



# Should birds of a feather co-advertise together?

An investigation into whether  
co-advertising helps or hinders  
ad and brand memorability  
for brand portfolios

Submission for the award of Masters by Research (Marketing)

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# DECLARATION

I declare that this thesis presents work carried out by myself and does not incorporate without acknowledgment any material previously submitted for a degree or diploma in any university; to the best of my knowledge it does not contain any materials previously published or written by another person except where due reference is made in the text; and all substantive contributions by others to the work presented, including jointly authored publications, is clearly acknowledged.

An abstract from this study of this study has been peer reviewed and accepted for ANZMAC 2022 *"Is portfolio co-advertising too close for comfort?"*.

A handwritten signature in black ink, appearing to read "Chandler M", written over a horizontal dotted line.

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# ABSTRACT

New product variants are often introduced as a strategic activity to achieve profit and company goals, react to a changing market, or to appeal to variety seeking behaviour (Edgett et al., 1992; Kapferer, 2012; Nijssen, 1999; Pellegrini & Zanderighi, 1991; Victory et al., 2021). As new product introductions have a failure rate of approximately 40% (e.g., Markham & Lee, 2013; Page, 1993; Victory et al., 2021), there is opportunity to understand how advertising can help variants achieve success. For advertising to be deemed effective, consumers should remember both the advertising and brand(s) advertised (Romaniuk, 2009). Generally, advertisements feature one brand. However, another marketing strategy is to advertise more than one brand in a single advertisement (Helmig et al., 2008; Leuthesser et al., 2003). This is conceptualised as 'co-advertising' (Besharat & Langan, 2014). Co-advertising strategies may capitalise on the equity of and draw upon memory associations of either brands (Levin & Levin, 2000; Voss & Gammoh, 2004). Given that in single-brand advertising studies, consumers have been found to pay little attention to advertising (Dréze & Hussherr, 2003; Romaniuk & Nguyen, 2017), for co-advertising to be a valuable strategy, it should perform better than single-brand advertising by increasing attention and be mutually beneficial to both brands advertised.

The effectiveness of co-advertising has been tested across numerous scenarios, such as celebrity endorsement (Atkin & Block, 1983; Erdogan & Baker, 2000; Erfgen et al., 2015), co-op advertising (Huang & Li, 2001; Nguyen et al., 2018a), and cause-related marketing (Dickinson & Barker, 2007; Lafferty & Goldsmith, 2005; Nguyen et al., 2018a). Co-advertising effectiveness studies have found two brands, compared to a single-brand does not improve ad recognition (Nguyen et al., 2018a), and results in negative brand recall, especially for smaller brands (Dahlén & Lange, 2005; Erfgen et al., 2015; Nguyen et al., 2018a). Yet, it is unclear whether the same limitations in ad and brand memorability arise in a portfolio co-advertising context.

To understand whether a co-advertising strategy can support the success of variants, this study extends past research by investigating the effectiveness of portfolio co-advertising. This is where two (or more) brands from the same brand portfolio, such as

a core brand and variant, co-advertise together (i.e., advertising a core brand such as Jack Daniel's with its variant Gentleman Jack). Portfolio co-advertising may find improved advertising effectiveness in terms of ad and brand memorability through the intensity of associations between core brands and variants (Besharat & Langan, 2014; Keller & Aaker, 1992).

An investigation of portfolio co-advertising's effects was achieved through an online survey, between-subjects test of 2,132 Australian respondents. Exploration was across six categories (four consumer-packaged goods, two services). General and premium variants were tested to understand the generalisability of results across variant conditions. Respondents were assigned to a group where for each brand portfolio they saw either a single-brand advertised (e.g., Gentleman Jack alone) or two brands co-advertised (e.g., Jack Daniel's and Gentleman Jack co-advertising together) advertisement. Each respondent in total saw six advertisements, and two distractor advertisements, but only one advertisement per brand portfolio. The online display advertisement stimuli were placed within a fake news website next to general lifestyle news articles. Respondents were instructed to read the articles as a goal directed and likely familiar task. Following a distractor task, respondents were shown debranded versions of the advertisements they were exposed to and were questioned the advertisements. To measure portfolio co-advertising effectiveness, ad memorability was collected using an execution prompted ad recognition measure, while brand memorability was collected using a brand recall measure.

The findings show:

**Finding 1: Co-advertising has no consistent effect on ad memorability compared to single-brand advertising.** Ad recognition did not improve for core brands or variants when co-advertising with one another.

**Finding 2: The brand user ad memory bias holds for portfolio single-brand and co-advertised treatments, however, users of both brands in a portfolio do not exhibit higher ad memorability.** Comparisons of the ad memory of users of

the core brand only and users of both brands did not find the extended user base led to higher ad recognition scores.

**Finding 3: Co-advertising does not improve correct brand recall of the general variant or premium variant compared to advertising them alone. This holds for core brands also.** This suggests both forms of variants tested (general and premium) compete similarly for attention in advertising and recall.

**Finding 4: Core brand recall is more common than variant brand recall, even when not present in the advertisement.** This suggests a variant is likely to evoke the core brand, which can interfere with memory for the variant.

Overall, no advantages to portfolio co-advertising for ad or brand memorability are found. However, core brand recall reigns supreme for all advertising stimuli, even when the core brand is not explicitly present in an advertisement. For the best chance of success, variants should advertise in their creative context (i.e., use visual cues in advertising that reflect the variant), rather than the core brand's.

This thesis contributes to marketing academia by extending the generalisability of prior knowledge of co-advertising memorability to a portfolio context. From this, marketing practitioners can better understand conditions in which the extremity of variants being overshadowed by their core brand in brand recall is reduced.

Future research into portfolio co-advertising would benefit from replication and extension to different categories and countries to identify whether findings are repeated under different conditions. The advertising tested should be extended to different media formats, given a key limitation of this study is the sole use of online display advertising.