable evaluations of the brand alliances than those partnering with less image-congruent partner brands. Overall, these results from Hypothesis 1 and Hypothesis 2 are consistent with the predictions of congruence theory.

The second objective of this study was to investigate the spillover effect of a brand alliance on the host brands and partner brands. Contrary to the brand alliance literature, a general enhancement effect of brand alliance on the host brand is not confirmed in this study. Specifically, under a high-expectancy and high-relevancy condition, a positive effect of brand alliance on host brand evaluation is found. In the high-expectancy and low-relevancy condition, such a dominant enhance effect is not found. Surprisingly, under a low-expected and low-relevant condition, the post-alliance evaluation is rated consistently lower than the pre-alliance evaluation which in fact indicates a dominant dilution effect. This finding is a significant contribution to the brand alliance literature because such effects have not been demonstrated previously and past research has not examined the spillover effect in a specific partner selection context.

The third objective of the study was to examine the two-factor congruence framework in a global brand alliance context. An important contribution of this study to the branding literature is the examination of the effect of country image on consumers’ responses to global brand alliances. Based on
our findings, Hypothesis 4 supports the general proposition that both the macro and micro country of origin image of the brands were positively related to global brand alliance evaluations. It was found that a favorable country image leads to a higher brand alliance evaluation, and that consumers’ perceptions of both the country image (macro) and the product image (micro) influenced brand alliance evaluations.

**Managerial Implications**

This study has important implications for practitioners. First, the study provides compelling evidence that the nature of congruence between host brand and partner brand must be considered by industry practitioners when selecting a potential partner with which to form a brand alliance. When consumers’ attention is focused on the nature of the brand alliance, it becomes apparent that the level of congruence between host brand and partner brand can matter. It seems that congruence between host brand and partner brand has a positive effect in relation to consumers’ evaluations of the brand alliance. By being aware of the factors that influence brand alliance evaluation, marketers should look for partner brands that portray a congruent image to their own. In addition, a robust and solid scale of congruence may allow host brands to determine the types of partner brands most likely to be perceived as congruent based on expectancy and relevancy that may be estimated by marketers.

Second, the potential spillover effects of brand alliance on host brands and partner brands have been examined in this study. This research suggests that whether there is an enhancement or dilution effect on host brand depends on the level of congruence between host brand and partner brand. Marketers should take precautionary steps against possible post-alliance host brand dilution when forming a brand alliance with a potential partner brand. It is imperative for marketers to have some knowledge about both host brand and partner brand’s image, which will help them to determine the right partner brand.

Finally, this research has implications for international marketers. The results indicate that country of origin image plays a role when consumers evaluate global brand alliances. Both macro image and micro image are relevant in this case. Thus, marketers should choose their international partners carefully because country image associated with a specific international partner has direct impact on consumers’ evaluation of the brand alliance.

**Limitations and Future Research**

Some of the research limitations and several research opportunities of this study are noted in this section. One limitation of this research is that the use of student sample, which may limit its generalizability. Second, the results in the current study indicate a dilution effect of brand alliance on the host brand. Future research may explore the factors that can moderate the spillover effects. Third, in this study, only the brand alliance comprising two different partner brands has been examined. The extendibility and applicability of the proposed framework may be tested in a brand alliance comprising more than two individual brands.
References


