



Contents lists available at ScienceDirect

Journal of Business Research



Higher education brand alliances: Investigating consumers' dual-degree purchase intentions

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ARTICLE INFO

Article history:

Received 1 March 2015

Received in revised form 1 October 2015

Accepted 1 November 2015

Available online xxx

Keywords:

Brand alliances
Higher education
Dual degrees
Purchase intent

ABSTRACT

Extant research lacks insight into the nature, dynamics, and outcomes characterizing brand alliances in higher education. This research aims to bridge this gap by examining prospective students' purchase intention for dual degrees – a particular brand alliance type deployed in higher education. Findings indicate that prospective students' attitude toward the alliance (H1), their level of familiarity with the individual constituent brands (H2), brand trust (H3a), the interaction between brand familiarity and trust (H3b), as well as perceived fit between the constituent brands (H4) positively and significantly influence consumer purchase intention for particular dual-degree offerings. Overall, these findings extend scholarly insights in brand alliancing research, with a particular focus on higher education dual-degree offerings.

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1. Introduction

Collaborative alliances are increasingly prominent in higher education (Bennet & Kottasz, 2011). Ranging from research consortia to joint curriculum development and program delivery, collaborative alliances reflect varying degrees of collaboration between higher education institutions (HEIs). This paper focuses on one such form of collaborative partnerships: brand alliances – where two or more established constituent brands are presented jointly as a composite brand to the marketplace. Specifically, the focus of this study is on dual degrees offered jointly by individual HEIs as a focal higher education brand alliance type (Kuder, Lemmens, Obst, & Scully, 2014).

Dual degrees represent a growing strategic marketing tool, which provide HEIs with the opportunity to strengthen, augment, and differentiate their individual brands within an increasingly competitive higher education landscape (Kuder et al., 2014). However, dual degrees are not a panacea, as potential disadvantages also exist. For example, Yale University's proposed dual-degree offering with the National University of Singapore has suffered low acceptance by some of its key constituents due to a perceived poor fit between the respective institutions' academic values and Singapore's more restricted academic, civil, and political climate (Fischer, 2012). Such brand alliancing tensions have, similarly, been documented across other sectors and research has shown that poorly orchestrated brand alliances can erode brand

equity for the constituent brands, as well as for the composite brand alliance (Gammoh & Voss, 2011).

Consequently, developing diagnostic insight regarding strategic partner selection can contribute to reducing any negative consequences of brand alliances. Unfortunately, little is known in this area. While the corporate branding literature provides insight into the establishment of brand alliances and how these add organizational credibility and build reputation (Lafferty, 2007), including in higher education (Gray, Fam, & Llanes, 2003), little empirical research currently exists, which tests consumers' purchase intent for specific dual degrees, as addressed in this study. Some argue that the aversion of coming to terms with the growing commercialization of what is principally a public good explains this research gap (Czinkota, 2006). Others claim the existence of methodological difficulties in constructing an appropriate dataset of brand alliances limits the development of enhanced understanding regarding brand alliances and their consequences (Yang, Shi, & Goldfarb, 2009). Bridging this knowledge deficiency, we extend scholarly insight regarding brand alliances in this paper, with a particular focus on higher education dual degrees. Targeting prospective students as principal stakeholders, this study's scope excludes key dynamics characterizing other stakeholder groups (e.g., academic ranking agencies, philanthropic donors, alumni) and is also limited to genuine (i.e., as opposed to fraudulent) dual degrees (Van Tol, 1990).

2. Literature review

In the brand alliance literature, several related theoretical perspectives have been proposed (Table 1). First, *signaling theory* posits that

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Table 1
Theories deployed in brand alliance literature.

Theory	Concept	Illustrative references
Signaling theory	Investigates signaling value of brand alliances to the marketplace (e.g. quality perception enhancement).	Rao and Ruekert (1994); Rao et al. (1999); Xiang and Mishra (2002)
Information integration theory	Explores the brand alliance attitude formation process by evaluating stimulus information with existing attitudes/beliefs.	Simonin and Ruth (1998); Rodrigue and Biswas (2004)
Schema incongruity models	Reviews congruency perception of brand alliance relative to previous cognitive schemas.	Desai and Keller (2002)
Associative learning	Studies how consumers make cognitive connections across environmental stimuli they encounter and how this influences brand-alliance evaluation.	Washburn et al. (2000, 2004)
Associative network memory model	Examines the process through which beliefs about brand alliances become linked in a person's mind.	Samu, Krishnan, and Smith (1999)
Social judgment theory	Inspects contextual influence on informational signals derived from brand alliances and how this evaluation differs across different contexts.	Levin and Levin (2000); Levin (2002)
Concept combination theory	Considers how consumers evaluate new composite concepts such as brand alliances based on existing concepts they possess and the resulting "spillover" effects from the independent brands.	Park et al. (1996); Vaidyanathan and Agarwal (2000)

brand alliances provide specific signals to prospective consumers, particularly with respect to providing assurance about the quality of an offering, or conveying a message regarding specific product attributes (Xiang & Mishra, 2002). This theory underpins the notion that focal signals serve as informational devices (Rao & Ruekert, 1994), which reduce consumers' perceived purchase risk (Simonin & Ruth, 1998). This risk reduction is particularly relevant when the brand alliance comprises a strong, highly reputed brand and a lesser-known one, such that the alliance acts as a cue allowing consumers to project their associations with the stronger brand onto the lesser-known one. This transfer effect, in turn, allows the lesser-known brand to leverage key attributes of the highly reputed brand (Simonin & Ruth, 1998).

Second, *information integration theory*, which is related to *schema incongruity models* (Desai & Keller, 2002), proposes that consumers' existing beliefs will influence their response to specific brand alliances (Simonin & Ruth, 1998). Specifically, this perspective assumes that a minimum perceived fit level, including product, brand, attribute or country-of-origin fit (Bluemelhuber, Carter, & Lambe, 2007; Park, Jun, & Shocker, 1996) between the constituent brands is required to generate positive consumer evaluations of the composite brand alliance (Lafferty, Goldsmith, & Hult, 2004). Third, *associative learning models* postulate that consumers will evaluate brand alliances based on how they learn about and frame contextual information; thus, in turn, creating a comparison standard promoting either similarities or differences between the constituent brands (Washburn, Till, & Priluck, 2004). When differences are in focus, a composite brand alliance is unlikely to receive positive evaluations, and vice versa. Elements of each of these theoretical perspectives apply to dual-degree offerings and their ensuing evaluations by prospective students. To illustrate, while the importance of partner selection in dual-degree contexts is pivotal under signaling theory (based on the perceived quality of signals emitted), prospective students' pre-existing opinions/biases, as well as their learning modes and styles are likely to exert effects on resultant brand evaluations, as highlighted under information integration theory and associative learning models, respectively.

Several findings emerge from these theories. First, pre-existing attitudes toward constituent brands are likely to influence consumers' response to particular brand alliances (Simonin & Ruth, 1998). This observation implies that consumer attitudes toward the brand alliance influence individuals' subsequent impressions of each partner's brand, and generate "spillover effects" (p. 30). Additionally, spillover effects are known to be asymmetric; that is, each partner brand is not necessarily affected equally by its brand alliance participation (Hillyer & Tikoo, 1995). Third, perceived constituent brand congruency/fit has important repercussions for brand alliance effectiveness. To illustrate, Park et al. (1996) find that in composite brand extensions, using two brands with complementary (i.e., high-fit) attributes generates higher consumer evaluations, relative to the adoption of two highly favorable, yet non-complementary brands. The use of complementary brands, in turn, generates heightened composite brand effectiveness in influencing consumer choice and preference.

Fourth, specific personal and contextual factors may influence consumers' brand alliance evaluations. For example, when the quality of constituent brands is difficult to assess (e.g., for services high in credence-qualities), the presence of a familiar second brand assists in improving individuals' quality evaluation of the other constituent brand (Rao, Qu, & Ruekert, 1999). Further, Levin and Levin (2000) report that consumer inferences regarding the qualities of an incompletely described object arise from an assumed similarity between the object and its context, thus highlighting the role of context-specific factors (e.g., other brand/brand alliance advertising) in driving consumers' brand alliance evaluations. Sixth, brand alliancing is more effective when its outcomes extend beyond the individual brand's equity levels (Washburn, Till, & Priluck, 2000).

Despite these insights, important research gaps remain. First, methodological limitations exist in brand alliancing research. To illustrate, scholars have predominantly examined fictitious consumer product brands and mostly in laboratory settings to-date, resulting in limited generalizability of findings (Maiksteniene, 2009; Van der Lans, Van Den Bergh, & Dieleman, 2014). Second, extant research has largely opted for traditional positivist epistemology grounded in quantitative, confirmatory methodologies, which, however, limit theory development. Third, given the brand alliance literature's predominant focus on for-profit consumer goods (Maiksteniene, 2009), extending theory development in novel, distinct contexts (e.g., not-for-profit organizations) represents an avenue worthy of consideration. Specifically, the lack of a solid understanding regarding brand alliancing in service contexts is surprising – particularly given the typical intangibility of services, which renders brand-based signaling effects relevant in reassuring prospective customers of service quality, particularly for high-credence services (Boulding, Kalra, Staelin, & Zeithaml, 1993; Rao et al., 1999). Research into service-brand alliancing is, however, emerging (e.g. Chan & Cheng, 2012; Maiksteniene, 2009). Nevertheless, the "substantial differences among different types of services" (Contractor, Kundu & Hsu, 2003: p. 9) offer scholars the opportunity to further explore the intricacies of service brand alliances, particularly in novel service contexts (e.g., higher education). Fourth, while the corporate branding literature suggests that brand alliances may add organizational credibility and build reputation (Lafferty, 2007), little empirical research has assessed consumers' purchase intent for dual degrees, as explored in this research. Building on these research gaps, this study extends scholarly insight by examining brand alliancing in a new context: the not-for-profit higher education service sector, through adopting a dataset of genuine educational brands.

3. Method

Adopting an initial qualitative research phase to generate rich, in-depth insight regarding prospective students' dual-degree evaluations and their ensuing dual-degree purchase intent, followed by a quantitative research phase focused on the empirical testing of the qualitatively

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