The Role of Brand Extension Authenticity in Sport: A Case Study of Nike Jordan and Under Armour Coffee

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Brand extension is a valuable strategic device for firms to expand their business spectrum beyond their original brands or product categories as well as to enhance their brand equity. However, failure of a brand extension is not uncommon, and little attention has been given to analyzing failures of brand extension evaluations. Moreover, although brand authenticity is one key to understanding consumers’ perceptions of brand reputation, no attention has been paid to the way in which sport consumers perceive the concept of authenticity in the sport manufacturing context. Data were collected from 504 undergraduate students who were given questionnaires asking two different brand models. Structural equation modeling suggests that brand extension authenticity plays a key role in the relationship between perceived fit and brand extension evaluations in both success and failure cases. Furthermore, brand extension authenticity is directly associated with positive brand extension evaluation in both success and failure cases.