

3 Tips for Co-Branding Happily Ever After

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One of the key ingredients in a strong marriage is teamwork. As I saw with my parents, who were happily married for 39 years, couples who tackle life's inevitable ups and downs with a true team mentality have a much better chance of going the distance.

The same is true in business.

Across virtually every industry, from cars to fashion and food to technology, companies are turning to strategic co-brand partnerships to add excitement; align an existing brand with a new, yet complementary ethos, and target like minded audiences.

Starbucks CEO Howard Schultz recently announced a strategic [co-branding partnership](#) with Spotify, whereby the music streaming service pays Starbucks in exchange for issuing “stars” to new subscribers. Apart from reward points, which can be redeemed for food and beverages, customers can link to their Spotify and Starbucks accounts, and suggest songs to play in stores.

For the company that practically invented the “third place,” the pairing is a match made in heaven -- a next-generation extension of Starbucks' in-store CD sales, a brand staple for 20 years, though [discontinued in March](#). It also aligns with the retail brand's strong focus on technology (Starbucks was one of the first retailers to accept mobile payments) – and is the latest in a seemingly endless number of trend setting initiatives ranging from bottled Frappuccino in partnership with PepsiCo, to Teavana® Oprah Cinnamon Chai Tea Latte.

The partnership is a win-win all around. As Spotify seeks to stave off competition from upstart streaming platforms like Apple Music and Beats Music, the co-branding effort provides competitive differentiation and gives Spotify access to a large pool of likely subscribers. These aren't simply warm bodies. This is a core constituency, individuals who are most likely to spend an afternoon with a latte and laptop at a Starbucks café, listening to commercial-free music.

Of course, not all co-branding efforts are a resounding success. Partnerships that fail inevitably confuse brand ethos and/or target audience.

Last year, [Lego](#) announced that it would decline to renew its decades-old partnership with Shell amid intense pressure from Greenpeace to sever ties. According to the terms of the partnership,

Lego manufactured Shell-branded gas stations and racing cars in exchange for the oil giant making those products available through its global network. Despite the obvious benefits of the partnership, the chasm between a toymaker, and a global brand synonymous with environmental damage was, ultimately, too great to overcome.

Given the many modern-day marketing challenges, it's likely that more companies will seek to leverage existing brand equity rather than stake out new territory. Here are some key principles to keep in mind when forging a co-branding partnership.

1. Unique offering.

Look for opportunities to form partnerships that break the mold. When Isaac Mizrahi teamed up with Target to launch a fashion brand, it was one of the first affordable, mass-market lines created by a high-end designer. The venture was so successful that Target went on to align with a number of other top designers, including Missoni and Lilly Pulitzer.

2. Like minded culture.

Partnerships come in many unusual combinations -- an automotive brand aligns with a toymaker or a food brand enters the household products space. Yes, opposites attract, but brand partners should still share an underlying commonality in both vision and goals. Otherwise, happily ever after can quickly morph into "conscious uncoupling."

3. Halo effect.

Partner with a company that elevates your own brand. In 1999, Econo Lodge instituted a "Mr. Clean Housekeeping Program" to bring positive attention to the cleanliness of its rooms and differentiate the brand from other inexpensive hotels. Whether aligning a product with a person or another brand, choose a partner that reflects positively on your business.

Do your homework and consider the pluses and minuses before jumping into a partnership. After all, business relationships, like marriages, tend to have the most success when partners get to know each other before walking down the aisle.

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