**Brand Extensions in Team Licensed Merchandise: Interaction between Congruity and Team Identification**

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It is getting difficult to penetrate into a market using a new brand name due to increasing competitions in distribution channels and advertising costs (Aaker, 2002). Therefore, a brand extension using a familiar brand has been attracting more and more attention from marketers. One area that has been capitalizing on a brand extension is college sports team licensed merchandise. Today, selves in campus bookstores are occupied with various categories of products such as apron, BBQ set, diaper bag, bracelet, curtain, car floor mat, and so forth. Despite the popularity of the extended brands in team licensed merchandise, research on this has not been conducted enough to evaluate the effectiveness of brand extensions.

The objective of the study was to see whether brand extensions in college sports team licensed merchandise have been effective to induce enough perceived value and purchase intention among prospective customers. For better understanding of consumers’ perceived value and purchasing intention of team licensed merchandise, this study utilized two constructs, image congruity and team identification. First, the researchers incorporated the spreading activation theory of memory (Anderson, 1983) to explain the concept of image congruity between a college sports team and its extended brands and test whether levels of image congruity influenced consumers’ perceived value and purchase intention. Second, the researchers attempted to see if sport consumers’ perceived value and purchase intention were influenced by consumers’ team identification. Lastly, the interaction effects of congruity and team identification on perceived value and purchase intention were tested.

For the study purposes, the researchers first selected two team licensed products each representing high (i.e., hooded shirt) and low (i.e., cereal) image congruity levels from the pilot study (N = 61). Then, the researchers collected data (N = 290) for the main study to measure perceived value and purchase intention on both the high and low congruity products as well as team identification. The independent variables were levels of team identification (high and low) and image congruity (high and low). The dependent variables were perceived value and purchase intention. The scales measuring the constructs were borrowed from past literature (Dodds, Monroe, & Grewal, 1991; Kwon & Armstrong, 2004; Netemeyer et al., 2004).

Multivariate analysis of variance (MANOVA) tests revealed that mean scores in perceived value and purchase intention between high and low team identification groups were significantly different; the mean scores in perceive value and purchase intention were significantly different between high and low congruity products. In addition, the MANOVA tests indicated that there were significant interactions between team identification and image congruity on perceived value and purchase intention separately. The study provided empirical evidence to support the effectiveness of brand extensions in college sports team licensed merchandise by showing the effects of team identification and image congruity on consumers’ perceived value and purchase intention.