

Brand Alliance in Education: A Study of a Joint Degree Program between Asia-Pacific International University and La Sierra University

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Abstract - Due to high competition in Thailand's education industry, higher education institutions create new programs under international collaboration arrangements. Many studies have been focused on the antecedents of brand alliance evaluations in the view of tangible products. This research therefore intends to empirically investigate the impact of cross-border education brand alliance. Building on several existing frameworks, it establishes self-brand connection as a new variable that influences consumer attitudes toward brand alliances, together with brand fit, brand knowledge, and attitude toward partner brands. In addition, this research also investigates the relationship between attitudes toward brand alliances and the intention to apply for the joint degree program. Based on the data collected from 101 questionnaire respondents, a series of analyses for reliability, validity, and a multiple regression was conducted. Three hypotheses, except for two in the model for this study, were sustained. The results replicate previous research findings and confirm that brand knowledge and brand fit influences consumer attitudes toward brand alliances. These attitudes toward brand alliances then predict intention to apply for the joint degree program, consistent with prior research. This research contributes to empirical validation of the international brand alliance in the education industry, thereby helping education institutions, adopt appropriate brand strategies and achieve real benefits of joint degree program.

Keywords - Brand alliance, Brand fit, Brand knowledge, Self-brand connection, Consumer attitude toward brands, Purchase intention

I. INTRODUCTION

A brand's reputation is one of the most important criteria when consumers decide to make a purchase. It communicates quality and creates meaningful images or personality in the minds of consumers that help them make purchase decisions. Recognition of the value of brands has led marketers to seek ways to leverage brands to increase their value through brand extension, strategic cooperation, brand alliance, and other means. Among other strategies, brand alliance is a common strategy used in today's brand conscious environment. Brand alliance involves two or more already established brands that are present jointly to consumers [1, 2]. Brand alliance provides a way to take advantage of brand awareness and brand image to enter new markets [3]. The well developed

strong brand can greatly reduce the risk of introducing new products on the market by providing consumers with knowledge and awareness. The strategy leverages brands through the transfer of positive associations, such as brand equity, brand image, or awareness from one brand to another [4]. In addition, the signaling perspective indicates that the combination of two or more brands should provide greater assurance about product quality than a single-branded product [5]. While there may be benefits in collaboration of brands, there can also be a significant risk to brand image dilution. Poor partner choice may dilute and weaken the core brand and brand equity.

Most of the previous studies in brand alliances based their investigation on customer attitude. They addressed two broad areas: how customers' perceptions of a brand alliance product are influenced by their perceptions on the parent brand; the performance comparison between brand extension and other new product development strategies [6]. The implementation and research agenda on brand alliance span a wide range of product and service categories from electronic products (e.g. Acer and Ferrari, Samsung and Prada, Nike and Apple), to food products (e.g. CP and Meiji, Kellogg and CanAgra), and to services (e.g. the airline's star alliance, the insurance product between bank of Ayutthaya and Allianz group, credit card between bank of Ayutthaya, GE group, and Visa).

Recently, there has been increasing collaboration arrangements in education industry, particularly in the educational collaboration between Thai higher education institutions and foreign higher education institutions/international organizations. According to the Office of the Higher Education Commission (OHEC), as of December 2008, there were 64 Thai higher education institutions signed 2,534 MOUs with foreign higher education institutions/international organizations. 46 Thai public higher education institutions signed 2,171 MOUs with the foreign counterparts while 18 Thai private higher education institutions signed 363 MOUs. One of the MOUs type of program is the joint/double degree program. There were 63 joint/double degree programs offered by the collaboration between Thai higher education institutions and foreign higher education institutions/international organizations.

In this study, we will be focusing on the brand alliance in education, particularly the joint degree program between Thai higher education institutions and foreign higher education institutions/international organizations. A few empirical studies exist on brand alliance. Among others, Simonin and Ruth's study (1998) has been the most famous, cited, and validated [1]. Although the model they proposed provides a solid and proven framework of attitude formation for brand alliance, there lacks a comprehensive model explaining consumers' brand knowledge, self-brand connection, and purchasing intentions. In addition, although many of the Thai higher education institutions have been practicing alliance strategy to extend their brands and products for many years, there is limited investigation on the phenomenon in education.

II. RESEARCH OBJECTIVE

There are three main objectives of this study. First, the study aims to empirically examine the antecedents of brand alliance evaluations. Second, the study aims to examine the factors that influence purchasing intentions for alliance products. Finally, the study aims to investigate the phenomenal of brand alliance in the education context.

III. LITERATURE REVIEW

Brand alliance is defined as two or more already established brands that are present jointly to consumers [1, 2, 7]. Research on brand alliance has drawn heavily from theory and research in information integration and attitude accessibility. According to the theories, attitudes are formed and modified as people receive, interpret, evaluate, and then integrate stimulus information with existing attitudes [2]. Moreover, the more accessible a brand attitude, the more likely an individual will access that attitude upon observing cues associated with the brand and will bias information processing in a direction implied by the valence of those attitudes [2]. Recently, research on branding has turned their interest to other theories such as signaling theory and synergy theory. Signaling theory suggests that a brand can act as powerful signals that convey information about product attributes to consumers. This information includes physical, functional, and symbolic attributes of a product. The signal of a brand leads to lowering search costs and risk, and in turn, impacting purchase consideration and choice. Synergy theory states that when the joint action of agents are brought together, they enhance the combined effect of value creation, which effect is greater than the sum of the individual effects. This area of inquiry has raised both theoretical issues and practical measurement questions about how attitude and brand preference should be examined in the context of brand alliance.

Park, et al. [8] investigated the effectiveness of a brand alliance product in a brand extension context. The results of studies revealed that by combining two brands with complementary attribute levels, a brand alliance appears to have a better attribute profile than a direct extension of the parent brand and has a better attribute profile when it consists

of two complementary brands than when it consists of two highly favorable but not complementary brands.

Simonin and Ruth [2] examined the spillover effects of brand alliance products and identified several determinants of a positive evaluation of brand alliance product. They found that consumer attitude toward a brand alliance influence subsequent impressions of each partner brand. They also proved that prior attitude toward each partner brand, as well as the fit of the partner brand, influenced consumer attitudes toward the brand alliance. However, each partner brand is not necessarily affected equally by its participation in a particular alliance.

Rao, et al. [5] examined the circumstances from the signaling perspective. They confirmed that when evaluating a product with important unobservable attribute, consumers' quality perceptions are enhanced when a brand is allied with a second brand that is perceived to be vulnerable to consumer sanctions.

Helmig, et al. [1] extended Simonin and Ruth's study (1998) by adding buying intention into the model. The finding was consistent with previous brand alliance studies, whereby respondents' prior brand attitudes towards each partner brand were positively related to evaluations of the alliance product. Moreover, they found that the fit between each partner brand had the strongest effect on purchase intension.

Dickinson and Barker [9] extended Simonin and Ruth's study (1998) by examining the circumstances from the alliances between non-profit and commercial entities. The results supported the notion that both non-profit organizations and commercial entities can benefit from a brand alliance. The research also found that greater perceived 'fit' between brand alliance partners allows for greater benefits to be enjoyed by each partner brand in terms positive brand alliance evaluations and spillover effects.

We suggest that these theories and studies provide a reasonable explanation of the phenomena of interest, and predict how consumers' separate attitudes toward brand names are reconciled in evaluating a brand alliance, and later influencing purchase intention.

IV. CONCEPTUAL MODEL AND HYPOTHESES

Based on the general marketing literature review, we investigate the relationship of the antecedents of brand alliance evaluations and the factors that influence purchase intentions in the education context. Especially, by adapting Simonin and Ruth's study (1998) we investigate the effect of attitude and perceived fit of parent brands to an alliance product. We also add consumers' brand knowledge and self-brand connection factors into the relationship. We replicate the prior research regarding how attitude and other factors explain purchase intentions toward alliance product. Furthermore, we examine the effect of collaboration between the education brands. In summary, the following conceptual model is developed where purchase intension is hypothesized to have positive associations with prior attitude toward partner brands, perceived brand fit, brand knowledge, and self-brand

connection, with a mediation effect of attitude toward brand alliance product (Figure 1).

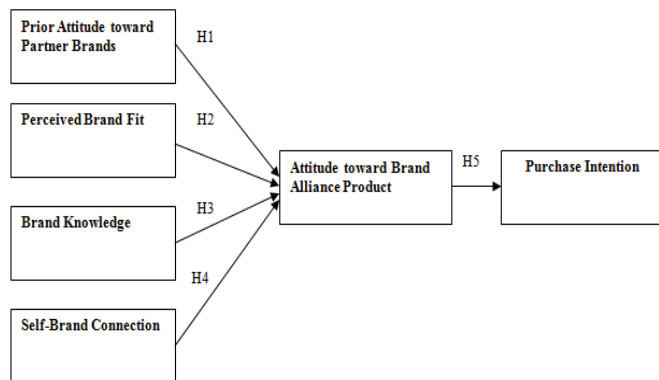


Fig. 1 Conceptual Model

A. Attitude toward partner brands and alliance product

As mentioned earlier, the attitude accessibility theory and information integration theory are the initial theories explaining attitude formation toward brand alliance. According to the theories, attitudes are formed and modified as people receive, evaluate, and then integrate stimulus information with their existing attitudes [2]. In addition, synergy theory states that when the joint action of agents is brought together, they enhance the combined effect of value creation, which effect is greater than the sum of the individual effects. In joint degree program setting, as similar to the commercial brand alliance, the evaluations associated with the brand of partner institutions will be retrieved automatically when the brand and its associations are accessed in memory by the presentation of a sufficiently strong brand alliance cue [1, 2, 9]. In turn, we expect that:

H1: Prior attitudes towards the brand of partner institutions are related positively to attitudes toward the brand of program alliance.

B. Perceived Brand Fit and alliance product

Several brand extension researchers have tried to identify the factors that define successful brand extensions. They have viewed the fit between a parent brand and the extension category as a determinant of the success of the extension [3]. Brand fit is defined as similarity or feature overlap between the parent brand and extension category [3]. Two perspectives on fit: similarity; and relevance, coexists in brand extension literature. Both perspectives rely on cognitive categorization theory, which assumes that brands are cognitive categories formed by a network of associations organized in people's memory. The associations may be based on shared product features, attributes, and benefits. [3, 10]. Prior research has found that perceived fit between original category and the brand extension serves as an important antecedent of consumer brand alliance evaluations [11-14]. In turn, we hypothesise:

H2: Brand fit is related positively to attitudes toward the brand of program alliance.

C. Brand Knowledge and alliance product

Signaling theory suggests that a brand can act as powerful signals that convey information about product attributes to consumers. This information includes physical, functional, and symbolic attributes of a product. The signal of a brand leads to lowering search costs and risk, and in turn, impacting purchase consideration and choice. The prior research show that when there is an increase in customer knowledge about the product or brand, it results in differential effects in information processing and brand evaluation [2]. In turn, we expect that:

H3: Brand knowledge is related positively to attitudes toward the brand of program alliance

D. Self-Brand Connection and alliance product

To achieve identity goals, people use products and brands to create and represent desired self-images and present these images to others or to themselves. As a result of this process, a link bridges the brand and the self. Prior research indicates that self-brand connections are associated with attitudes toward the brand and a likelihood of purchase. [15, 16]. In turn, we hypothesise:

H4: Self-brand connection is related positively to attitudes toward the brand of program alliance.

E. Antecedents of purchase intentions

According to the theory of planned behavior (Ajzen & Fishbein, 1980), attitudes have been shown to have strong correlation relationships with behavior and purchase intention in various contexts [1]. This theoretical relationship has been supported in empirical marketing research in which the attitudinal factor is found to have a strong relationship with purchase intentions [5]. Therefore, attitudes influences on a person's behavior may be useful for predicting their purchase intentions toward program alliance products. In line with the theory of planned behavior, it is hypothesised that:

H5: Attitudes toward the brand of program alliance relates positively to intentions to study the joint degree program.

V. RESEARCH METHODOLOGY

A. Participants and stimuli brand

The participants for the experiment consisted of 101 undergraduate students at Asia-Pacific International University. The hypothetical brand alliance was a joint degree program between Asia-Pacific International University and La Sierra University. Table 1 describes the demographic information of the participants in this study.

TABLE I
DEMOGRAPHIC INFORMATION

| Demographic | Percentage (n=101) |
|--------------------------|-----------------------|
| Age | |
| 19 years old | 17.8 |
| 20 years old | 25.7 |
| 21 years old | 36.6 |
| More than 21 years old | 19.8 |
| Gender | |
| Male | 55.4 |
| Female | 44.6 |
| Student Status | |
| Freshman | 3.0 |
| Sophomore | 43.6 |
| Junior | 36.6 |
| Senior | 16.8 |
| Race/Ethnicity | |
| Thai | 35.6 |
| Asian (Exclude Thai) | 52.5 |
| African | 11.9 |
| Faculty of study | |
| Business Administration | 42.6 |
| Science | 5.9 |
| Arts and Humanities | 12.9 |
| Nursing | 28.7 |
| Religious Studies | 5.0 |
| Education and Psychology | 5.0 |

B. Measures

1) *Attitude toward partner brands*: The operationalization of this variable uses three items, each measured with seven-point scales. The items are adapted from [2]. In support of the reliability of the inter item test, the Cronbach's alpha (.74) exceeds .70, the standard cut-off point.

2) *Perceived brand fit*: Four items, each measured on a seven-point scale, assess perceived brand extension. Spiggle, et al. [10] provide the items, which produce a Cronbach's alpha of .88, exceed the .70 standard.

3) *Brand Knowledge*: To measure this variable, the study uses two items, each measured on a seven-point scale, derived from existing literature on brand extension [2]. The Cronbach's alpha (.74) indicates the items provide good indicators.

4) *Self-Brand Connection*: Four items, each measured on a seven-point scale, assess perceived brand extension. Escalas [16] and Escalas and Bettman [15] provide the items, which produce a Cronbach's alpha of .72, exceed the .70 standard.

5) *Purchase intentions*: Two items, each measured on a seven-point scale, assess purchase intention. Rao, et al. [5] provide the items, which produce a Cronbach's alpha of .76, exceed the .70 standard.

C. Experiments

The participants were given a questionnaire contains information of Asia-Pacific International University, La Sierra University, and the joint degree program provided by the universities. They were asked to complete the identified attitude scales, brand knowledge scales, self-brand connection

scales, perceived brand fit scales, and the intention to study scales. Toward the end part of the questionnaire, the subjects were asked to complete the demographic information.

VI. RESULTS

Two models were examined the effect of the joint degree program. The first model examined the impact of attitude toward partner brands (H1), perceived brand fit (H2), brand knowledge (H3), and self-brand connection (H4) onto attitudes toward the joint degree program. The second model examined the impact of attitude toward the joint degree program (H5) onto the intentions to study the joint degree program.

From the multiple regression analysis, the first model explained 60.1% of the variance in the evaluation of attitudes toward the joint degree program between Asia-Pacific International University and La Sierra University ($R^2 = 0.601$; $F(7, 93) = 7.794$; $p < .001$). The regression analysis showed that perceived brand fit ($\beta = 0.543$; $p < .05$) had a significant positive impact on the evaluation of attitudes toward the joint degree program, supporting H2. Brand Knowledge had a marginally significant positive related to the evaluation of attitudes toward the joint degree program, rejecting H1. Attitude toward partner brands and Self-brand connection were not significantly related to the evaluation of attitudes toward the joint degree program, rejecting H3 and H4.

TABLE II
REGRESSION OF PREDICTORS ONTO ATTITUDE TOWARD THE JOINT DEGREE PROGRAM

| Predictor | β | t | p |
|--------------------------------|---------|-------|---------|
| Attitude toward Partner Brands | 0.026 | 0.297 | 0.435 |
| Perceived Brand Fit | 0.543 | 6.453 | 0.000* |
| Brand Knowledge | 0.123 | 1.302 | 0.096** |
| Self-Brand Connection | 0.083 | 0.695 | 0.244 |

*denotes significance and **denotes marginal significance at the .05 level

From the regression analysis, the second model explained 53.6% of the variance in the evaluation of intention to study the joint degree program between Asia-Pacific International University and La Sierra University ($R^2 = 0.536$; $F(1, 99) = 114.37$; $p < .001$). The regression analysis showed that attitudes toward the joint degree program ($\beta = 0.732$; $p < .001$) had a significant positive impact on the intentions to study the joint degree program, supporting H5.

VII. CONCLUSIONS AND IMPLICATIONS

A. Conclusions

The present study replicated the prior findings that the evaluation of a new brand alliance - the joint degree program in this research - is influenced by the perceived fit between the parent brands [10, 11]. Another finding is that attitudes toward the brand alliance (the joint degree program) impact on the intentions to purchase the alliance product [5]. The study simultaneously expands on the prior studies by investigating

the role of brand alliance in intangible product especially in the education context.

B. Limitations

The focus of this study on the role of the joint degree program led to the selection of only single educational product brands and ignoring the diversity of brands and product choices. In particular, given that the stimulus joint degree program of the Master of Business Administration, the samples in other fields of study may have less interested on the program. In addition, the use of an undergraduate student sample from a particular institution and the small size of sample used in the study may have reduced the generalizability of the findings. To increase the reliability and stability of the constructs, and given the potential bias discussed above, it is recommended that further research should explore data from other institutions. The development of an appropriate model that works within the context of brand alliance in education is certainly an interesting focus for future research.

C. Implications

The present study developed a brand alliance model in education context. The findings suggest that perceived brand fit is the most important determinant of brand alliance success. The greater perceived brand fit between brand alliance partners allows for greater benefits to be enjoyed by the each partner brand in terms positive brand alliance evaluations, and later lead to purchase intention. This information is useful for education institutions as they can now better predict the acceptance of the new joint degree program by consumers as well as better select the alliance partner.

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