

**Contemporary Designers in Luxury Markets
BUF 3310
The New York City College of Technology**

Professor Jackson

Midterm Exam DUE Tuesday, 11/9:

Chapter 4: Understanding Brand Partnerships

Directions: Review the FOUR types of brand partnerships discussed in *Chapter 4*. Provide one example for EACH partnership listed below:

Examples should include the following details of the following:

- Identify the type of partnership
- List all brands involved
- Duration of partnership (beginning date/product release date)
- What products were being promoted

Critical Thinking

1. Co-Branding:

Definition: Two or more companies working together to create a new product or alter an existing product — to provide additional value to the customer.

Example 6-8 sentences: Target and Missoni worked together in the fall of 2011 and launched a couple of new products which included clothing for women and children, home goods, and handbags and accessories. Missoni, an Italian brand, was able to re-enter the North American market thanks to the collaboration. With its diffusion line, it helped to establish a new pricing point. The partnership also provided significant financial gain to the current stockholders. The demand for the new products at Target were so sought-after that it caused the entire website to crash on release day. However, the brand collaboration did not address the needs of the brand's existing customers.

2. Sponsorships:

Definition: Direct marketing that primarily focuses on advertising placement.

Example 6-8 sentences: Brands gain recognition and build reputation with brand sponsoring and there are lots of ways to do this. Some brands workout deals with magazines to place their ads in their publications. Other brands workout deals with digital content sites that would allow them to post their stuff on these sites. A good example would be how Balenciaga was able to show an ad for their shoe on Vogue's official page on Instagram. This allows a lot more eyes to be set on the

product, and probably some eyes that had never heard of the shoe. Sponsorships mean big business when done correctly even if they cost money, but it takes money to make money.

3. Licensing:

Definition: The legal owner of a brand or a trademark gives another party the legal rights to use the brand's name and identity in return for a royalty fee.

Example 6-8 sentences: Beginning in 2019, Major League Soccer and Fanatics entered into a long-term, global agreement that will expand the companies' e-commerce relationship and grant Fanatics the worldwide rights to exclusively produce MLS fan gear. Fanatics will design apparel, headwear, and hard goods for the United States Soccer Federation across all retail and wholesale channels. MLS will receive a percentage of net sales for every piece of merchandise that is sold in royalties. This is a great move because it takes the pressure off MLS from having to market their own stuff because Fanatics is a major player in the sports industry. Other major sports leagues, such as the MLB, NBA, and NFL, have previously granted Fanatics manufacturing rights. In short, everyone wins on this deal because it's making the sport of soccer grow in popularity here in the states while making both parties a lot of money.

4. Influencer Marketing:

Definition: A type of social media marketing that uses endorsements and product mentions from individuals (influencers) who have a dedicated social following and are viewed as experts within their niche.

Example 6-8 sentences: When one brand endorses another, the brand gains increased recognition and strengthens its reputation. An example of this would be the endorsement that Cristiano Ronaldo and Nike have going on. The partnership between Ronaldo and Nike first began in 2003, but in 2016 he signed a lifetime deal with the brand. The partnership is big business for Nike because Ronaldo is one of the most followed people on the planet. He is the person with the most Instagram followers in the world and he has only ever played at big football clubs, so his name is not just plastered anywhere. There is a reason why Ronaldo charges 1.6 million dollars to anyone that has a product that they want him to endorse.