The Impact of Co-Branding Inconsistency on Brand Engagement

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Abstract. In the era of global digital marketing, brand competition is fierce. To differentiate themselves, brands are increasingly engaging in co-branding, combining elements from various industries to innovate unique products and services. A prime example is the "Moutai Latte" collaboration between Luckin Coffee and Kweichow Moutai, which generated significant social media attention and achieved notable success due to its innovative nature. Although co-branding has been extensively studied, traditional research has focused on the impact of brand compatibility, neglecting the potential of co-branding inconsistency to stimulate consumer interest and curiosity, thereby enhancing positive marketing outcomes. This study, grounded in schema incongruity theory, explores the effect of co-branding inconsistency on perceived interest and brand engagement.

This research demonstrates that increased co-branding inconsistency can ignite greater consumer interest, subsequently elevating brand engagement. Theoretically, it contributes to the co-branding literature by highlighting the significance of inconsistency and propelling research into perceived interest. From a practical standpoint, it provides valuable insights for marketers, advocating for the adoption of innovative partnerships to incite consumer curiosity and bolster brand engagement.

Keywords: co-branding, inconsistency, perceived interest, brand engagement

1 Introduction

In the current digital marketing landscape, co-branding, especially unconventional partnerships such as the "Sauce Aroma Latte" collaboration between Luckin Coffee and Kweichow Moutai, has substantially increased consumer interest and brand engagement, challenging the conventional pursuit of congruence in co-branding partnerships.

Within co-branding research, the traditional view emphasizes the impact of partner congruence on co-branding outcomes[1,2,3]. Consistency Theory posits that individuals seek cognitive and behavioral consistency to alleviate cognitive dissonance, and thus, congruent co-branding typically enhances consumer cognitive consistency, resulting in favorable brand evaluations[4]. However, the growing presence of co-branding in the

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market, integrating diverse elements or products, has also received positive market responses, suggesting that traditional congruence and consistency theories may not fully account for the success of modern co-branding.

This study introduces an incongruence perspective, examining the impact of co-branding inconsistency on consumer brand engagement through Schema Incongruity Theory. It contributes to co-branding research by addressing the effects of inconsistency on engagement, filling research gaps, and enhancing the comprehension of perceived interest in consumer behavior, providing insights for the development of innovative co-branding strategies that foster brand innovation and personalization.

2 Conceptual Development and Hypotheses

2.1 Co-Branding, Incongruity, and Brand Engagement

Co-branding entails collaboration among multiple brands on a single product, intended to augment its overall value[1]. Inconsistency denotes information discordant with individual expectations[5]. It denotes a brand-level mismatch between an existing and an original brand[6] and, at the product level, indicates the extent of divergence from category norms[7]. This paper conceptualizes co-branding inconsistency as the occurrence of inconsistency across brand and product dimensions within co-branding contexts. Specifically, the brand dimension reflects consumers' perceived incongruity in the perception or association of partnering brands, while the product dimension pertains to their perception of product functionality complementarity.

In the social media sphere, brand engagement is a pivotal metric for gauging brand influence[8]. It includes interactive actions such as likes, comments, and shares on social media brand content[9]. Novel and unique inconsistent co-branding content often garners greater attention, evoking consumer curiosity and engagement[10,11,12]. Thus, this paper posits the following hypothesis:

H1: In the context of co-branding, compared to low co-branding inconsistency, high co-branding inconsistency leads to higher brand engagement among consumers.

2.2 The Mediating Role of Perceived Interest

Perceived interest denotes a psychological and physiological state characterized by heightened attention and active information seeking when individuals engage with content of interest[13]. It is differentiated into situational interest, which is an immediate response to environmental stimuli, and personal interest, a stable individual trait[14]. This paper concentrates on situational interest, particularly the emotional state of concentration, curiosity, and pleasure arising from an individual's subjective encounter with co-branding inconsistency[15,16].

Schema Incongruity Theory posits that the response to varying degrees of schema incongruity influences the intensity and range of emotional reactions[17]. While schema congruence is typically moderate, a moderate level of incongruity can actually stimulate attention, arousal, and surprise[18], thus fostering a more favorable evaluation.

Traditional co-branding aligns with consumer expectations, necessitating minimal cognitive effort and eliciting moderate emotional responses. Conversely, co-branding inconsistency captures attention, inciting cognitive conflict and curiosity[15], which leads to an enjoyable exploration aimed at reducing incongruity and promoting deep cognition—a central component of perceived interest. Consequently, high co-branding inconsistency is more likely to elicit greater perceived interest than low inconsistency[12].

Humor, timeliness, and unexpectedness are known to draw user attention[4]. Engaging content is more apt to attract consumer attention, evoke positive emotions like pleasure and surprise, and strengthen emotional bonds with brands. Giakoumaki and Krepapa (2020)[19] note that content resonating with consumers' self-concepts heightens their engagement willingness, with engaging content often relating to individuality and self-expression. Hence, this paper advances the following hypothesis:

H2: Perceived interest mediates the effect of co-branding inconsistency on brand engagement. Specifically, compared to low co-branding inconsistency, high co-branding inconsistency leads to higher perceived interest among consumers, which in turn results in higher brand engagement.

3 Study

3.1 Method

The study aims to examine the main effect of co-branding inconsistency on brand engagement and the mediating role of perceived interest. A single-factor between-subjects design with co-branding inconsistency (high vs. low) is adopted, utilizing visual and textual content as stimulus materials. The questionnaire is collected through an online platform for data analysis.

Stimulus. The core brand selected should have a certain level of popularity and a distinct brand image[2] "Liushen" is chosen as the main brand, while "RIO" and "Dabao" are selected as partner brands. The co-branding of "Liushen" shower gel with "RIO" cocktail serves as the high inconsistency group, with the joint product being a mildly alcoholic shower gel. In contrast, the co-branding of "Liushen" shower gel with "Dabao" lotion serves as the low inconsistency group, with the joint product being a moisturizing shower gel.

Measurement. Participants are randomly assigned to either the high or low inconsistency group to ensure objectivity and comparability of experimental results. Initially, participants are shown the logos and brief introductions of the partner brands, and their familiarity and attitudes towards these brands are measured. If a participant's brand familiarity is low, the questionnaire session is terminated. For eligible participants, they are further informed of a post on social media announcing the partnership and product details. A 7-point Likert scale is used to measure perceived interest in the co-branding inconsistency, referencing Olney et al. (1991)[20], with four items: "I am curious about this joint product," "This joint product is not boring/interesting/appealing" (Cronbach's α=0.894). Brand engagement is measured using three items from Qin (2020)[21] related to contribution: "I would like to like this post," "I would comment on this post," "I would share this post" (Cronbach's α=0.886).

3.2 Results

Sample Overview. A total of 136 valid questionnaires were collected, with 49 males (36%) and 87 females (64%). The majority of participants were aged between 26 and 35, accounting for 64% of the total.

Manipulation Check. Prior to the main experiment, the manipulation of co-branding inconsistency was checked, referencing Jung et al. (2010)[22]. An independent samples t-test revealed that participants in the high inconsistency group scored significantly higher than those in the low inconsistency group (M_{high}=6.49, SD=0.635; M_{low}=2.57, SD=1.095; T=-13.507, P=0.000), indicating successful manipulation.

Hypothesis Testing. With co-branding inconsistency as the independent variable and brand engagement as the dependent variable, an independent samples t-test showed a significant effect of co-branding inconsistency on brand engagement (M_{high}=5.66, SD=1.041; M_{low}=4.60, SD=1.278; T=-5.282, P=0.000), supporting H1.

When co-branding inconsistency was used as the independent variable and perceived interest as the dependent variable, an independent samples t-test indicated that consumers exhibited higher perceived interest in the face of high co-branding inconsistency compared to low inconsistency (M_{high}=5.70, SD=0.920; M_{low}=4.95, SD=0.979; T=-4.614, P=0.000). Following Zhao et al. (2010)[23] and Preacher's mediation analysis procedure (Model 4), a Bootstrap mediation test was conducted using SPSS 26.0 with 5000 bootstrap samples. The results showed a significant mediating effect of perceived interest (β=0.6255, LLCI=0.3574, ULCI=0.9087) at a 95% confidence interval. After controlling for the mediator, the direct effect of co-branding inconsistency on brand engagement remained significant (β=0.4321, LLCI=0.1172, ULCI=0.7471), indicating that perceived interest partially mediates the relationship between co-branding inconsistency and brand engagement. Overall, the data supported H2.

3.3 Discussion

When the co-branding inconsistency is high, compared with low co-branding inconsistency, it will lead to higher brand engagement of consumers, and the mediating effect of perceived interest. This verifies H1 and H2.

4 General Discussion

Drawing upon the schema incongruity theory, this study experimentally reveals the impact of co-branding inconsistency on brand engagement and its underlying mechanism. Specifically, high co-branding inconsistency (vs. low) leads to higher brand engagement among consumers, with perceived interest mediating the effect of co-branding inconsistency on brand engagement. In other words, high co-branding inconsistency (vs. low) elicits greater perceived interest, which in turn fosters higher brand engagement.

4.1 Theoretical and Practical Contributions

This research contributes to both theoretical and practical domains. Firstly, it broadens the innovative perspective of co-branding by exploring the potential value of incongruent partnerships, thereby enriching co-branding theory. Additionally, it delves deeper into the mechanisms of co-branding within the social media context, addressing a gap in prior research that emphasized joint evaluations and overlooked the dynamics of brand engagement. This offers a novel perspective for branding strategies in the digital age.

Secondly, the study enhances the understanding of perceived interest in consumer behavior, especially in co-branding scenarios. The findings not only bolster the theoretical framework of perceived interest in marketing but also highlight its crucial role in fostering brand engagement[24], providing a foundation for brands to augment consumer interaction via innovative co-branding strategies.

4.2 Limitations and Future Research

While this study has yielded findings on the impact of co-branding inconsistency on brand engagement, there remain limitations and avenues for future inquiry. Firstly, the research is currently centered on co-branding scenarios; however, future studies might broaden their scope to various marketing contexts, including brand extensions and product packaging, to gain a holistic view of incongruence's effect on brand engagement via cross-contextual analysis.

Secondly, the present study has not investigated potential moderating effects. Future research could examine moderating variables from both brand and consumer standpoints, such as the level of consumer innovativeness.

Lastly, the study has not considered the enduring nature of perceived incongruence. Future investigations should employ longitudinal approaches, like tracking surveys, to assess the enduring impact of incongruence, thereby laying a scientific groundwork for crafting enduring marketing strategies.

5 Conclusion

Grounded in schema incongruity theory, this study demonstrates that higher levels of co-branding inconsistency, compared to lower levels, significantly enhance brand engagement, with perceived interest serving as a mediating factor. By investigating the underlying mechanisms through which co-branding inconsistency influences brand engagement, this research contributes to the theoretical advancement of co-branding and offers novel insights for the development of co-branding strategies. Future research could further examine potential moderating variables to inform and refine marketing practices.

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