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HOW TO GET THE MOST OUT OF BRAND COLLABORATIONS

Follow these tips to protect your brand



By [Adrianne Pasquarelli](#). Published on September 17, 2020.



Ben & Jerry's Nike Dunk Low Pro, KFC Crocs, Jolly Rancher New Balance Credit: Ad Age

With marketing budgets under stress, more brands are turning to collaborations with other marketers to build buzz and gain free PR.

Nike and Ben & Jerry's got together for a "Dunk Low Pro" shoe, while Crocs released a clog with KFC that actually smells like fried chicken. Earlier this week, New Balance teamed up with Jolly Rancher and basketball star Kawhi Leonard on a colorful sneaker that marked the first shoe brand collab for the candy brand and parent company Hershey.

"As the world of advertising changes, we're seeing a lot of ways that licensing—in all of its various forms—can be leveraged to achieve a similar amount of brand awareness but in a differently creative way," says Amanda Cioletti, event and content director of

licensing at the Global Licensing Group at Informa Markets, noting that such deals, like content marketing, for example, are not traditional advertising.

But a successful brand collaboration isn't about two brands getting together and slapping both logos on a product—the most beneficial partnerships are more thoughtful endeavors. Below, some tips for striking deals that pop.

Plan ahead

While many deals might appear spur-of-the-moment, in reality they have taken more than a year to plan. The average licensing deal takes about 18 months, including contracts, production and distribution, according to Cioletti, but many take far longer. Nike first approached Ben & Jerry's about a shoe collaboration two years before the hairy cow print sneakers were sold to fans, says Jay Curley, global head of integrated marketing at Ben & Jerry's. "It takes time and you grow relationships that way," he says. "I think that people can tell that on the other end."

Work directly with brands

Marketers say that the best partnerships occur directly brand-to-brand when there are no third-party middlemen or intermediaries. Some say consultants can cloud the deals and make things more complicated and lengthy. The ultimate goal is less about sales and transactions, but about growing awareness for your brand and building a strong relationship with another marketer. Such relations keep the door open for future endeavors as well.

Ad lawyer Linda Goldstein, a partner at Baker Hostetler, says brands need to make sure they are aligned from a philosophical and corporate culture standpoint. "The arrangements are the most successful when you have two brands collaborating that are of equal stature in the marketplace," she says, noting that most marketers should not align with a lesser-known brand.

Find the right revenue model

Different revenue models exist for brand collabs, but the most common is when one brand essentially rents the intellectual property of another, says Cioletti. Upfront, there's a licensing fee and then in many cases, the brand licensing the other brand has to

pay a royalty fee as well. Such royalty fees are typically negotiated by both parties and could be a percentage of profit; many agreements also include minimum sales guarantees in order to be lucrative for the brand renting out its IP. Cioletti says a flat-fee structure could happen, but it's rare and typically involves sponsorship deals. "Brands will want to see a profit on their licensing program," she says.

At Ben & Jerry's, most partnerships are a "fairly simple licensing agreement and it's all the same across the board for our partners," says Curley. Proceeds from such sales at the ice cream brand often go to different charities associated with the project—a portion of Phish Food flavor revenue goes to Phish's charitable arm, the WaterWheel Foundation, for example.

Take time with the contract

In the early contract stage of a collab, brands that are licensing their IP out should stick to a strict checklist in order to make sure their brand is protected and gets the most value out of the deal. That list includes approval rights, exclusivity, data sharing and brand protection, says Goldstein. Brands need to make sure they have approval and control of the marketing of their brand, including endorsements by celebrities, and how their logo and marks will be used. Goldstein also advises that brands include an exclusivity clause that extends beyond the sales period; the brand licensing the IP is not allowed to partner with another brand for some length of time, for example.

"Typically you would want a tail of some length of time, so that if they were to do something similar with another competitive brand there would have been a sufficient hiatus so there's not this halo effect where one brand equity is bleeding into the other," she says.

Marketers also need to be clear in the contract on what customer data they are willing to share with one another. In addition, Goldstein advises that brands include the equivalent of a morals clause—if one brand ends up in scandal, the other brand can walk away and terminate the agreement.

Consider the long-term gains

While earned media is certainly a benefit, the best brand collabs have more long-term potential, either for future endeavors or for building awareness of one brand with a new group of potential customers. Some wacky partnerships, like Crocs and KFC, work well for shareable content on social media, but such gains are more short-term, according to Denise Lee Yohn, a brand leadership speaker and consultant. “In terms of brand partnerships, you should always be looking for a brand that is complementary to you in the sense that you have similar values, but you don’t want to be duplicative,” she says. “You’re looking for that partner to give you exposure to a different audience and maybe a different distribution channel.” She says such deals should “build equity not just buzz value.”

Keep it authentic

Some collabs are more natural than others. Pretzel purveyor Auntie Anne’s recently partnered with Samuel Adams beer on an at-home kit that consumers could order online for \$89 for Oktoberfest. The deal dates back to before the pandemic, says Marcel Nahm, VP of marketing at Auntie Anne’s, but is more relevant to consumers now who are stuck at home and only shopping online. He notes that pretzels and beer typically go together.

“For us, it’s so natural,” Nahm says. “If you’re trying to shoehorn this thing in, it’s probably not the right partnership.” He notes that while Auntie Anne’s has done its share of April Fool’s stunts, the best collabs the brand does have to feel like they’re doing something for the customer. “It needs to have the right context and be relevant,” he says.

Marketers also caution that too many collabs will likely hurt a brand’s image as consumers suffer collab fatigue. “You want to be really judicious,” says Curley.

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