## MANAGING SPORTS BRANDS IN A GLOBAL CONSUMER MARKET: COUNTRY-OF-ORIGIN FIT IN CROSS-BORDER STRATEGIC BRAND ALLIANCES

Jin-Kyun LEE<sup>1</sup>, Taesoo AHN<sup>2</sup>, Wei-Na LEE<sup>3</sup> & Paul M. PEDERSEN<sup>4</sup>

<sup>1</sup> School of Advertising & Public Relations, Hongik University, Sejong-si, South Korea <sup>2</sup> Department of Marketing, International Business and Sport Management,

Girard School of Business and International Commerce, Merrimack College, North Andover, MA, United States of America

<sup>3</sup> Stan Richards School of Advertising & Public Relations, University of Texas, Austin, TX, United States of America

<sup>4</sup> Department of Kinesiology, School of Public Health Indiana University, Bloomington, IN, United States of America

#### ABSTRACT

The goal of this paper was to examine the effects of cross-border strategic brand alliances (SBAs) between host brands and partner brands on the evaluation of the consumer product. Two experimental studies using a series of 2 (Low vs. High COO fit)  $\times$  2 (Pre- vs. Post-attitudes) mixed factorial designs were conducted to understand the effect of Country-of-Origin (COO) fit on attitudes toward the host and partner brands. Data from a total of 244 college students were analysed using repeated measure ANOVAs and simple main effect analysis. The results of the first study revealed that high COO fit did not produce positive post-attitude changes toward the host brand. On the other hand, low COO fit generated negative post-attitude changes toward the host brand when the host brand allied with another brand with an unfavourable country image. The results of the second study also support the findings of the first study in that attitude changes toward the partner brand were significantly affected by the level of COO fit. The theoretical and practical implications of these findings are discussed.

*Key words:* Cross-border strategic brand alliance; Country-of-origin fit; Product/brand fit.

#### INTRODUCTION

Consumers are becoming increasingly skilled at evaluating the quality of local sport brands, as well as global sport brands (Pyun *et al.*, 2011). Among many popular market entry strategies, the concept of cross-border Strategic Brand Alliances (SBAs) has garnered growing attention from the global business community as SBAs help brands from different countries synergistically co-create values and market their brands (Bluemelhuber *et al.*, 2007). For example, in France, Saint- Germain and Nike and Olympique de Marseille and Adidas formed SBAs in their respective internalisation efforts (Richelieu & Desbordes, 2013). Li-Ning, a relatively lesser known Chinese sneaker brand, is another example as it has linked up with

many professional basketball players, such as Dwyane Wade in the National Basketball Association (NBA) to boost their brand identities with American consumers (Bell, 2015).

Elmuti and Kathawala (2001:205) defined an SBA as "a partnership of two or more corporations or business units that work together to achieve strategically important objectives that are mutually beneficial". In extending an SBA across geographical boundaries, a cross-border SBA is a specific type of brand alliance in which a host brand is headquartered in one country, while a partner brand is located in a different country (Bluemelhuber *et al.*, 2007). The goal of cross-border SBAs is to leverage the established equity of a host brand that already enjoys a positive country image. In cross-border SBAs, the general knowledge and perception of the involved countries influence consumers' brand evaluations (Bluemelhuber *et al.*, 2007).

#### **RESEARCH PROBLEM**

While extensive research has been conducted on COO (Country-of-Origin) fit in general, few attempts have been made to examine the matching effect of COO between brands in the sport industry. Host brands usually enjoy the benefit from an association with the established brand, while partner brands are relatively unknown to consumers. But what if a host brand has weak brand equity although it has a favourable country image?

To this goal, the first study examines how different levels of COO fit affect consumer product evaluation when the host brand has a strong brand equity. Also, employing a different host product category with weak brand equity, the second study replicates the effects demonstrated in the first study. The findings of this research would contribute to the understanding of the role of COO fit on consumer attitudes toward the host and the partner brand in sport SBAs. Also, this research would help to identify how and to what extent consumers process COO fit under different levels of host brand equity.

#### STUDY 1: BOSTON CELTICS WITH HIGH BRAND EQUITY

The first study examines whether a spill over effect occurs between the host and the partner brand in a high COO fit condition. This investigation also seeks to identify how such effects influence post-attitudes toward the host and the partner brands when the host brand has high brand equity. The following review of literature on key factors of cross-border SBAs provides theoretical justifications for the hypotheses used in both studies.

#### **Cross-border strategic brand alliances**

The concept of SBAs essentially refers to a strategic partnership that allows brands to utilise their complementary strengths and expertise to create synergistic impact (Cooke & Ryan, 2000; Uggla, 2004). SBAs include different types of strategic partnership, such as ingredient or component branding (Norris, 1992), composite brand extensions (Park *et al.*, 1996), strategic alliances (Rao & Ruekert, 1994), advertising alliances (Samu *et al.*, 1999), and dual branding (Hadjicharalambous, 2013). However, the common goal of SBAs is to enable lesser-known partner brands to leverage the established brand equity of host brands (Aaker, 1991). Specifically, partner brands can borrow the brand equity of host brands in the form of transfers of attitudes, thoughts, images, emotion/affect, awareness and experience (Rao *et al.*, 1999;

Chakraborti & Subhadip, 2013; Wiedmann & Gross, 2013; Mazodier & Merunka, 2014). Also, a well-known host brand in an SBA generates significantly greater impact for consumer brand evaluation than when presented with the partner brand alone (Desai & Keller, 2002; Walchli, 2007). Thus, an SBA helps partner brands provide greater assurances about product quality (Rao *et al.*, 1999).

#### Key factors in cross-border strategic brand alliances

#### Product fit and brand fit

Product and brand fit explain consumer brand attitude based on how host brand associations are transferred to the partner brand (Keller, 1993; Lanseng & Olsen, 2012). Product fit refers to the congruence between the products at a functional level (Thompson & Strutton, 2012). Brand fit is the quality-based perception of brand image cohesiveness and associated consistency reflecting the similarity in image, abstract meanings and benefits between the allied brands (Martin & Stewart, 2001; Thompson & Strutton, 2012). Conceptual coherence in brand personality profiles reflects attitudes towards a brand alliance (Van der Lans *et al.*, 2014). Well-matched product and brand fit tend to lead consumers to form positive attitudes, whereas ill-matched fit tends to lead consumers to form negative attitudes toward the brands (Helmig *et al.*, 2007; Walchli, 2007).

A limited number of studies has been published related to sport SBAs and the application of the concept of product and brand fit to consumer brand evaluations. For example, the high fit between the host brand (an event) and the partner brand (a sponsor brand) produces favourable consumer emotions towards both the host and partner brands (Chakraborti & Subhadip, 2013). Carrillat *et al.* (2010) examined brand image transfer effects between two brands (Gatorade and Nike vs. Gatorade and Budweiser) sponsoring the same event (Olympic Games) concurrently. Olson and Thjømøe (2011) also found that allied brands should be relevant to consumers and have a similar target audience to their target market. Wu and Chalip (2013) examined the brand alliances between sportswear brands and fashion designer brand generated a higher expected price for shirts bearing the designer logo. However, among female subjects, cobranding with a sportswear brand produced a lower expected price for shirts bearing a fashion designer logo, but adding a fashion designer logo did not impact the expected price of shorts bearing a sportswear logo.

More recently, Cobbs *et al.* (2016) examined the impact of brand spill over within a sponsor portfolio. In their two experimental studies, their first study identified a brand spill over effect between multiple sponsors of a single sport property. Also, in a small sponsor portfolio, brands incongruent to the sponsored property were found to enjoy a more positive brand perception, where another incongruent co-sponsor was included. However, in a larger sponsor portfolio, Cobbs *et al.* (2016) found in their second study that incongruent brands should aim to align with co-sponsors congruent to the sponsored property. In a similar vein, the direct transfer of attitudes, as well as for carryover of personality traits, was identified between two sponsor brands (Gross & Wiedmann, 2015). Furthermore, they found that the spill over effect was moderated by the perceived fit between the sponsor brands' images and by familiarity with the target sponsor brand.

#### Country-of-origin (COO) fit

In cross-border SBA, the country image fit should play an important role for consumer decision-making process (Aaker & Keller, 1990). Bluemelhuber *et al.* (2007:433) conceptualised the COO fit as "the consumer's perception of the overall compatibility on images of the two countries of origin involved in the brand alliance".

Past research has found the important role of COO fit in the area of international marketing. For example, the effects of COO fit are more powerful than brand fit when a brand is less known to consumers (Bluemelhuber *et al.*, 2007). Yu *et al.* (2013) found that a consistent COO fit between the country of the brand and the country of the manufacturer positively affected consumers' purchase intentions. When two countries are classified together, an SBA improves the image of a partner brand by transferring the established brand image of the host brand to the partner brand (Gwinner & Eaton, 1999; Uggla, 2004). Also, positive associations and attitudes toward the host and the partner brand are linked to each other (Rao & Ruekert, 1994; He & Balmer, 2006).

Schema congruity theory may help explain how consumers classify and process country image information. Consumers tend to cognitively classify different country images in their individual schema by exaggerating the similarities and differences of features relevant in categorisation decisions (Tajfel, 1959; Krueger & Clement, 1994). Mandler (1982) explained that the thoughts generated after cognitive elaboration in the congruent condition tend to be favourable considering that consumers like objects that conform to their individual expectations and allow predictability. On the contrary, incongruity, which is determined by the degree of 'unexpectedness' and 'irrelevance', leads consumers to engage in a deeper level of information processing to resolve the incongruent situation (Mandler, 1982; Fleck & Quester, 2007). When the increased elaboration results in resolution of the incongruity, both a positive evaluation and a positive affect may follow. However, when consumers cannot resolve the incongruity, frustration elicits a more negative evaluation and affect (Jagre *et al.*, 2001).

#### **Research hypotheses**

Based on the studies in this area (Bluemelhuber *et al.*, 2007; Yu *et al.*, 2013), it is expected that in a high COO fit condition where both the host brand and the unknown partner brand have favourable COO images, consumers do not experience cognitive dissonance. Thus, they heuristically rely on a high COO fit. When two brands holding similar country images are assimilated and categorised together, this high COO fit creates congruence states and it does not require consumers to exert too much of a cognitive effort to reinforce grouping into the same mental schema. Thus, high COO fit will produce favourable post-attitudes toward the host and the partner brands. On the other hand, low COO fit will produce unfavourable preand post-attitudes toward the host and the partner brands, respectively. Based on this argument, the following four hypotheses were put forward:

- *H1: High COO fit will produce significantly positive pre- and post-attitudes toward the host brand with high brand equity.*
- H2: Low COO fit will produce significantly negative pre- and post-attitudes toward the host brand with high brand equity.

- H3: High COO fit will produce significantly positive pre- and post-attitudes toward the partner brand.
- H4: Low COO fit will produce significantly negative pre- and post-attitudes toward the partner brand.

#### Methodology

#### Design and procedure

An experiment using a 2 (Low vs. High COO fit)  $\times$  2 (Pre- vs. Post-attitudes toward the host brand)  $\times$  2 (Pre- vs. Post-attitudes toward the partner brand) mixed factorial design was conducted. COO fit is a between-subjects factor, whereas pre- and post-attitudes toward the host and the partner brand is a within-subjects factor. In October 2014, a total of 136 business college students were recruited at a mid-size university in the north eastern region of the US The usage of the college student sample is appropriate for this research considering that the typical US college student spends 4.1 hours on average weekday on leisure and sports activities (American Time Use Survey, 2014). Students were randomly assigned to a low (n=73) or a high COO fit condition (n=63). Subjects were asked to answer questions regarding their preattitudes toward the host brand. Next, a brief description of a fictitious partner brand was provided to anchor the baseline pre-attitudes toward the partner brands (Appendix A). After seeing 2 unrelated filler ads and target stimuli ads, subjects rated their post-attitudes toward the host and the partner brands.

#### Pre-tests

Two pre-tests were conducted prior to the main study. First, a product category that matched well with the basketball teams was selected to control product fit. A group of subjects (n=34) were asked to indicate to what extent the 10 listed product categories are similar or relevant to the basketball teams. Product fit was measured on a 7-point scale from "not similar or relevant at all" (=1) to "very similar or relevant" (=7) (Ahn & Sung, 2012). Basketball shoes that showed the highest mean score (M=6.74) followed by basketball jerseys (M=5.4; t<sub>(33)</sub>=5.63, p<0.00) was selected for the partner product category.

Another group of subjects (n=34) were asked to list the 5 most well-known basketball teams. To maintain realism, an existing basketball team was used in this study. An NBA team – the Boston Celtics (BC) (M=6.73) – was selected as it is the most well-known sport brand in the north eastern region where the data were collected. They were then asked to list countries that they think make the highest and lowest quality basketball shoes. Japan (M=6.48) was selected as the highest and Mexico (M=3.55) as the lowest regarding the quality of their manufactured basketball shoes ( $t_{(32)}$ =11.95, p<0.00).

#### Stimulus development

Considering that existing brand familiarity is negatively related to the impact of the COO fit on consumer attitudes (Bluemelhuber *et al.*, 2007), a fictitious partner brand (Esports basketball shoes) was created. The format of the stimulus ads was standardised except for the COO fit (Appendix B). Stimulus ads included the brand logos at the upper right part of the ad along with the COO information.

#### Independent and dependent variables

The COO fit was the manipulated independent variable. Brand attitude was the dependent variable. Fishbein and Ajzen (1975:6) defined attitude as "the amount of affect for or against some object". Brand attitude was measured with 3 items on 7-point semantic differential scales: "The basketball Boston Celtics team (vs. Esports shoes) is 'bad/good'. 'unfavourable/favourable' and 'negative/positive' " (Muehling & Laczniak, 1988). Cronbach alpha scores for the pre- and post-attitudes toward the host and the partner brands ranged from 0.82 to 0.94.

#### Results

#### Manipulation check

To confirm the COO fit manipulation, 5 items were adapted from extant research and slightly modified (Aaker & Keller, 1990; Bluemehuber *et al.*, 2007; Fleck & Quester, 2007; Ahn & Sung, 2012). Perceived COO fit of the two pairs of country (U.S.-Japan vs. U.S.-Mexico) was measured by 5 items on 7-point Likert scales: "The images of the countries are 'consistent with', 'complementary', 'compatible', 'similar', and 'relevant to each other' " (1=strongly disagree; 7=strongly agree,  $\alpha_{low COO fit}=0.92$ ;  $\alpha_{high COO fit}=0.84$ ). The COO fit between the U.S. and Japan (M=4.09) was significantly higher than that between the U.S. and Mexico (M=3.57, t<sub>(134)</sub>=-2.88, p<0.00). Thus, high and low COO fit conditions were successfully manipulated.

#### Hypotheses testing

To examine the effects of the COO fit and the attitude changes toward the host and the partner brands, repeated measure ANOVAs and simple main effect analyses were conducted. Multivariate tests showed that there was a significant main effect of the pre- and post-attitude changes toward the BC (Pillai's Trace=0.18,  $F_{(1, 134)}=28.41$ , p<0.01). Also, a significant interaction effect was found between the COO fit and the pre- and post-attitude changes toward the BC (Pillai's Trace=0.06, p<0.01) and the pre- and post-attitude changes toward the Esports basketball shoes (Pillai's Trace=0.17,  $F_{(1, 134)}=26.88$ , p<0.01). An interaction effect between post-attitudes toward the BC and the Esports basketball shoes was found (Pillai's Trace=0.21,  $F_{(1, 134)}=35.31$ , p<0.01).

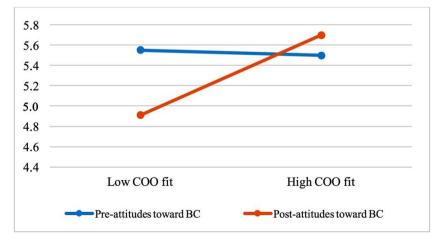
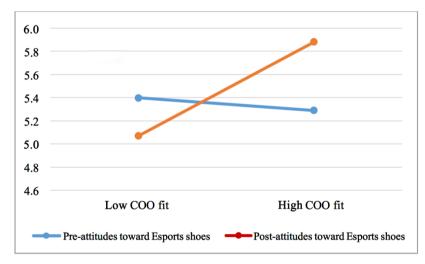


Figure 1. ATTITUDE CHANGES TOWARD BC (Study 1)

Hypothesis 1 predicted that high COO fit would produce significantly positive pre- and postattitudes toward the host brand with high brand equity. Hypothesis 2 predicted that low COO fit would produce significantly negative pre- and post-attitudes toward the host brand with high brand equity. Simple main effect analysis showed that in a high COO fit condition postattitudes toward the BC (M=5.70) were not significantly changed from pre-attitudes (M=5.50, p=0.12). Thus, the first hypothesis was not supported. Meanwhile, simple main effect analysis showed that in a low COO fit condition when the host brand has established high brand equity, post-attitudes toward the BC (m=4.91) was significantly reduced from the pre-attitudes (M=5.55, p<0.01; Figure 1). Thus, the second hypothesis was supported.

Hypothesis 3 predicted that high COO fit would produce significantly positive pre- and postattitudes toward the partner brand. Hypothesis 4 predicted that low COO fit would produce significantly negative pre- and post-attitudes toward the partner brand. Simple main effect analysis revealed that in a high COO fit condition post-attitudes toward the BC (M=5.88) were significantly increased from pre-attitudes (M=5.29, p<0.01). Thus, the third hypothesis was supported. Also, in a low COO fit condition where the host brand has established high brand equity, post-attitudes toward the Esports (M=5.07) was significantly reduced from the preattitudes (M=5.40, p<0.01; Figure 2). Thus, the fourth hypothesis was supported.



# Figure 2. ATTITUDE CHANGES TOWARD ESPORTS BASKETBALL SHOES (Study 1)

The results of the first study suggested that post-attitudes toward the host brand decreased significantly in the low COO fit condition, while the post-attitudes toward the host brand remained the same in the high COO fit condition. Also, post-attitudes toward the Esports significantly increased from the pre-attitudes in the high COO fit condition. However, post-attitudes toward the Esports significantly decreased from the pre-attitudes in the low COO fit condition. The purpose of the second study is to provide sports marketing researchers and practitioners with a fuller explanation of COO fit effects by investigating potential boundary

conditions further, where the host brand has low brand equity using a different product category (basketball jerseys).

#### STUDY 2: SPRINGFIELD ARMOR WITH LOW BRAND EQUITY

Following the same reasoning explained in the first study, in a high COO fit condition where both the host brand and the unknown partner brand have favourable COO images, congruent COO images between the two countries will lead consumers to evaluate both the host and the partner brands favourably. As consumers like objects that conform to their expectations, congruent conditions will produce both a favourable evaluation and affect (Mandler, 1982). Thus, it is predicted that high COO fit will increase post-alliance attitudes toward the host and the partner brand in a positive direction. However, in a low COO fit condition, an incongruent condition will generate unfavourable attitudes toward the host and the partner brands. Based on this argument, the following two hypotheses were formulated:

- H5: High COO fit will produce significantly positive pre- and post-attitudes toward the host brand with low brand equity and the partner brand.
- *H6:* Low COO fit will produce significantly negative pre- and post-attitudes toward the host brand with low brand equity and the partner brand.

#### Methodology

#### Study design and procedure

To test hypotheses 5 and 6, another experiment using a 2 (Low vs. High COO fit)  $\times$  2 (Pre- vs. Post-attitudes) between and within factorial designs was carried out. Another group of subjects (n=108) were recruited and randomly assigned to either a low (n=54) or a high COO fit condition (n=54). Following the same research procedure used in Study 1, subjects were exposed to a brief description of a fictitious partner brand to anchor the baseline pre-attitudes toward the partner brand (Appendix A). Also, their pre- and post-attitudes toward the host and the partner brands were measured, respectively.

#### Pre-tests

Based on the pre-test result conducted in Study 1, basketball jerseys that showed second highest mean score (M=5.4) was selected for Study 2. Next, another group of subjects (n=34) were asked to list the five most-unknown basketball teams. Springfield Armor (SA) (M=2.33) was rated as the lowest brand equity team in the NBA D-League. They were then asked to list countries that they think make the highest and lowest quality basketball jerseys. Italy (M=5.9) and Mexico (M=3.2) were selected as countries that manufacture the highest and the lowest quality basketball jerseys ( $t_{(32)}$ =11.00, p<0.00).

#### Stimulus development

As in Study 1, the same ad layout was used except for the SA logo, basketball jersey visual and COO information. A fictitious partner brand (Esports basketball jersey) was created. The format of the stimulus ads was standardised except for the COO fit (Appendix B).

#### Independent and dependent variables

The COO fit was the manipulated independent variable. Brand attitude was the dependent variable. Fishbein and Ajzen (1975:6) defined attitude as "the amount of affect for or against some object". Brand attitude was measured with the same scales used in Study 1. Cronbach alpha scores for the pre- and post-attitudes toward the host and the partner brand were found to be reliable as the values ranged from 0.88 to 0.98.

#### Results

#### Manipulation check

To confirm the COO fit manipulation, 5 items were adapted from extant research and slightly modified (Aaker & Keller, 1990; Bluemehuber *et al.*, 2007; Fleck & Quester, 2007; Ahn & Sung, 2012). Perceived COO fit of the 2 pairs of countries (U.S.-Italy vs. U.S.-Mexico) was measured by the same items used in Study 1 ( $\alpha_{low COO fit}=0.90$ ;  $\alpha_{high COO fit}=0.87$ ). Independent sample t-tests found that the manipulation of the high and low COO fit conditions was successfully accomplished. The COO fit between the U.S. and Italy (M=4.18) was significantly higher than that between the U.S. and Mexico (M=3.73, t<sub>(106)</sub>=-2.30, p<0.05).

#### Hypotheses testing

Repeated measure ANOVAs and simple main effect analysis were carried out for the host and partner brand respectively. Multivariate tests showed that there was a significant main effect of the pre- and post-attitude changes toward the SA (Pillai's Trace=0.46,  $F_{(1, 106)}$ =90.70, p<0.01). Also, significant interaction effects were found between the COO fit and the pre- and post-attitude changes toward the Esports basketball jerseys (Pillai's Trace=0.13,  $F_{(1,134)}$ =15.85, p<0.01). In addition, an interaction effect between post-attitudes toward the SA and the Esports basketball jerseys was found (Pillai's Trace=0.20,  $F_{(1,106)}$ =26.07, p<0.01).

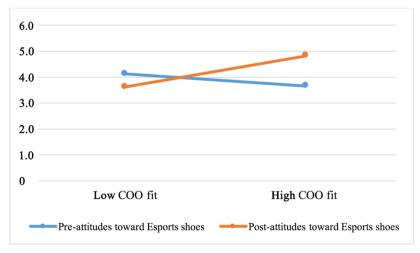


Figure 3. ATTITUDE CHANGES TOWARD ESPORTS BASKETBALL JERSEYS (Study 2)

The fifth hypothesis predicted that high COO fit would produce significantly positive pre- and post-attitudes toward the host brand with low brand equity and the partner brand. Multivariate tests showed that no significant interaction effects were found between the COO fit and the pre- and post-attitude changes toward the SA (p=0.85). However, a simple main effect analysis showed that in a high COO fit condition, post-attitudes toward the Esports basketball jerseys from Italy (M=4.82) were significantly increased from pre-attitudes (M=3.65, p<0.01). Thus, the fifth hypothesis was partially supported.

The sixth hypothesis predicted that low COO fit would have a negative impact on the host and the partner brands. A simple main effect analysis showed that in a low COO fit condition post-attitudes toward the Esports basketball jerseys from Mexico (M=3.62) were significantly decreased from pre-attitudes (M=4.12, p<0.01; Figure 3). Thus, the sixth hypothesis was supported partially.

#### DISCUSSION AND IMPLICATIONS

The findings of this research offer insights for both sport marketing practitioners and scholars regarding how such SBAs impact consumers' attitudes toward the host and the partner brands in different COO fit conditions. In Study 1, where the host brand has high brand equity, the results showed that even in a high COO fit post-attitudes toward the host brand did not increase significantly. This finding could be a reflection of the dilution of the brand that high equity brands typically experience when being associated with low equity partner brands. The value of SBAs can be undermined when a novel brand joins a strong host brand (Janiszewski & Van Osselaer, 2000). Negative spill over effects could occur from the partner to the host brand (Votolato & Unnava, 2006). Subjects might not have understood why the BC collaborates with the Esports basketball shoes from Japan. Established high equity brands will receive benefits from the partnership, but to a lesser extent compared with the Esports basketball shoes from Japan significantly increased due to the high COO fit information.

In a low COO fit condition, post-attitudes toward the BC decreased significantly when it allied with the Esports basketball shoes from Mexico. Also, low COO fit led subjects to negatively evaluate post-attitudes toward the Esports basketball shoes from Mexico. Considering that incongruent information generates dissonance, subjects experienced inconsistency and were forced to change their post-attitudes in a negative direction toward the host and the partner brands (Osgood & Tannenbaum, 1955; Atilgan & Kara, 2015). Jagre *et al.* (2001) also explained that subjects were not able to resolve the incongruity so that their frustration might have negatively impacted post-attitudes toward the host and the partner brands.

In the second study, where the host brand had low brand equity, no significant interaction effect was found between COO fit and pre- and post-attitude changes toward the SA. However, the post-attitudes toward the Esports basketball jerseys from Italy were significantly increased from the pre-attitudes, whereas post-attitudes toward the Esports basketball jerseys from Mexico were significantly decreased. In short, the findings of the second study support the notion that high COO fit leads subjects to form favourable post-attitude toward the partner brand, whereas low COO fit leads them to generate unfavourable post-attitude toward the partner brand.

It is also interesting to note that pre- and post-attitudes toward the SA (M=3.43; M=4.00) were all significantly lower than pre- and post-attitudes toward the BC (M=5.73,  $t_{(242)}$ =-15.97, p<0.01; M=5.49,  $t_{(242)}$ =-9.56, p<0.01). Similarly, post-attitudes toward the Esports basketball jerseys (M=4.44) were significantly lower than post-attitudes toward the Esports basketball shoes (M=5.40,  $t_{(242)}$ =-6.26, p<0.01). However, no significant difference was found between pre-attitude toward the Esports basketball shoes and the Esports basketball jerseys (p=0.17). The results of cross-check between the first and second studies revealed that while the level of COO fit affects consumers' pre- and post-attitudes toward the host and the partner brands in a similar pattern, a strategic partnership with an established host brand (BC) showed more profound COO fit impact in comparison to the collaboration with the less-known host brand (SA). In addition, there was no significant pre-attitude difference between Esports basketball shoes and Esports basketball jerseys (p=0.17). Thus, post-attitude changes toward the host and the partner brand can be attributed to the COO fit factor and the different level of host brand equity.

The findings of this research provide useful implications for sport marketing practitioners. For example, sport industry marketers for a partner brand should know that a high COO fit does not always guarantee a positive outcome for the host brand. The collaboration with an unknown partner brand (Esports basketball shoes from Japan) was not helpful in increasing post-attitude toward the host brand with strong brand equity (BC). Thus, it is important for practitioners to look for other important strategic business objectives, such as securing new technology, gaining local distribution networks and lessening financial and political risks (Elmuti & Kathawala, 2001).

Furthermore, low COO fit negatively affected post-attitude toward the host and the partner brands in both studies. Past research has found that due to the low COO fit, consumers were likely to engage in cognitive elaboration to resolve the incongruent state (Carvalho *et al.*, 2011). When consumers engage in detailed message processing to resolve incongruent state, they are unlikely to rely on extrinsic cues, such as low COO fit information (Lee & Lou, 1995). Specifically, when the host brand has established brand equity (BC), practitioners need to develop message strategies to persuade potential consumers to trust the quality of partner brands, as well as co-branded product by signaling that the pre-established host brand will indirectly endorse the quality of partner brands and the collaboration. Consumers frequently use brand reputation of the host brand to cope with uncertainty in their decision making process (Akdeniz *et al.*, 2013).

When the host brand has a low brand equity (SA), practitioners should have consumers focus on product-related attribute information (breathable, comfortable mesh). Providing sufficient product-related attribute information in the advertisement claim will help consumers base their evaluation without relying on low COO fit information. This will also lead to more favourable evaluation of the partner brand.

#### LIMITATIONS AND RECOMMENDATIONS

While the findings of this investigation can enable sport marketers to better recognise the benefits of cross-border SBAs, some study limitations should be noted. For instance, future researchers should select existing brands as partner brands. In this research, fictitious brands

(Esports basketball shoes and basketball jerseys) were used so that subjects were not able to apply their prior knowledge. Although the selection of a fictitious brand was based on the assumption that partner brands are usually less known to consumers than host brands, using existing partner brands could increase external validity.

It will be important to examine further the psychological mechanism of how COO fit affect consumer attitude changes toward partner brands. Overall, this study found that high COO fit positively affected post-attitude changes toward partner brands, whereas low COO fit negatively affected post-attitude changes. However, future studies should identify whether consumers who are engaged in a deeper level of information processing indeed experience negative feelings and frustration when they are unable to legitimise the brand alliance with two seemingly-unrelated country images (Mandler, 1982; Jagre *et al.*, 2001). Similarly, it will be important to examine whether high COO fit generated positive feelings.

Finally, other types of collaborations should be considered. The scope of the current research is on brand alliance with basketball teams and sport equipment brands. There are different types of brand alliances regarding vertical (a manufacturer and distributor) or horizontal collaborations (two manufacturers), as well as the levels of integration (ingredient branding). Even these brand alliances can be extended into product extension. Therefore, scholars who conduct research in this area in the future should consider different types of collaboration to enhance our understanding of brand alliances.

#### REFERENCES

- AAKER, D.A. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. New York, NY: The Free Press.
- AAKER, D.A. & KELLER, K.L. (1990). Consumer evaluations of brand extensions. *Journal of Marketing*, 54(1): 27-41.
- AHN, H. & SUNG, Y. (2012). A two-dimensional approach to between-partner fit in cobranding evaluations. *Journal of Brand Management*, 19(5): 414-424.
- AKDENIZ, B.; CALANTONE, R.J. & VOORHEES, C.M. (2013). Effectiveness of marketing cues on consumer perceptions of quality: The moderating roles of brand reputation and third-party information. *Psychology and Marketing*, 30(1): 76-89.
- AMERICAN TIME USE SURVEY (2014). "Time use on an average weekday for full-time university and college students". Bureau of Labour Statistics. Hyperlink: [http://www. bls.gov/tus/chart6.pdf]. Retrieved on 17 June 2016.
- ATILGAN, K.O. & KARA, A. (2015). Price discount depth effect on perceived value of hedonic and utilitarian services: A congruity theory approach. *Journal of Euromarketing*, 24(4): 201-223.
- BELL, J. (2015). "Chinese sneaker brands & their NBA friends". FN. Hyperlink: [http://footwearnews.com/2015/focus/athletic-outdoor/nba-players-chinese-sneakers-dw yane-wade-li-ning-52009/]. Retrieved on 17 June 2016.
- BLUEMELHUBER, C.; CARTER, L.L. & LAMBE, C.J. (2007). Extending the view of brand alliance effects: An integrative examination of the role of country of origin. *International Marketing Review*, 24(4): 427-443.
- CARVALHO, S.W.; SAMU, S. & SIVARAMAKRISHNAN, S. (2011). The effect of country-related brand associations and product attributes on attitude toward unfamiliar foreign brands: A schema congruity perspective. *Journal of International Consumer Marketing*, 23(2): 135-150.

- CHAKRABORTI, R. & ROY, S. (2013). Meaning transfer between events and sponsor brands: Integrating the role of emotions – a new conceptual framework. *Journal of Brand Strategy*, 2(1): 87-105.
- COBBS, J.; GROZA, M.D. & RICH, G. (2016). Brand spill over effects within a sponsor portfolio: The interaction of image congruence and portfolio size. *Marketing Management Journal*, 25(2): 107-122.
- COOKE, S. & RYAN, P. (2000). Brand alliances: From reputation endorsement to collaboration on core competencies. *Irish Marketing Review*, 13(2): 36-41.
- DESAI, K.K. & KELLER, K.L. (2002). The effects of ingredient branding strategies on host brand extendibility. *Journal of Marketing*, 66(1): 73-93.
- ELMUTI, D. & KATHAWALA, Y. (2001). An overview of strategic alliances. *Management Decision*, 39(3): 205-217.
- FISHBEIN, M. & AJZEN, I. (1975). *Belief, attitudes, intention, and behaviour: An introduction to theory and research.* Reading, MA: Addison-Wesley.
- FLECK, N.D. & QUESTER, P. (2007). Birds of a feather flock together... definition, role and measure of congruence: An application to sponsorship. *Psychology and Marketing*, 24(11): 975-1000.
- GROSS, P. & WIEDMANN, K.P. (2015). The vigour of a disregarded ally in sponsorship: Brand image transfer effects arising from a cosponsor. *Psychology and Marketing*, 32(11): 1079-1097.
- GWINNER, K. & EATON, J. (1999). Building brand image through event sponsorships: The role of image transfer. *Journal of Advertising*, 28(4): 47-57.
- HADJICHARALAMBOUS, C. (2013). A unified framework for evaluating brand alliances and cobranding strategies: Implications and future directions. *Academy of Marketing Studies Journal*, 17(2): 13-25.
- JAGRE, E.; WATSON, J.J. & WATSON, J.G. (2001). Sponsorship and congruity theory: A theoretical framework for explaining consumer attitude and recall of event sponsorship. In M.C. Gilly & J. Meyers-Levy (Eds.), Advances in consumer research (pp. 439-445). Valdosta, GA: Association for Consumer Research.
- JANISZEWSKI, C. & VAN OSSELAER, M.J. (2000). A connectionist model of brand-quality associations. *Journal of Marketing Research*, 37(3): 331-350.
- KELLER, K.L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal* of Marketing, 57(1): 1-22.
- KRUEGER, J. & CLEMENT, R.D. (1994). Memory-based judgments about multiple categories: A revision and extension of Tajfel's accentuation theory. *Journal of Personality and Social Psychology*, 67(1): 35-47.
- LANSENG, E.J. & OLSEN, L.E. (2012). Brand alliances: The role of brand concept consistency. *European Journal of Marketing*, 46(9): 1108-1126.
- LEE, M. & LOU, Y.C. (1995). Consumer reliance on intrinsic and extrinsic cues in product evaluations: A conjoint approach. *Journal of Applied Business Research*, 12(1): 21-29.
- MANDLER, G. (1982). The structure of value: Accounting for taste. In M.S. Clarke & S.T. Fiske (Eds.), *Affect and cognition: The 17<sup>th</sup> Annual Carnegie Symposium* (pp. 3-36). Hillsdale, NJ: Lawrence Erlbaum.
- MARTIN, I.M. & STEWART, D.W. (2001). The differential impact of goal congruency on attitudes, intentions, and the transfer of brand equity. *Journal of Marketing Research*, 38(4): 471-484.
- MAZODIER, M. & MERUNKA, D. (2014). Beyond brand attitude: Individual drivers of purchase for symbolic cobranded products. *Journal of Business Research*, 67(7): 1552-1558.

- MUEHLING, D.D. & LACZNIAK, R.N. (1988). Advertising's immediate and delayed influence on brand attitudes: Considerations across message involvement levels. *Journal of Advertising*, 17(4): 23-34.
- NORRIS, G.D. (1992). Ingredient branding: A strategy option with multiple beneficiaries. *Journal of Consumer Marketing*, 9(3): 19-31.
- OLSON, E.L. & THJØMØE, H.M. (2011). Explaining and articulating the fit construct in sponsorship. *Journal of Advertising*, 40(1): 57-70.
- OSGOOD, C.E. & TANNENBAUM, P.H. (1955). The principle of congruity in the prediction of attitude change. *Psychological Review*, 62(1): 42-55.
- PARK, W.C.; JUN, S.Y. & SHOCKER, A.D. (1996). Composite branding alliances: An investigation of extension and feedback effects. *Journal of Marketing Research*, 33(4): 453-466.
- PYUN, D.Y.; KWON, H. & LEE, C. (2011). The influence of perceived brand quality and ethnocentrism on consumption patterns of a global sport brand: The case of Korean college students. *International Journal of Sports Marketing and Sponsorship*, 13(1): 23-37.
- RAO, A.R. & RUEKERT, R.W. (1994). Brand alliances as signals of product quality. *Sloan Management Review*, 36(1): 87-97.
- RAO, A.R.; QU, L. & RUEKERT, R.W. (1999). Signalling unobservable product quality through a brand ally. *Journal of Marketing Research*, 36(2): 258-268.
- RICHELIEU, A. & DESBORDES, M. (2013). Sports teams and equipment manufacturers going international: The strategic leverage of co-branding. *Sport, Business and Management: International Journal*, 3(1): 63-77.
- SAMU, S.; KRISHNAN, H.S. & SMITH, R.E. (1999). Using advertising alliances for new product introduction: Interactions between product complementarity and promotional strategies. *Journal of Marketing*, 63(1): 57-74.
- SLOTEGRAAF, R.J. & PAUWELS, K. (2008). The impact of brand equity and innovation on the longterm effectiveness of promotions. *Journal of Marketing Research*, 45(3): 293-306.
- TAJFEL, H. (1959). Quantitative judgment in social perspective. *British Journal of Psychology*, 50(1): 207-218.
- THOMPSON, K. & STRUTTON, D. (2012). Revisiting perceptual fit in co-branding applications. *Journal of Product and Brand Management*, 21(1): 15-25.
- UGGLA, H. (2004). The brand association base: A conceptual model for strategically leveraging partner brand equity. *Journal of Brand Management*, 12(2): 105-123.
- VAN DER LANS, R.; VAN DEN BERGH, B. & DIELEMAN, E. (2014). Partner selection in brand alliances: An empirical investigation of the drivers of brand fit. *Marketing Science*, 33(4): 551-566.
- VOTOLATO, N.L. & UNNAVA, H.R. (2006). Spill over of negative information on brand alliances. *Journal of Consumer Psychology*, 16(2): 196-202.
- WALCHLI, S.B. (2007). The effects of between-partner congruity on consumer evaluation of co-branded products. *Psychology and Marketing*, 24(11): 947-973.
- WIEDMANN, K.P. & GROSS, P. (2013). Image transfer in a sponsorship alliance. *Marketing Review St. Gallen*, 30(1): 22-35.
- WU, D.G. & CHALIP, L. (2013). Expected price and user image for branded and co-branded sports apparel. Sport Marketing Quarterly, 22(3): 138-151.
- YU, C.; LIN, P. & CHEN, C. (2013). How brand image, country of origin, and self-congruity influence internet users' purchase intention. *Social Behaviour and Personality*, 41(4): 599-612.

## APPENDIX A

#### **<u>Study 1</u>: BRIEF DESCRIPTION OF A PARTNER BRAND (high COO fit condition)**

#### Esports basketball shoes

#### Play harder and longer with Esports Basketball Shoes

Esports Basketball Shoes, designed and manufactured in Japan, are going to be introduced as new basketball shoes into the U.S. market. These shoes are crafted using a lightweight, breathable blend of mesh and synthetic materials.

#### Features

- <u>Upper</u>: Synthetic leather upper is durable and lightweight. Patent leather trim looks great on and off the court.
- <u>Midsole</u>: Custom moulded EVA (Ethylene Vinyl Acetate) midsole cushioning provides support and impact absorption.
- <u>Outer sole</u>: Solid rubber outer sole with maximum traction herringbone traction pattern. Fore foot flex grooves for optimal flexibility.

#### **Other Features**

- Mesh underlay for better breathability and added comfort.
- Exclusive Ground Control System construction for adaptable mobility and structure.
- Sturdy court specific traction for great grip on the grain.

#### **Study 2: BRIEF DESCRIPTION OF A PARTNER BRAND** (high COO fit condition)

#### Esports basketball jerseys

#### Play harder and longer with Esports Basketball Jerseys

Esports Basketball Jerseys, designed and manufactured in Italy, are going to be introduced as new basketball Jerseys into the U.S. market. Wear your team pride just like a pro in the Esports custom authentic jersey.

#### Features

- Made in Italy
- Sleeveless jersey
- 100% Polyester fabric
- Engineered ClimaCOOL mesh material
- A new recycled fabrication that is 35% lighter

### Appendix **B**

#### **<u>Study 1</u>: EXAMPLE OF STIMULUS ADVERTISEMENT (high COO fit condition)**



**Study 2:** EXAMPLE OF STIMULUS ADVERTISEMENT (high COO fit condition)





## Esports basketball jersey is Springfield Armor's Choice

Designed and manufactured in Italy, Springfield Armor's jersey from Esports is made of breathable and comfortable mesh. Enjoy every thrilling moment of each game with the Springfield Armor's jersey from Esports. To experience this jersey, visit www.esports.com

Dr Taesoo AHN: Sport Management, Merrimack College (USA), Tel: 1-978-837-3574, Fax: 978-837-5068, Email: ahnt@merrimack.edu

(Subject Editor: Prof Melville Saayman)