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Customer Purchasing Attitude towards Inter/Intra-industry Alliance Based on the Technological Level of Industries

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Abstract

Purpose – This paper examines customers' perception on intra-industry and inter-industry alliance, then compares customer purchasing attitude towards alliance product according to whether it is from high-tech or low-tech industry.

Research design, data, and methodology – We used qualitative research methodology of in-depth interviews and focus group interviews.

Results – Customers expect products from inter-industry alliance to be highly innovative but also to be inferior in technology. In high-tech industries, since technology is more important than differentiation, inter-industry alliance was negatively evaluated whereas intra-industry alliance elicited positive customer purchasing attitude. Conversely, in low-tech industry where novelty outweighs technology, inter-industry alliance earned positive evaluation. However, for intra-industry alliance, customers' evaluation varied depending on whether both partners share similar prestige and price range. When partners were not similar to each other, customers' perception were positive for less prestigious and pricey brand, but in the reverse case, perception were negative.

Conclusions – This research focused on customers' perception and attitude by adopting qualitative methodology while other alliance studies are mostly based on quantitative research. This study provides managers with partner selecting guidelines considering the type of industry, and whether the goal is to enhance novelty or technology.

Keywords: Strategic Alliance, Inter/Intra Industry Alliance, Customer Purchasing Attitude, Customer Perception.

JEL Classifications: M1, M31, O32.

1. 서론

Businesses are ceaselessly introducing new products to the market in order to satisfy the needs of their customers. In order not to fall behind in this fast-paced environment, business needs to come up with products and services that are equipped with advanced technology and new ideas, and consequently have started to meet their needs through strategic alliances rather than continuing to independently produce their products as they have done in the past. According to resource-based view, alliance allows businesses to acquire new and diverse resources from their partners and improve their productivity level, which leads to economies of scale. Moreover, alliance improves consumer

awareness of the brand and leads to positive feedback from their customers, which enhances customer purchasing attitude and gives them new market opportunities (Das & Teng, 2007; Khamseh, Jolly, & Morel, 2017). As such, as alliance plays a pivotal role in winning competitive advantage, precedent studies have focused on the factors that may affect alliance outcomes such as environmental factors, types of alliance (vertical or horizontal alliance), corporate governance (joint-ownership etc.), or similarity between two businesses (business status, size, nationality, market similarity) (Darr & Kurtzberg, 2000; Goerzen & Beamish, 2003; Mitchell, Dussauge, & Garrette, 2002; Zhang & Lee, 2018). Especially, as borders between industries are falling and more alliances between various industries are actively taking place, the similarity factors between two companies in selecting alliance partners are becoming more and more important for businesses (Cassiman, Colombo, Garrone, & Veugelers, 2005; Park & Ungson, 2001).

Not only are firms forming alliances with partners from the

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same industry (intra-industry alliances), but they are also forming alliances with partner from other industries (inter-industry alliances) to acquire novel resources and introduce new products and services that satisfy the needs of customers (Cassiman et al., 2005). These days, many of fashion brands have formed alliance with high-tech industries or automobile industry. However, it is hard to say that a specific form of alliance is always better than the other. Firms will choose alliance types (inter- or intra-industry) with different business purposes, and the values they can consequently reap from each alliance will also vary. In other words, as appropriate form of alliance (intra- or inter-industry) will depend on what the business objectives are, such as technological advancement, building brand awareness, or improving customer purchasing attitude, businesses have indeed been struggling to choose the right form.

High-tech industry drives today's rapidly changing society, and expertise and innovativeness in this industry are core values to the customers. Level of customer evaluation for such factors as expertise and innovativeness may differ depending on the type of alliance (intra- vs. inter-industry alliance). That is, depending on how much advanced technology the industry requires, customer evaluation and purchasing attitude following intra- or inter-industry alliance may vary significantly (Sreejith & Anagha, 2016). However, studies on intra- or inter-industry alliance predominantly focus on specific industries (i.e., fashion industry) (Alexander & Contreras, 2016; Asgari & Hosseini, 2015), and there are not many studies comparing customer recognition on intra- or inter-industry alliance in high-tech industries and low-tech industries. Also, most of the studies are so heavily focused on financial performances that there are not many in-depth studies examining customer recognition and reaction to the alliance products. Thus, this paper examines from diverse aspects how intra- or inter-industry alliances affect customer perception on brands and products. Especially, as customer needs may differ depending on high-tech or low-tech industry, this study focuses on how customer perception and purchasing attitude on intra- and inter-industry alliance differ according to industry sectors.

Unlike previous studies which focused on quantifying customer perception or financial performance of businesses, this study examines general customer perception and discovers new implications through qualitative research. Most precedent studies have collected quantitative data on customer perception using standardized measurement. However, as human behavior and perception reflect complicated and subjective opinions, qualitative research methodology was considered more suitable for this study. Thus, this study used in-depth interview (hereinafter DI) and focus-group interview (hereinafter FGI) which are the most representative research methodologies in qualitative research. DI (n=10) were conducted on various age groups and sex, and each interviewee was interviewed for 30 minutes to one hour. FGI (n=25) were also conducted on groups consisting

of diverse occupations, sex, and age groups with 5 interviews per group consisting of 5 members, and each group was formed with individuals who did not have any connection with other members in the group so that each individual could freely express their thoughts (Litosseliti, 2003).

As a result, customer feedback on intra- and inter-industry alliance differed greatly depending on whether the industry requires technology or not. First of all, inter-industry alliances were perceived to hold differentiating and innovative factors regardless of their industries. This led to positive feedback for the fashion industry, but high-tech industry was viewed negatively as lacking technology and expertise. On the other hand, customers gave positive feedback for intra-industry alliance in the high-tech industry as they expected technological abilities between two companies to create synergy effect and allow businesses to come up with innovative technologies. Consequently, intra-industry alliance was preferred in high-tech industry as technology is the core factor for customers in evaluating products and brands. Also, evaluation on intra-industry alliances in low-tech industry depended on whether business status or product price range was similar between the two companies. Especially, if the above factors were asymmetrical, whereas the alliance was relatively positive for the business in the inferior position or sold cheaper products, customers gave negative feedback to the business that was in the superior position or was selling more expensive products.

This research has following implications. First, customers' expected benefits differ between intra-industry alliance and inter-industry alliance. Especially, customer feedback on different industry sectors (high/low-tech) was significantly different. Second, unlike precedent studies which depended on quantitative data such as financial performance or quantified customer survey, this study used qualitative research methodology which helped understand customers' deep thoughts. Also, rather than looking at few simple alliance results, this research made it possible to study customer perception from diverse dimensions such as innovativeness, creativeness, credibility, and brand image and the reasons behind such perceptions. Lastly, this study sets out a guideline to the business staff as to who to choose as alliance partner depending on the business industry they are in. Also, this study illustrates which type of alliance needs to be established for more effective achievement of alliance objectives. This study subsequently discusses limitations and future research methods.

2. Literature Review

2.1. Strategic Alliance

Strategic alliance is a voluntary mutual cooperation between alliance partners for acquisition of physical or financial resources, knowledge, technology, or brand/business

reputation (Das, Sen, & Sengupta, 1998; Varadarajan & Cunningham, 1995). Strategic alliances are driven by diverse factors such as business capacity expansion through acquisition of new knowledge or technology from the partner, efficiency growth through cost reduction, or market expansion, and there are different factors determining success of such alliances depending on the motivation (Das & Teng, 2007; Park & Han, 2018; Sheikh, Ahmed, Arshad, & Shakeel, 2015). Previous studies on strategic alliance mostly sought success factors for alliances that are appropriate for diverse alliance purposes such as boosting financial performance or innovativeness. Consequently, they have focused on observing how factors such as business characteristics (business status, size, network structure, repeated partnership), corporate governance (joint-ownership etc.) and similarity between two businesses (similarity in country and product) affect alliance performance (Kalaigannam, Shankar, & Varadarajan, 2007; Lee, 2011; Lim, 2016; Swaminathan & Moorman, 2009).

Among factors that affect alliance performance, studies that focus on national similarity and product market similarity between alliance partners are being actively conducted. Comparing domestic alliance and international alliance to study national similarity or even studying how distances between countries (such as geography, culture, politics, economy, demographics, language difference) affect business performance have become an important subject of study and have been actively conducted (e.g., Potluri, Ansari, Challa, & Puttam, 2014; Tihanyi, Griffith, & Russell, 2005; Tobias, 2018; Yugang & Jingnan, 2019). Also, as firms from various industries are forming alliances, it is also very important to study how product market similarity between the two companies in alliance affects firm performance. Especially for alliances that take place within the same industry (intra-

industry alliance) and those that take place between businesses from two different industries (inter-industry alliances), as there is a significant difference in regards to how resources are exchanged between the two types, it is very meaningful to look into these separately (Cassiman et al., 2005; Park & Ungson, 2001) (Cassiman et al., 2005; Park & Ungson, 2001). Based on the “Similarity hypothesis” which argues that similarity between the partners in strategic alliance serves an important role in the success of alliance relationship, precedent studies view that alliance between similar industries increase mutual understanding and develop positive attitude between the two firms (Brouthers & Brouthers, 2001). However, in intra-industry alliances, focal firm have to compete against their partners in the same market, they will take opportunistic actions to gain more advantage (Park & Ungson, 2001). Also, as there is a great deal of knowledge and resource overlap, new products and services from alliance may not be as new to the customers.

As such, the contradicting two perspectives on similarity have not been able to come down to a conclusion. Also, as summarized in Table 1, many of previous studies only focused on customer evaluation or financial performance of businesses with quantitative research method. Hence, this study focuses on how customer perceptions change and examines differences in customer purchasing attitude of intra- and inter-industry alliances with qualitative method. Especially, in regard to products and services produced through intra- or inter-industry alliances, this study focuses on how customers perceive innovativeness and credibility, and consequently how these alliances will affect general customer evaluation on firm and alliance outcomes depending on the level of technology required in the industry (high-tech vs. low-tech industry).

Table 1: Selected literature on national and product market similarity

Study	Similarity related variables	Research method	Related Results
<i>National similarity</i>			
Goerzen and Beamish(2003)	Geographic distance	Quantitative (Survey)	The relationship between economic performance and international asset dispersion is positive, but that country environment diversity is negatively associated with performance, with a positive interaction between them
Nielsen(2007)	Cultural distance	Quantitative (Survey)	The host-country risk seems to be a more important determinant of alliance performance whereas cultural distance affects operational efficiency only marginally.
Zaheer and Hernandez(2011)	Geographic distance	Quantitative (Secondary data)	Distance between technology alliance partners and subsidiaries hurts MNC performance, but MNCs benefit when such partners are located afar from headquarters
<i>Product market similarity</i>			
Zollo, Reuer, and Singh(2002)	Technical domain similarity	Quantitative (Survey)	The greater the number of previous alliances established by a firm in the same technological area as the focal alliance, the better the performance of the focal alliance.
Oxley and Sampson (2004)	Product market similarity	Quantitative (Secondary data)	The greater the overlap among partner firms' product markets, the lower the probability of broad alliance scope in order to decreasing knowledge leakage.
Oh, Lee, and Kim (2018)	Product market similarity	Quantitative (Secondary data)	The partner's satisfied customers reduce the focal firm's abnormal returns when the product market relatedness is moderate than when it is too high or low.

2.1.1. Intra-industry alliance

Intra-industry alliance is an alliance formed between businesses from the same industry. Star Alliance which has formed route alliance among diverse airlines is an example of this alliance. As businesses share similar experiences and knowledge, level of mutual understanding is quite high in intra-industry alliances, and it is easy to share values with the partners. This consequently boosts efficiency and effectiveness in the process of cooperation (Eng, 2005; Mitchell et al., 2002). Especially, cost incurred from transactions may be reduced through providing share base which facilitates communication and transfer of resources and functions.

However, when two firms from the same industry form alliance, it is inevitable that they will compete against each other to increase their market share (Dussauge, Garrette, & Mitchell, 2000; Luo, Rindfleisch, & Tse, 2007). According to transaction cost economics, although both businesses will strive together to create value, in the end they will take opportunistic behaviors to competitively pursue their own benefits (Brandenburger & Nalebuff, 2011). As partner's opportunistic behavior will directly affect the company's revenue and market share, firms will end up spending more as monitoring cost in order to prevent such consequences (Park & Ungson, 2001). Also, as partnership makes it easier for the partner to imitate products and technology with their high understanding of the focal firm's core technologies, firms will hesitate to share their precious knowledge and resources (Rindfleisch & Moorman, 2001). Moreover, since an alliance with a company in the same industry has a great overlap in shared knowledge and resources, it would be difficult to achieve radical innovation. This is likely to be perceived by consumers as the outcome of the partnership being not innovative.

As such, intra-industry alliances have been regarded as a win-lose strategy since businesses in this form of alliance have been competing with each other in many cases. However, many other studies also suggest the possibility of win-win situations and identified the necessary precedent elements to make this happen (Gammoh, Voss, & Chakraborty, 2006; Luo et al., 2007; Park & Ungson, 2001). Gammoh, Voss, and Chakraborty (2006), in the case of an asymmetric partnership in intra-industry alliances, a business with low-profile can improve customer reputation through alliances with highly-recognized companies, and simultaneously experience positive impact on the ratio of innovative R&D and revenue.

2.1.2. Inter-industry alliance

Inter-industry Alliance represents collaboration between companies from different industries. Businesses are converging across different industries as firms put their effort into developing new technology product with innovative ideas. Alliances between IT and design companies such as

Nike and Apple, Prada and LG are easy to find, and there are many alliances with various mixes of industries such as clothing and architecture firms, and cosmetics companies and cartoon character owners. This kind of inter-industry alliance provides firms with a competitive advantage by providing them with the opportunity to easily supplement their inadequate knowledge and resources through firms from other sectors (Doz & Hamel, 2001). It also facilitates new market expansion by providing an opportunity to introduce itself to the customers in other industries.

Prior studies on inter-industry alliances have shown that compatibility between the products of two firms, appropriateness between the two product categories, and the similarity of brand image are regarded as very important factors (Lafferty, 2009; Van der Lans, Van den Bergh, & Dieleman, 2014). In addition, the status between two brands plays an important role in shaping the attitude toward alliances (Lafferty, Goldsmith, & Hult, 2004). One of the most active areas for inter-industry alliance is partnership between distributors and manufacturers. Distributor brands are perceived to have excellent price competitiveness, but fall short in quality. Therefore, they want to be recognized by their customers as producing good quality products through cooperation with the manufacturer brands. In addition, the purchase intention for the partner brand is determined by factors such as the customer's attitude toward the partner brand, and sensitivity to quality (Nguyen, Jeong, & Chung, 2018; Sung, Kim, & Youn, 2014; Yang & Shim, 2013).

Although previous studies have shown that alliances between similar firms such as intra-industry alliances are more likely to be successful than other types of alliances (Lorange, Roos, & Brønn, 1992), strategic alliances between companies with complementary characteristics are also indispensable. The purpose of this study is to examine the difference of consumers' evaluation on the companies and products between intra- and inter-industry alliances. In addition, consumers may have different expectations depending on whether the company is from high-tech or low-tech industries. Therefore, we will focus more on how consumers' perceptions and evaluations of intra- and inter-industry alliances vary according to industry groups. In order to examine this, the study aims to find out customer's perception and implication on the combination of two kinds of alliance type (Inter/Intra industry alliance) and product group (high/low tech). Unlike precedent studies which focus on measuring corporate performance, this study deeply examines overall perceptions of customers and aims to discover new implications through conducting qualitative research such as DI and FGI.

3. Methodology

This study examines the perceptions of consumers through qualitative research, rather than looking at financial

performance of businesses. Qualitative research is a means to produce study results in ways different from quantification or statistical analysis, and is mostly concerned with how people behave, and how and why they act in certain ways (Litosseliti, 2003; Rajasekhara Mouly & Lohith Sekhar, 2017). In other words, a very important aspect of qualitative research is interpretation of the meaning of an action or event. Because qualitative research identifies causes and effects of various phenomena and studies the progress, qualitative data are collected in the form of descriptive information rather than numerical information, and tend to draw conclusions through inductive reasoning. In precedent studies, consumers' perceptions were often collected numerically through standardized measurement methods proposed by researchers. However, because human behaviors and perceptions are reflections of highly complex and subjective opinions, qualitative research methodology was deemed more appropriate for this study.

This study examines deep thoughts of customers on brand perception based on alliance types (intra- and inter industry alliance) through two types of qualitative research. First, focus group interview collects information from the interviewees through intensive conversations between a moderator and a small number of respondents; and the other is in-depth interview where an interviewer draws responses out of interviewees through 1:1 interviews where they freely engage in conversations. DI (n=10) were conducted once per participant for 30 minutes to 1 hour. DI were conducted on two women in their 20s, three women and two men in their 30s, two women in their 40s and one man in his 50s. FGI (n=25) consisted of 5 participants per team and 5 sessions were conducted, and each session was held quite similarly. Each team was formed with various professions, genders and ages (20s to 50s) as possible, and each team consisted of participants who had no relationship with each other so that everyone who participated in the FGI could freely express their opinions (Litosseliti, 2003).

4. Findings

This research has demonstrated that consumer perceptions on intra- and inter-industry alliances are significantly different and that such differences in perceptions come from industry sector differences such as high-tech and low-tech (fashion and beauty products). Thus, this study draws separate conclusions for each classification.

4.1. Intra-industry alliance

4.1.1. High-tech industry

Consumers perceived that technologically much more advanced products and services will be created through intra-industry alliances in high-tech industry as two

companies' knowledge and technology would be combined. Although they did not expect the product to rank high in creativity, they had strong belief in the quality of the product as they regarded it to be based on high technology. As the key factor in high-tech industry is technology rather than aesthetics, customer purchasing attitude was high for intra-industry alliances, as opposed to the complaint and consequent dissatisfaction on the technology from inter-industry alliances.

"I always look forward to partnerships between two IT companies. Partnership between Apple and IBM as well as Bosch and Sony made us expect new technologies. In order for technologies required for apps and autonomous driving to be developed, a lot of technology will also need to be required, and if two companies work together, more products equipped with reliable technology will be released."

"When I heard Leica lens on a Lumix, I had to buy it despite the higher price than regular Lumix. It was definitely much better than other digital cameras because the product contained technologies of Leica. I am still very satisfied with the sensitivity of the lens even though I've had the camera for years. I think I would have bought it even if it were a bit more expensive."

4.1.2. Low-tech industry (Fashion & Beauty)

In the low-tech (fashion or cosmetics) industry, there were many cases in which the brand status of the two companies and the price range of the products were not similar. In this case, consumers' evaluations were largely divided. First, regardless of the status and price range, both companies were evaluated to have better image. Especially in the fashion industry, consumers showed great interest in collaboration products between inexpensive brands and luxury brands. This collaboration led to both actual sales and improved brand preference for both sides. Not only did the customers perceived these products to be high in quality compared to the price, their evaluation on existing products has also improved and the brand image was also brought up higher. In addition, luxury brands were able to reach out to customers with more ease, and this has allowed them to be more exposed to consumers and improve their brand image.

"The partnership between the luxury fashion brand and the SPA brand is a great opportunity. Every time they collaborate, people wait in long lines to buy their products on the launch date. They want to buy luxury brands such as Jil Sander and Lemaire at Uniqlo. In such cases, the collaboration event becomes a big issue and people get interested."

"I bought several Uniqlo and Lemaire collaboration

products. They actually had really good quality, so this made me think that Uniqlo products also have decent quality. To be honest, many of my friends including me haven't heard of the brand Lemaire until we heard about their collaboration with Uniqlo. I think it was a great opportunity for the customers to get these luxury goods at a fairly reasonable price and for the brands to be naturally promoted to the public."

On the other hand, there were cases where the evaluation varied depending on the business status and price of the affiliated companies. Customer purchasing attitude on lower-priced brands increased in this case, but customers gave luxury brands negative feedback and led to lowered expected price for luxury brand goods, which in the long term had a negative impact. In the case of Lanvin and H&M alliance, royal customers to the luxury brands raise complaints and also customer perception on the brand's luxuriousness has also dropped.

"I really liked Lanvin. But I didn't feel so good about them selling their products at H&M. I wondered why they had to do such collaboration, and I even thought that they actually were in a financially dire position where they needed to sell cheap products in a hurry. I actually saw the products, but of course they were not comparable to the existing Lanvin products. Since Lanvin sold similar design goods at less than half the original price, I have not been able to buy Lanvin products as much since."

Consumers perceived the image between the two brands to be important in intra-industry alliances in low-tech industry. Also, the appropriate "fit" between the partners had a significant influence on consumer satisfaction. The fit between these brands has not been discussed in the process of talking about the high-tech industry, but it has become a very important issue in fashion and cosmetics.

"Wouldn't you agree that the "fit" between the two brands is important? Uniqlo is just fine and neat, so brands like Jil Sander and Lemaire which are considered to be very classic brands fit nicely with Uniqlo despite the difference in price range. On the other hand, H&M is much trendier and has a lot of design elements, so it fits better with trendy brands such as Balmain. I guess that's why they were all successful. But when Mac and Hello Kitty collaborated in the past, I was really surprised to see that the stylish and chic cosmetics brand and cute cat characters had such a horrible fit."

4.2. Inter-industry alliance

4.2.1. High-tech industry

Consumers were highly interested in inter-industry

alliances in high-tech sector. Consumers perceived products that were launched through collaboration of different industries as highly differentiated and innovative products. In particular, when IT companies partnered with low-tech companies such as fashion companies to launch IT products, consumers regarded them to be more special as they recognized such products as a high-tech product with emotional element.

"The collaboration between IT products and fashion companies draw my attention. I think that technology is the backbone of IT but lack emotional touch, and I have high expectations that these products will come with stronger emotional elements. In the case of 'Serif TV' from Samsung Electronics, neither is the screen very big nor is the pixel very high, but it is still popular because it is equipped with design elements. I wanted to have one despite the high price! This makes me think Samsung can also produce pretty home appliances. I was surprised by the twist."

"My impression of it is 'Differentiation! It's innovative!'. When I saw Serif TV, I felt that the idea was very new, attractive and special! That made the brand itself look different."

On the other hand, consumers perceived high-tech products developed through inter-industry alliances to be inferior in technology and expertise, hence customer purchasing attitude was low for the products that required high technology. This has also had a negative impact on the perception of the essential technical skills of IT companies. This shows the trade-off relationship between technological professionalism and aesthetics where expertise deteriorates as design value is increased in IT industry. In particular, many consumers who feel that the technological performance are the most important for electronic products, did not feel great value for the inter-industry alliance. It has even been found that some customers recognize these partnerships only as a means of raising prices through design changes. In other words, inter-industry alliances in high-tech industry are good for becoming a sensation and innovating brand image to the customers, but it will not lead to substantial customer satisfaction and purchasing intention.

"If IT products are focused on design, expertise seem to fall short. I think technology is the essence of IT after all. I could get a little interest by emotion once it's released, but eventually I seem to gravitate toward technology over time. How meaningful is design when it comes to high-tech products?"

"In the case of mobile phones, aesthetic factors can be important for a younger generation. However, in industries where the high level of technology is required such as automobile, advanced cameras or computers, would alliance

with a design company really be meaningful? When an automobile company is affiliated with an engine maker, it makes sense, but I rather get hostile feelings towards the idea of collaboration with fashion companies. Putting Prada on Genesis, and Hermes on the Equus... and I wonder if this would really attract more consumers. I just think they are trying to boost each other's image and raise the price. I do not pay more just for the design."

"It's too trendy to see electronics companies partnering with fashion brands. Because IT goods need be used for a long time, I would prefer if there is no design element. Most of the newly released products don't contain any new technologies and I wonder what their identity is."

4.2.2. Low-tech industry (Fashion & Beauty)

In this study, we focused on fashion and beauty sector as low-tech industry. The results of the FGI showed that innovativeness and novelty were perceived to be similar to those of inter-industry alliance in the high-tech industry, but it was clearly different from high tech industries in that customers showed strongly positive attitude towards products. Adding special IT functions to fashionable goods (watches, shoes) or apparel has changed consumers' perception on the product as even more innovative. Consumers also believed not only that the price would become very high but also that the product was worth the price. A renowned example of this would be Apple and Nike's alliance where consumers formed a very positive attitude. Customers are willing to pay higher price for Nike shoes which incorporated Apple's IT functions. This not only had a positive impact on products, but also has a positive impact on the partner fashion company. Consumers believed that IT products with fashionable elements added would have limitations in design, but had positive evaluation on equipping fashion products with IT functions, believing that products would turn out to be more sophisticated.

"If the IT elements are added to fashion products, wouldn't the beauty of the design be retained while high-end performance functions are added? It is very meaningful that such products come out in fashion fields where creativity is difficult to appeal with elements other than design. This innovative product comes out. Of course it will be expensive because IT is added, but I would like to have it if the price is not too ridiculous."

"Nike's partnership with Apple and the launch of the product itself is so attractive! After all, isn't it just like making a special limited edition? It's something you can't usually get from other sportswear brands. It's special, it's functional, and it's got excellent design, and it's making Nike look different."

"Watches with IT functions like Mi-band and Apple watches are very popular these days. But because of the rough design, it's not really compatible with various occasions. I think this happens because it's the IT companies that are releasing products like watches. That's why I would like to see watch brands initiate the partnership with mobile companies so that watches with sophisticated design will be equipped with IT functions. This way, I will be able to wear it with a suit."

5. Discussion and Conclusion

5.1. Summary

This study aimed to examine in depth how consumers respond to collaboration products and brands in intra/inter-industry alliances with qualitative research methodology. Furthermore, we focused on how consumer purchasing attitude towards intra- and inter-industry alliance vary depending on high-tech and low-tech industries. Research has found that when people discover a collaboration product, there is a perception difference between intra and inter-industry alliance products. As expected, the desires of consumers were different depending on whether the industry required technology or not, and their evaluation on alliance types differed accordingly.

First, the inter-industry alliance has been evaluated as having distinctive and innovative elements regardless of the industry (high/low tech) because it is made up of a combination of knowledge and resources of totally different industries. There was both positive and negative perception on inter-industry alliances in the high-tech industry. Positive perception was that the product would be equipped with innovation and aesthetics, and negative perception was that the product would lack technology and expertise. On the other hand, the intra-industry alliance products were evaluated as having created synergy effect through sharing the resources and technology of two companies which led to the release of products equipped with innovative technology, and the consumers also showed strong trust in the products. Although they can renew their image through inter-industry alliances, in order to ultimately increase customer satisfaction and increase sales, it would be important to increase level of technology and customer trust through intra-industry alliances. This is because technology is the most important factor to the consumers in product and brand evaluation in the high-tech industry.

As in the high-tech industry, inter-industry alliances in the fashion and beauty sectors have been viewed as highly innovative and original. However, unlike in the high-tech industry where demand for high technology made inter-industry alliance to be negatively evaluated, fashion and beauty products equipped with IT were believed to provide

sufficient technology and practicality to aesthetically designed products, and this has led to positive evaluation by the consumers. On the other hand, when the business status and price ranges were not similar between the two companies in low-tech industry, there was a clear divide in consumer perception in that they either gave positive feedback to both companies, or gave positive feedback only to the company in the lower position and gave negative feedback to the company in the higher position. In the case of former, low-priced brands were regarded to have made it possible for consumers to perceive their existing product quality to be higher, and at the same time luxury brands have also got the opportunity to raise consumer awareness and interest. On the other hand, in the latter case, the luxury brand were viewed as not having gained interest of the customers, but the brand image has actually gone down and this has rather lowered the expected price for the luxury brand.

5.2. Implications of Research

This study has the following implications. First, this study showed that the perception of the consumers on the type of partnership may vary according to the industry (high / low tech). Most of the existing studies either focused on specific industries or did not have any target industry at all in order to evaluate business performance or customer evaluation according to the alliance type. However, this study looked at overall consumer evaluation according to the alliance type (intra- or inter-industry alliance), based on the technological levels of industry. First, intra-industry alliance had a positive impact on the customer trust on technology and brand image, but inter-industry alliance was evaluated as increasing innovativeness at the expense of technology. It could be seen that in the high-tech industry, unlike the low-tech industry, consumers are more satisfied with intra-industry alliance than inter-industry alliance as they are more concerned about technology rather than originality and aesthetics.

Second, because the research was conducted using the qualitative research methodologies, rather than simply looking at alliance performance or quantifying consumer evaluation, this study was able to look into consumer perception from diverse aspects such as innovation, creativity, esthetics, and brand image. Furthermore, reasoning behind consumer purchasing attitude could be studied in more depth rather than simply focusing on the results.

Third, this study provides the business staff with a guideline to make the right decisions about which partner to choose according to the industry group and purpose of the partnership. Based on the attitudes of consumers on intra- and inter-industry alliances derived from this study, businesses can form various alliance strategies according to their business purposes. The correct degree of industry similarity with the alliance partner is clearly different

depending on what the company wants to appeal to its consumers. If a company wants to enhance brand image or innovativeness of newly launched products and appeal with its freshness, it should select a company in a completely different industry as an alliance partner. If appealing to the consumers with high technological ability is the goal in high-tech industry, the same high-tech company needs to be selected. Also, if brand image needs to be improved in the fashion industry, it is advantageous to choose a luxury brand in the same industry as a partner. Furthermore, because of the various problems that may arise depending on the type of partnership, it is also important to consider possible problems and select a partner who can supplement such flaws. If an IT product has partnered with another industry in order to appeal more emotionally and increase innovativeness, the company must also strive not to lose the essential aspect of the product.

5.3. Limitations & Further Research

Limitations of this study and the direction of future research are as follows. First, this study tried to examine consumer purchasing attitude towards intra- and inter-industry alliance through qualitative research methodology was meaningful, but difficulty in quantification was one of the limitations of this study. In addition, sample size could not have been bigger as qualitative research methodology was used. Therefore, future follow up quantitative studies will be conducted using questionnaire based on the finding of this research toward more diverse consumers.

Second, although this study has drawn the results of qualitative research from people of various ages and occupations, most of them were college graduates or higher in their 20s and 30s, which has created another limitation in terms of target market being too narrow. In addition, there was limitation to this study in that low-tech industry was limited only to fashion industry. In the low-tech industry, there are a variety of industries such as agriculture and food industry, and according to this industry, the needs of consumers are expected to be slightly different among such industries as well, which leads to a difference in perception of intra- and inter-industry alliance. Therefore, further studies should be conducted to overcome such problems and cover more various industries.

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