

UNIVERSITY-ACCREDITATION BRAND ALLIANCE: THE EFFECTS OF THE ALLIANCE MESSAGE ON THE UNIVERSITY'S BRAND EVALUATIONS

by

Benjamaporn Bootsriphum

Mahidol University, Bangkok, Thailand
E-mail: benjamaporn.but@mahidol.ac.th

Suratsawadi Ditsakul

Mahidol University, Bangkok, Thailand
E-mail: suratsawadi.dit@mahidol.ac.th

Wimontip Musikaphan

Mahidol University, Bangkok, Thailand
E-mail: wimontip.mus@mahidol.ac.th

Chompunuch Pongjit

Mahidol University, Bangkok, Thailand
E-mail: chompunuch.pon@mahido.ac.th

Vichita Ractham

Mahidol University, Bangkok, Thailand
E-mail: vichita.rac@mahidol.ac.th

Ornlatcha Sivarak

Mahidol University, Bangkok, Thailand
E-mail: ornlatcha.siv@mahidol.ac.th

and

Tippanart Vichayanrat

Mahidol University, Bangkok, Thailand
E-mail: tippanart.vic@mahidol.ac.th

UTCC
*International Journal of
Business and Economics* **IJBE**

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Suratsawadi Ditsakul

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E-mail: suratsawadi.dit@mahidol.ac.th

Wimontip Musikaphan

Mahidol University, Bangkok, Thailand

E-mail: wimontip.mus@mahidol.ac.th

Chompunuch Pongjit

Mahidol University, Bangkok, Thailand

E-mail: chompunuch.pon@mahido.ac.th

Vichita Ractham

Mahidol University, Bangkok, Thailand

E-mail: vichita.rac@mahidol.ac.th

Ornlatcha Sivarak

Mahidol University, Bangkok, Thailand

E-mail: ornlatcha.siv@mahidol.ac.th

and

Tippanart Vichayanrat

Mahidol University, Bangkok, Thailand

E-mail: tippanart.vic@mahidol.ac.th

Abstract

A university-accreditation brand alliance occurs when the university forms an association with an accreditation agency; and uses the agency's name or logo in the university's promotional materials, such as their website. Past research shows that brand alliance is a win/win strategy for both brand partners. However, it is important to ascertain how the accreditation brand alliance should be communicated by the university, in order to achieve a favorable response amongst prospective students. This research examines the effect that a university's message strategy has on the university's perceived quality and students' application intention. Results

clearly show that communication of the accreditation brand alliance benefits the university brand; as it significantly influences prospective students' perception of the university brand. The positive impact of the accreditation brand ally's cue is more pronounced in the case of a low equity university brand than that of a high equity university brand. Also the university's communication strategy is more effective when the accreditation brand ally includes descriptive information relating to the accreditation agency, than when only the ally's logo is presented. In the latter's case, the impact of the university's alliance on the students' application intention is less influential.

Keywords: Brand alliance, co-branding, alliance communication, higher education, quality assurance

1. Introduction

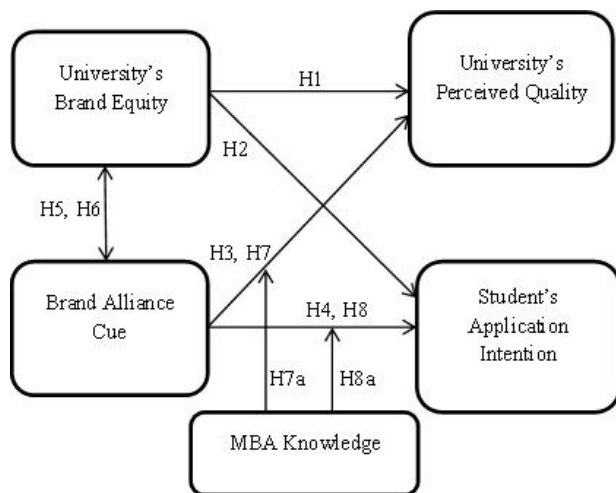
Educational accreditation is a voluntary process under which educational institutions or programs are evaluated by an external agency for quality assurance and improvement. Cornuel (2007) mentions innovative programs, an excellent faculty body, international exposures, and accreditation for any quality improvement program. Whilst most accreditation is institutional, certain academic programs or departments can be accredited independently of their institution. The roles of accreditation are mainly to provide an opportunity for academic institutions to demonstrate their programs' standard of quality and their commitment to continuous quality enhancement. For higher education, accreditation is mostly overseen by government agencies in many countries; however, in the United States the quality assurance process is totally independent of government, and is performed by private, non-profit associations. Students, as well as employers and the society, are interested in good quality higher education, including assurances and demonstrations of that quality, which reflect the expectations of the different stakeholders in education.

When the school is accredited, the information of the accreditation achievement is usually provided in various marketing communication materials (i.e. brochures, and the website). However, the choice of how to promote its accreditation achievement seems to vary. Some schools provide only the logo of the accreditation granted by the agency. Some provide additional information of the accreditation agency and its significance in guaranteeing the school's quality. To date, no research has examined the effect of different communication strategies on students' perceptions and behavioral intentions, particularly in the context of accreditation promotion. The objectives of this study are threefold. Firstly, the study will examine the direct effect that the brand alliance message may have on the perception of the university's quality and the prospective students' application intention. Secondly, the study will explore the impact of three different university-accreditation brand alliance cues on the perception of the university and the students' application intention. And lastly, the interaction effect of the university's brand equity and the different brand alliance cues will also be investigated. This study hopes to extend the understanding of the brand alliance's benefits and applications to the Higher Education sector. An understanding of the marketing application will be beneficial to both the university and the accreditation agency, who seeks to promote the accreditation's benefits beyond its quality assurance achievement. Findings of this study will help to provide preliminary guidelines as to how the university should communicate its accreditation achievement to the prospective students.

2. Literature review and hypotheses

This study draws upon the theoretical concept of brand alliances, signaling theory, and brand equity literature. The linkage between brand alliance and the product's perceived quality and attitudes towards it have largely been explored in past literature. To gain a better understanding of how brand equity and the brand alliance message may influence the student's perception of the university's quality and the student's application intention, the conceptual framework of this study is shown in Figure 1 with the discussion of the related literature follows.

Figure 1: The conceptual framework



2.1 Brand equity

Kirmani and Rao (2000) posit that a signal is most useful for consumers buying goods for which they have limited information about, yet are sensitive to the product's quality. This happens when one is considering the choice of higher education such as a post-graduate program. While there are several ways for a company or institution to provide a signal of the product's quality, the brand name is the focus of this study. Varying definitions of brand equity have been put forward in the literature. Aaker (1997) defines brand equity as consisting of five dimensions, namely brand awareness, brand loyalty, perceived quality, brand association, and other proprietary brand assets. The brand equity in our study adopts the definition from a study by Seno and Lukas (2007), where brand equity is defined as a "financial asset and a set of favorable associations and behaviors" (p.122). Based on signaling theory, a brand with a higher level of equity is expected to send a stronger signal of quality to customers than a brand with lower equity. As a result, higher brand equity increases the likelihood of behavioral intention. Therefore, we propose that the university with a higher level of brand equity will receive higher evaluations on perceived quality as well as generating higher levels of application responses.

H1: Perception of quality is higher for a university with higher brand equity than that of lower brand equity.

H2: Students' application intention is higher for a university with high brand equity than one with lower brand equity.

2.2 The university-accreditation brand alliance

Increasingly, companies are using cooperative marketing activities that involve short-term and/or long-term combinations of two or more brand names. Such marketing actions are referred to as brand alliances (Rao & Ruekert, 1994; Rao, Qu, & Ruekert, 1999). Other terms such as co-branding, co-promotion, and co-advertising are also used in the literature to describe brand alliances (Voss, Gammoh, & Fang, 2012). In our study, a university-accreditation brand alliance is defined as the university's use of the accreditation brand in its promotional materials, such as its brochure or website. Past research on brand alliances primarily focused on either consumer durable products such as automobiles (Akdeniz, Calantone, & Voorhees, 2013; Simonin & Ruth, 1998); televisions (Rao et al., 1999); digital cameras (Gammoh, Voss & Chakraborty, 2006; Voss & Gammoh, 2004); or nondurable products such as potato chips (Washburn, Till, & Priluck, 2000); shoes (Wang & Muehling, 2010); perfume (Baek, Kim, & Yu, 2010); and cake mix (Voss et al., 2012). One exception for this is a study by Lafferty and Goldsmith (2005) on cause-brand alliance. From that study, based on the concept of asymmetric information in the market, signaling theory emerged. The theory explains the use of the brand as a marketing cue, aiding consumers in the decision making process. Asymmetric information often occurs when buyers have limited access to the product and market information (Rao & Ruekert, 1994). This problem is magnified in situations where a product's performance and quality is not easily observable by the buyer prior to the purchase. In situations such as these, the brand is used as a signal of the unobservable quality (Akerlof, 1970; Rao et al., 1999; Wernerfelt, 1988).

In brand alliances, brand partners are utilizing the partner's brand to create or enhance its product's value proposition. Two possible hypotheses are at work here, to explain how brands are used as a quality signal. The first is the risk-reduction hypothesis, in which a brand is used by consumers to reduce the chance of making a bad purchase decision, and to minimize the risk of undesirable outcomes (Montgomery & Wernerfelt, 1992). The second is the bonding hypothesis, whereby the allying brand is used as an indicator of quality due to the potential loss that would occur if the focal brand fails to meet the consumer's expectations (Wernerfelt, 1988). Collaboration between brands can occur in two main forms: (1) a physical representation of brands or products (for example, Compaq and Intel) or (2) a symbolic representation where the association of brand names/logos is used in advertisements (Simonin & Ruth, 1998). In principle, brand alliances help the company to leverage its partner's brand awareness and image. Past research has confirmed that the partner brand produces favorable evaluations of the focal brands (Voss & Tansuhaj, 1999; Washburn et al., 2000). It can also benefit partner brands by allowing them to gain access to the other brand's exclusive markets, and by transferring loyalty to partner brands (Rao et al., 1999). It is therefore important to establish associations with credible partners to gain the maximum benefits of the alliance. In general, the university-accreditation brand alliance message will lead to a positive response towards the university's perceived quality and the students' application intention. This assumption is in-line with the findings from Voss and Gammoh (2004) that the brand alliance improves consumers' evaluations of the unknown focal brand's perceived quality, much more than when no alliance is formed. Thus, the following hypotheses are proposed:

H3: A university-accreditation brand alliance improves the university's perceived quality.

H4: A university-accreditation brand alliance improves the students' application intention.

2.3 Interaction effect between the university's brand equity and the brand ally's cue

A favorable brand ally's image creates a 'spill-over' effect on the focal or main brand features of the marketing message. A positive spill-over effect is particularly strong when the main brand is less well-known than the brand ally (Voss & Gammoh, 2004). This is consistent with findings from Simonin and Ruth (1998) who found that brand alliances generate unequal positive effects on the alliance partners. Lafferty and Goldsmith (2005) examined the effects of cause-brand alliance and found that an alliance with a strong brand improves the image of an unfamiliar cause. In addition, they also reported that an alliance with a cause will benefit the brand, regardless of the level of cause familiarity. A brand partner, with a lower level of brand familiarity than its partner, will contribute less than its alliance counterpart. Washburn et al. (2000) found that co-branding is a win/win strategy for companies, although, a weaker brand tends to obtain more benefits from co-branding than a stronger partner brand. Likewise, we can assume that a strong university brand (with a high level of brand equity) will experience less of the alliance spill-over effects than a weaker university brand. Since the name of the university may already be well-known, and trusted by prospective students, little additional information may be required to verify its program's quality. On the other hand, a lesser known university name with a lower level brand equity will experience higher levels of the alliance's effect.

H5: The positive effect of the university-accreditation brand alliance on perceived quality is more pronounced for a lower equity brand than a higher equity brand.

H6: The positive effect of the university-accreditation brand alliance on students' application intention is more pronounced for a lower equity brand than a higher equity brand.

2.4 Brand alliance message

Communication of the brand alliances may take different forms. Messages about the brand partner may be communicated via written statements about the partner, the partner's brand logo, or an audio message about the partner's collaboration. Consumers who are equipped with prior experiences and information about the product tend to employ different information-processing strategies than those who are lacking in both. This difference in the information-processing strategy is important to the message's effectiveness at persuasion (Chaiken 1980; Petty, Cacioppo, & Goldman, 1981). Individuals with limited information are more likely to verify the persuasiveness of the new information by assessing the superficial cues provided in the advertisement. This process is termed a heuristic strategy, in which the use of general rules are based on their past experiences and observations (Chaiken, 1980). One of the heuristic strategy people use to assess the message's persuasiveness is the message's length. Long messages are believed to be more persuasive than short messages (Petty & Cacioppo, 1984). However, consumers with higher levels of access to product information will conduct a more careful assessment of the message content and the quality of the message argument. In their study, Wood, Kallegren, and Preisler (1985) found that for, high-retrieval recipients, stronger message arguments are judged as more persuasive than weak arguments. At the same time, they discovered that, for this group of high-retrieval recipients, message length played no significant role in enhancing the message's persuasiveness. The strength of a message can be communicated via several routes, such as the use of quantitative versus qualitative information (Artz & Tybout, 1999), the level of quantitative claims, e.g., 55% vs. 5% (Mano, 1997), and sensory cues (Wang and Muehling, 2010). Wang and Muehling (2010) argue that in a context of co-branded advertising, audio and visual cues play a critical role in determining consumer responses. Based on their

arguments and findings, the combination of audio-visual cues in advertisements influences brand association and also purchase intentions. Consumers are left with a somewhat incomplete message when they are provided with only visual advertisements (such as just having a brand ally's logo). Wang and Muehling (2010) argue that, based on their findings, an effective connection between the focal brand (the main brand that features in the advertisement) and the ally brand is lost. Stronger association between the two co-brands in an advertisement is, therefore, enhanced or encouraged when both audio and visual cues are present. In the case of a university, the message of brand alliance can be communicated through the use of different cues to enhance the credibility and validity of the alliance. While several institutions opt for a flash of an accredited agency's brand logo on their web site, some universities offer a short description or even a hyperlink to the accredited agency for more information. We hypothesize that, although the experience of choosing a post-graduate program is new to prospective students, that choice is an important decision to the students. Prospective students' involvement level with the decision will increase, particularly with a student who is more familiar with an MBA program. It requires a higher quality message argument in order to be more persuasive (Petty & Cacioppo, 1979). Thus,

H7: The brand alliance message's strength improves the university's perceived quality.

H7a: The effect of the brand alliance's message strength on the university's perceived quality is more pronounced among students with a high level of MBA knowledge than those with lower MBA knowledge.

H8: The brand alliance message's strength improves the student's application intention.

H8a: The effect of the brand alliance message's strength on students' application intention is more pronounced amongst students with a high level of MBA knowledge than those with a lower MBA knowledge.

3. Methodology

3.1 Experimental design

This study uses a 2 (university brand equity: high or low) x 4 (alliance cue: no alliance, logo only, description only, logo and description) between-subjects design. A total of 243 subjects participated; and all of subjects were third and fourth year Business Administration undergraduate students at Mahidol University International College. Full-time lecturers of the third and fourth year classes were contacted to ask for their participation in the survey distribution, and seven of them agreed to help with the survey distribution and collection. Since the survey contained adequate instructions, the lecturer handed the survey to students in the class (either at the beginning or at the end of the class) and directed them to follow the instruction carefully. Students were allowed reasonable time to complete it and were allowed to opt-out of the study at any time.

3.2 University's brand equity

Subjects were asked to assume that they are considering choices of MBA programs for further study, and that they had received an e-mail message from the university after they had attended the further study exhibition in the previous week. The subjects were then given a quick synopsis of the school to read, which contained general information such as the students profiles, the top area of study, graduates' careers, and the accreditation information. The school's profile, including the logo, and the accreditation information were altered to fit the purpose of the study. In order to manipulate the university's brand equity level, the two university brands used in the experiment were chosen from the Financial Time's list of Global MBA Ranking in 2014. A university from one of the top five was selected to represent the high brand equity university, another was selected from the bottom five of the Financial Time's list to represent the low brand equity university. The Financial Times, university's ranking is based on several common factors such as its international exposure, its graduates' employment rate, and with most emphasis placed on the graduates salaries. Whilst other rankings place their emphasis on other factors such as research output, those rankings may not clearly reflect the true value of the university in the context of brand equity. The ability of graduates to earn higher salaries is an important indicator of university brand equity, the salary (price) premiums of the graduates reflecting the equity of the university. The real university's name was used to increase the realism of the scenario amongst the subjects. However, in order to keep the name of the university anonymous, in this article, the two universities will be referred to as either a high or a low brand equity university. Each university's brand equity was measured with three 7-point scale questions ('I can recognize [university's name] amongst other competing universities', 'I am aware of [university's name]', and 'Some characteristics of [university's name] come to my mind quickly'; $\alpha = 0.889$).

3.3 Alliance cue and message strength

Accreditation brand ally cues are manipulated by providing different types of brand ally information to the student subject. The accreditation information is shown at the end of the university brand message, the logo of AACSB being the one that was chosen to be used in a logo only cue condition. The authors obtained the AACSB's descriptions from the accreditation agency's website. A direct quote from the AACSB's website (AACSB, 2014) was utilized to communicate AACSB accreditation to prospective business students. In a logo and description cue, both the AACSB logo and the above description were provided. No information was provided in a no alliance cue condition. A pre-test of the alliance cue revealed an increase of message strength from a logo only cue to a logo with description cue. Subjects ($N = 91$) in a pre-test were asked to look at one of the alliance cues used in this study and answer five 5-point bipolar items (informative, believable, interesting, persuasive, and strong; $\alpha = 0.776$) (Mano, 1997). A one-way ANOVA yielded significant message strength mean differences across all three conditions - logo only ($M = 2.25$, $SD = 0.77$), description only ($M = 2.92$, $SD = 0.60$), and logo and description ($M = 3.39$, $SD = 0.53$) condition with $F(2, 88) = 24.385$, $p = 0.000$. From the results of the pre-test, we are confident that the three conditions of the brand alliance cues provide different levels of message strength. The manipulation of the three brand ally cues is shown in Appendix A.

3.4 Perceived quality

Adapted from Akdeniz, Calantone, and Voorhees (2013), students' perception of quality was measured with three items using a 1-7 Likert scale (1 = strongly disagree and 7 = strongly agree) and two items using a bipolar scale. The four items of brand attitude measurements are as follows: '[university's name]'s MBA program is most likely going to be of high quality', '[university's name]'s MBA program is likely to be reliable', and 'I would worry about the quality of [university's name]'s MBA program. Two items of brand attitude using bipolar scale (1-7) are 'Compared to the other MBA programs, the quality of [university's name]'s MBA program is (1 = much worse and 7 = much better)' and 'My overall impression of the quality of [university's name]'s MBA program is (1 = very bad and 7 = very good). All five items received satisfactory reliability levels with $\alpha = 0.84$.

3.5 Application intention

A bipolar scale 1-7 (1 = very unlikely and 7 = very likely) was used to measure the subject's behavioral intention. The subjects provided answers to the statement 'I would seriously consider applying to [university's name]'s MBA program'.

3.6 MBA knowledge

MBA program knowledge is measured by four questions adapted from Gammoh, Voss, and Chakraborty (2006). The subjects were asked to respond to four items, using a 1-7 Likert scale (1 = strongly disagree and 7 = strongly agree), 'I feel very knowledgeable about MBA programs', 'If a friend asked me about MBA programs, I could give them advice about different MBA programs', 'If I had to apply for an MBA program today, I would need to gather very little information in order to make a wise decision', and 'I feel very confident about my ability to tell the difference in quality amongst different MBA programs'; $\alpha = 0.761$).

3.7 Demographics information and accreditation knowledge

The subjects were asked to answer a demographic question (gender) and a question related to their AACSB accreditation knowledge at the end of the questionnaire.

4. Results

The sample was composed of 108 males (44.4%) and 135 females (55.6%). From a one-way ANOVA, we found that gender has no impact on the perceived quality and students' application intention towards the university brand. The majority of the respondents had no prior knowledge about AACSB accreditation; only 19 (7.8%) had prior knowledge about AACSB accreditation whilst 224 (92.2%) did not. Almost half of the respondents claimed that they had a high level of MBA program knowledge. Out of 243 samples, 128 (53.1%) actually had less knowledge about MBA programs and 114 (46.9%) had a higher level of knowledge. The brand equity of the two schools used in the scenario was measured. The results of a t-test showed a significant mean difference between a high brand equity university ($M = 4.05$, $SD = 1.37$) and a low brand equity university ($M = 3.07$, $SD = 1.33$) with $p = 0.000$). Table 1 provides summary statistics of key variables in the study, including the reliability and validity test of the questionnaire. For a construct with multiple items, such

as the perceived quality and the MBA knowledge, all Cronbach's alpha exceeded 0.75, suggesting a satisfactory level of the scale's reliability. The analysis of factor loading also showed a substantial loading higher than 0.70. One item, 'I would worry about the quality of [university's name]'s MBA program', was dropped out of the perceived quality variable as a result of its low factor loading score (0.373). The item deletion improved the Cronbach's alpha of perceived quality construct from 0.77 to 0.84. The problem with lower factor loading scores could arise from the nature of the reverse question that the respondent may not have been familiar with or simply did not understand the question well enough.

Table 1: Summary statistics for perceived quality, application intention, and MBA knowledge

Scale items	Mean	SD	Factor loading	Cronbach's alpha
Perceived quality (composite mean)	4.55	1.29		0.84
X's MBA program is most likely going to be of high quality.	4.42	1.20	0.85	
X's MBA program is likely to be reliable.	4.63	1.18	0.85	
Compared to the other MBA programs, the quality of X's MBA program is	4.51	1.10	0.76	
My overall impression of the quality of X's MBA program is	4.63	1.07	0.84	
Application intention				
I would seriously consider applying to X's MBA program.	3.93	1.31		
MBA knowledge (composite mean)	3.48	2.05		0.76
I feel very knowledgeable about MBA programs.	3.62	1.25	0.80	
If a friend asked me about MBA programs, I could give them advice about different MBA programs.	3.38	1.33	0.82	
If I had to apply for an MBA program today, I would need to gather very little information in order to make a wise decision.	3.66	1.79	0.70	
I feel very confident about my ability to tell the difference in quality amongst different MBA programs.	3.26	1.28	0.79	

Table 2: The difference between high and low equity university brands as regards perceived quality and students' application intention (ANOVA)

	High brand equity (n=121)	Low brand equity (n=122)	p-value
	Mean \pm S.D.	Mean \pm S.D.	
Perceived quality	4.81 \pm 1.00	4.28 \pm 0.77	<0.0001
Application intention	4.24 \pm 1.27	3.62 \pm 1.28	<0.0001

An independent-samples t-test was conducted to compare the perceived quality of the high equity university brand and the low equity university brand (Table 2). There was a

significant difference between the perceived quality of the high equity university brand ($M = 4.81$, $SD = 1.00$) and the low equity university brand ($M = 4.28$, $SD = 0.77$); $t(241) = 4.554$, $p = 0.000$. These results suggest that a university with a high level of brand equity leads to an improved perception of quality. This confirms H1. From Table 2, there was a significant difference between students' application intention for high equity university brand ($M = 4.24$, $SD = 1.27$) and low equity university brand ($M = 3.62$, $SD = 1.28$); $t(241) = 3.766$, $p = 0.000$. The results suggest that a university with a high level of brand equity generates an increase in students' application intentions. Thus, H2 is also confirmed.

Table 3: The difference between brand ally cues towards perceived quality and students' application intention (ANOVA)

	Brand Ally Cue								p-value
	No Alliance		Logo only		Description Only		Logo+ Description		
	(n=58)		(n=72)		(n=67)		(n=46)		
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	
Perceived quality									
Overall	4.38	0.91	4.29	0.86	4.80	0.88	4.80	1.02	0.001
High brand equity	4.76	0.99	4.48	0.96	4.88	0.98	5.21	1.02	0.035
Low brand equity	4.03	0.66	4.11	0.73	4.74	0.81	4.17	0.61	<0.0001
Application intention									
Overall	3.93	1.32	3.69	1.35	4.22	1.14	3.87	1.42	0.122
High brand equity	4.40	1.06	4.56	1.12	4.45	0.99	4.21	1.39	0.516
Low brand equity	3.22	1.38	3.23	1.24	3.84	1.28	3.00	1.15	0.036

4.1 Perceived quality

A one-way ANOVA was conducted to compare the effect of brand ally cues (no cue, logo only, description only, logo and description) on the perceived quality of the university (Table 3). There was a significant effect of alliance strategy on perceived quality of the university at the $p < 0.00$ level for the four conditions [$F(3, 239) = 5.538$, $p = 0.001$]. H3 is confirmed. These results suggest that brand alliance cues positively affect consumers perceived quality of the university. The direct effect of brand alliance cues is more pronounced in a low equity university brand (sig. with $p < 0.000$) than in a high equity university brand (sig. with $p = 0.035$). Compared to a brand ally with no cue, provision of the brand ally with a cue (description of the accrediting agency or the accreditation logo together with its description) increases the perceived quality of the university (sig. with $p < 0.00$).

These results also suggest that provision of a brand ally with no alliance cue or with a logo only cue have no significant effect on the perceived quality of the university. From an independent t-Test, there was no significant difference in the perceived quality of the university for the no alliance cue ($M = 4.38$, $SD = 0.91$) and a brand ally with a logo cue only ($M = 4.29$, $SD = 0.86$); $t(128) = 0.585$, $p = 0.560$. The presence of a brand ally with a description only cue significantly increases the perceived quality of the university, compared to that of a no alliance cue. A brand ally with a description only cue significantly increases perceived quality of the university, compared to a brand ally with a logo only cue. There was a significant difference in the perceived quality of the university for a brand ally with a logo only cue ($M = 4.29$, $SD = 0.86$) and a brand ally with a description only cue ($M = 4.80$, $SD = 0.88$); $t(137) = 3.451$, $p = 0.001$. These results suggest that a brand ally with a logo and a description cue generate significantly more positive effects on the perceived quality of the

university than the provision of a brand ally with a logo only cue. There was a significant difference in the perceived quality of the university for a brand ally with a logo only cue ($M = 4.29$, $SD = 0.86$) and a brand ally with a logo and description cue ($M = 4.80$, $SD = 1.02$); $t(116) = -2.959$, $p = 0.004$. These results also suggest that provision of a brand ally with a description only cue or with a logo and description cue have no significant effects on the perceived quality of the university. There was no significant difference in the perceived quality of the university for a brand ally with a description only cue ($M = 4.80$, $SD = 0.88$) and a brand ally with a logo and description cue ($M = 4.80$, $SD = 1.02$); $t(111) = -0.032$, $p = 0.974$.

4.2 Students' application intention

In Table 3, a one-way ANOVA was conducted to compare the effect of a brand ally cue (no cue, logo only, description only, logo and description) on students' application intention towards the university brand. There was no significant effect of an alliance strategy on students' application intention towards the university brand at the $p < 0.05$ level for the four conditions [$F(3, 239) = 1.953$, $p = 0.122$]. These results suggest that the brand alliance cue has no direct effect on student's application intentions towards the university in a high brand equity group. Thus, H4 is not confirmed. The effect of the brand alliance communication strategy is more pronounced in a low equity university brand [$F(3, 118) = 2.946$, $p = 0.036$] compared to a high equity university brand [$F(3, 117) = 0.765$, $p = 0.516$].

4.3 Brand equity and brand ally cue interaction effect

This study confirms an interaction effect between the university brand equity and the brand ally cue on perceived quality of the university brand [$F(3, 235) = 3.117$, $p = 0.027$]. Significant perceived quality means differences were found mostly in the low brand equity condition, rather than in the high brand condition. H5 is confirmed. Significant differences (with $p < 0.05$) were found between the following pairs of brand ally cue conditions - no cue ($M = 4.03$) vs. description only cue ($M = 4.74$), description only cue ($M = 4.74$) vs. logo only cue ($M = 4.11$), and description only cue ($M = 4.74$) vs. logo and description cue ($M = 4.17$). In a high brand equity condition, the only significant mean difference in perceived quality was found between a logo only cue ($M = 4.48$) vs. logo and description cue ($M = 5.21$) with $p < 0.05$. No significant interaction effect was found on students' application intention [$F(3, 235) = 1.241$, $p = 0.295$]. Thus, H6 is not confirmed.

4.4 Brand alliance message strength

A one-way ANOVA result showed a significant mean difference in the university's perceived quality of three types of brand alliance messages (logo only cue ($M = 4.29$, $SD = 0.86$), description only cue ($M = 4.80$, $SD = 0.88$), and a logo with description cue ($M = 4.80$, $SD = 1.02$); with $F(2, 182) = 6.991$ and $p = 0.001$). This confirms H7. In addition, a Tukey post-hoc test revealed that significant improvements in the university's perceived quality were found between two pairs (logo only vs. description only cue ($p = 0.003$); and logo only vs. logo with description cue ($p = 0.008$)). No significant mean difference was found between a description only and a logo with description cue ($p = 0.999$). Although, there was an increase in students' application intention when the alliance message evolved from a logo only ($M = 3.69$, $SD = 1.35$), to a description only ($M = 4.22$, $SD = 1.14$), and to a logo with description ($M = 3.87$, $SD = 1.42$), the alliance message does not play a significant role in increasing the likelihood of students' application intention [$F(2, 182) = 2.958$, $p = 0.054$]. Thus, H8 is not confirmed.

Table 4: The difference between brand ally cues towards perceived quality and students' application intention (ANOVA): A comparison between MBA knowledge groups

	Brand Ally Cue								p-value
	No Alliance		Logo only		Description Only		Logo+ Description		
	(n=58)		(n=72)		(n=67)		(n=46)		
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	
Perceived Quality									
High MBA knowledge	4.49	0.94	4.44	0.93	4.98	0.81	4.97	0.95	0.019
Low MBA knowledge	4.22	0.85	4.12	0.74	4.66	0.92	4.47	1.09	0.053
Application Intention									
High MBA knowledge	4.15	1.08	4.03	1.40	4.31	0.60	4.13	1.38	0.809
Low MBA knowledge	3.63	1.58	3.30	1.18	4.16	1.42	3.33	1.40	0.054

The overall mean and standard error of two MBA knowledge groups and four alliance message cues are displayed in Table 4. One-way ANOVA results showed significant mean differences in the perceived quality of the university in the high program knowledge group [$F(3, 129) = 3.418, p = 0.019$]. Thus, this confirms the direct effect of an alliance message on the university's perceived quality amongst groups of students who possess a high level of program knowledge. Based on the results, H7a is confirmed. However, the following points should be looked into for a more detailed analysis. A significant mean difference exists only between a logo only and a description only cue. Results from an independent-samples T test, show that there was a significant difference in the perceived quality of the university in the high program knowledge group for alliance message with a logo only cue ($M = 4.44, SD = 0.93$) and an alliance message with a description only cue ($M = 4.98, SD = 0.81$), $p = 0.015$. Interestingly, there was also a significant difference in the perceived quality of the university in the low program knowledge group for alliance message with a logo only cue ($M = 4.12, SD = 0.74$) and an alliance message with a description only cue ($M = 4.66, SD = 0.92$), $p = 0.008$. No significant differences were found between a brand alliance with a description only and a logo and description cue both in the high program knowledge group (description only cue $M = 4.98, SD = 0.81$; logo and description cue $M = 4.97, SD = 0.95$; $p = 0.948$) and in the low program knowledge group (description only cue $M = 4.66, SD = 0.92$; logo and description cue $M = 4.47, SD = 1.09$; $p = 0.521$). Nevertheless, our ANOVA only confirmed significant mean differences between message types in the high program knowledge group of students.

From the results, we found no significant differences in the application intention of the university in both high and low MBA knowledge groups when using four different brand alliance message cues with all $ps > 0.05$. However, when considering only three alliance message scenario (logo only, description only, and logo with description), the alliance message type affected students' application intention significantly in the group of students with low program knowledge [$F(2, 83) = 4.272, p = 0.017$] compared to the group with high program knowledge [$F(2, 83) = 0.456, p = 0.635$]. The only significant mean difference that was found in the low program knowledge group is between a logo only ($M = 3.30, SD = 1.18$) and a description only cue ($M = 4.16, SD = 1.42$) with $p = 0.008$. Thus, the results do not confirm H8a.

5. Discussion and conclusion

Our results confirm the theoretical and practical value of branding in higher education; the reputation of an institution becomes an important signal of its program's quality (Rao et al., 1999; Wernerfelt, 1992). In our study, we also show that the brand not only affects students' perception of the institution, but also their behavioral intention. When two brands co-exist in a marketing message, more favorable consumers' responses can be expected. This is also confirmed by the results in this study. Regardless of the partner brand's familiarity level, our results show favorable brand evaluations, when a brand alliance is formed, which is consistent with the findings reported in the study by Lafferty and Goldsmith (2005), Voss and Tansuhaj (1999) and Washburn et al. (2000). It is the less known university that realizes more benefits from brand alliance. Whilst past studies on brand alliance report an asymmetric distribution of alliance benefits to partner brands based on the partner's brand familiarity level (Simonin & Ruth, 1998; Voss & Gammoh, 2004; Washburn et al., 2000), our study's main area of investigation is on how the alliance should be communicated. Message strength (the alliance message cue) is found to positively influence the persuasiveness of the argument. This is consistent with findings from the study by Wood, Kallegren, and Preisler (1985) in which a recipient with high ability to use prior experiences has a higher tendency to be influenced by the quality of the message, in our case the amount of descriptive information regarding the accreditation agency. Compared to a logo only alliance message, the MBA program will be evaluated more favorably when more descriptive information is provided. This point is especially important when the university is trying to attract and influence the opinion of students who consider themselves to possess higher level of MBA program experience. Nevertheless, we find contradicting results in the students' application intention where no direct effects of alliance message types are found. Thus, it is possible that other factors besides the quality partnership will be used by the students when deciding which institution to apply for.

In general, the results from our study confirm the power of brand equity and the power of the brand alliance cue in the university's marketing message. A university with stronger brand equity, in terms of ranking, tends to enjoy a favorable perceived quality and receives a higher likelihood of application intentions from prospective students. When the university is accredited by an independent quality agency, the accreditation achievement is usually communicated in the university's public relations materials. Our results provide empirical evidence of how this accreditation alliance can fully benefit the university brand. Providing the prospective students with more 'descriptive' information is a necessary condition to achieve the best brand alliance communication. A logo only cue performs much less effectively as compared to a logo and description cue. In other words, giving your prospective students a flash of an accreditation logo will provide your university with no better results than not showing any accreditation. Considering that the majority of our subjects had no prior knowledge of the accreditation agency in the experiment scenario, this finding stresses the importance of providing complete information. For our subjects, a seemingly less attractive description only cue results in an equally impressive perceived quality outcome as does a logo with a description cue. Although, the presence of accreditation by a brand ally in the university's promotional material helps to improve the perception of quality for the university, the effect of the brand ally cue is not equally distributed. We found that in a lower equity university brand condition, additional information on the accreditation agency is required to achieve a favorable outcome on the perception of quality. This does not hold true for a highly regarded university (based on the ranking status) whose reliance on the external partner to provide a convincing quality cue seem to be very minimal.

6. Limitations and future research

This study is considered to be preliminary research on the effect of a university-accreditation brand alliance on the university's brand evaluation and on students' application intentions. It therefore has its limitations. Firstly, the subjects used in our study are a sample of undergraduate students. Although, the use of a student sample satisfies the research objectives, our samples are restricted to only one university. A broader group of students should be included in further studies to confirm this study's results. Secondly, as regard to the brand equity, different factors such as cultural background (individualism vs. collectivism) also deserves research attention. Students in a collectivist culture may exhibit a stronger reliance on the brand signal; and would therefore respond more favorably to the co-branding message than students from an individualistic culture. Thirdly, an experimental study design can be judged by subjects as being unreal, and so this may affect their responses to the survey questions. A field experiment should be undertaken where feedback is obtained from prospective students from real-life universities' brand alliance promotional materials. Lastly, the university used in the high and low brand equity condition was selected from a third-party list. Brand equity can be measured by different dimensions, as suggested in previous research. Measurements used by independent agencies to rank universities may be different and thus should be taken into account in future research

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Appendices

Appendix A. Experiment scenario



Please assume yourself in the following situation.

You are in your last year at MUIC and are looking for an MBA program for further study.

After attending a study abroad exhibition in downtown Bangkok last week, you have received a follow up e-mail message from the school. Apart from the information provided below, other criteria (such as location, tuition fees, etc) are already acceptable to you.

Student Profile	41% International Students 39% Female 52% Asian Students
Top Area of Study	General Management, Marketing, Finance, Strategy
Graduates' Careers	Top Industry: Consulting 31% Financial Services 19% Consumer Products 13% Technology 10%

Based on the condition of the brand ally cue being assigned to, the subject will see different information about AACSB immediately follows the university's information.

Condition	Manipulation
Logo Only	
Description Only	AACSB Accreditation represents the highest standard of achievement for business schools worldwide. Less than 5% of the world's 13,000 business programs have earned AACSB Accreditation. AACSB-accredited schools produce graduates that are highly skilled and more desirable to employers than other non-accredited schools.
Logo with Description	 AACSB Accreditation represents the highest standard of achievement for business schools worldwide. Less than 5% of the world's 13,000 business programs have earned AACSB Accreditation. AACSB-accredited schools produce graduates that are highly skilled and more desirable to employers than other non-accredited schools.



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University of the Thai Chamber of Commerce, Thailand

In 1940, the Thai Chamber of Commerce founded a non-profit education institution called the College of Commerce to produce graduates in the business field. After the outbreak of World War II in 1941, this institution was closed. In 1963, the College was reopened, and the two-year curriculum was developed into a standard four-year in 1964. In 1970, it was officially accredited under the Private College Act. In 1984, this institution was accredited as a university and the name was changed to the University of the Thai Chamber of Commerce. At present, the University of the Thai Chamber of Commerce provides 39 undergraduate program. The School of Graduate Studies is responsible for 9 graduate programs and 1 graduate diploma program, and the School of Business Administration is responsible for 1 certification programs. All programs are approved by the Ministry of University Affairs.

Thailand Management Association

Thailand Management Association (TMA) is a highly professional body of managers and executives, from all branches of business in Thailand who are dedicated to seeking and transferring knowledge through the exchange of the latest information on advanced managerial principles and practices in various fields. This exchange is considered as a contribution from the business sector to the efficient and productive utilization of human and material resources, which contributes ultimately to the well-being of the nation. In 1962, two top management development conferences, inspired by Mr. W.T.Utting, then Chief of the United Nations International Labor Organization (ILO), were organized, by the Thailand Management Development and Productivity Center. These two conferences concluded that the proper and well organized management training center was urgently needed, to improve the overall management skills of both local and foreign enterprises in Thailand. This led to the establishment of the Thailand Management Association, with the late Khun Snoh Nilkamhaeng, then Director of Lever Brothers (Thailand) Ltd., as its first president. The objectives are: 1) to improve the general abilities, education, technical knowledge and effectiveness of person engaged in management, by providing a forum for members for discussion of management subject, 2) to provide mutual assistance in applying management practices to increase the efficiency of the members' enterprises, 3) to propagate the concept that management is a worthwhile and honorable profession, and 4) to promote and maintain high ethical standards of management practices.

Kellogg College, University of Oxford, United Kingdom

Kellogg College is one of Oxford's largest, most international graduate colleges and membership is diverse. The College was named in honour of W. K. Kellogg on the 1st October 1994, in recognition of the generous support given by the W K Kellogg Foundation to the University over the preceding decades. The College has close connections with the University Department for Continuing Education, the Department of Education and other departments active in areas of professional and part-time study. The College can trace its origins back to the start of university extension movement in the 1870s, and came into being on 1st March 1990 (as Rewley House).



University of the Thai Chamber of Commerce

126/1 Vibhavadi-Rangsit Road Dindaeng Bangkok 10400

Tel. 02-697-6000

www.utcc.ac.th

ISSN 19065582

