LICENSING OR NOT LICENSING? AN EMPIRICAL STUDY OF CONSUMER ACCEPTANCE OF A MASSMARKET AUTO BRAND'S FASHION APPAREL EXTENSION

Chuanlan Liu, Louisiana State University
Langchao Zhang, Hunan Agricultural University

ABSTRACT

This research attempts to understand and empirically examine consumer acceptance of licensed fashion apparel extension under a mass-market auto brand name. A conceptual model and research hypotheses were proposed based on a review of the literature on fashion apparel consumption and brand extension. An online survey was designed and conducted to collect data from a convenience sample with 391 valid responses. Structural equation modeling was applied to test the proposed conceptual model and hypotheses. Results show that consumer acceptance of the mass-market auto brand's fashion apparel extension is affected by attitudes toward the fashion apparel extension, perceived fit, attitudes toward the parent brand, parent brand image, and parent brand quality. Implications were provided.

INTRODUCTION

Brand extension has been one of the most commonly used strategies to launch new products for decades (Aaker, 1996). Strong brands are trusted and valued by consumers, and consequently, can be leveraged through brand extensions to create a compelling value proposition in a new market or segment (Taylor, 2004, Martínez et al., 2009). In fact, established durable goods brands have already been extended into other product categories including fashion apparel, home bedding, and accessories, through licensing.

While brand extensions and licensing used to be considered two distinct branding strategies, extant literature suggests that licensing should be treated as an "external" brand extension (Walsh et al., 2014). Brand licensing refers to a process of creating and managing contracts for a brand owner (a licensor) to give another firm (a licensee) the right to produce and sell products using the brand (Buratto and Grosset, 2012). A firm may have difficulty in stretching its brand far from the extant product categories internally, which requires additional resources or acquisition of competences. However, this difficulty can be overcome through licensing (Colucci et al., 2008). Advantages of brand licensing include generating revenues by extending the brand without incurring the costly expense of direct entry, in addition to helping enhance the brand's equity in new markets (Jayachandran et al., 2013).

Lifestyle positioning is another popular approach among brand managers to increase brand equity, especially in commodity categories in which functional differentiations are difficult to maintain. Many well-established brands have transitioned from being performance-focused to lifestyle-oriented. To brand managers, lifestyle brands seem to offer a way to avoid face-to-face

competition within a category by bonding with consumers' personal lives (Chernev et al., 2011). Fashion apparel, home décor, fitness, sports, and culinary arts are among the industries catering to markets with specific lifestyles (Danskin et al., 2005). These lifestyle-related categories seem already to have evoked certain "personality" (Batra et al., 2010), and therefore, successfully launching licensed fashion apparel extensions may be a good combination of brand extension and lifestyle branding. For instance, in the automobile industry, many luxury brands including Bentley, Ferrari, Land Rover, Porsche, Mercedes-Benz, and Cadillac have been growing their licensed merchandise programs or launching lifestyle products. Those licensed products include but are not limited to outdoor specialties, sporting goods, fashion apparel, eyewear, electronics, luggage, bikes and kids riding toys (Gelsi, 1996).

Previous research highlights that the success of a brand's extension significantly depends on the strong image of its parent brand, as well as perceived fit between the parent brand and the brand extension (Völckner and Sattler, 2006) in terms of product features (e.g., Aaker and Keller, 1990), and brand concept (Park et al., 1991) or relevance (Broniarczyk and Alba, 1994). Luxury brands having prestigious images, and featuring desirable lifestyles are more likely to succeed in extending into a variety of product categories including fashion apparel and accessories (Park et al., 1991). Functional mass-market brands are normally considered less likely to be able to extend into distant product categories because of the difficulty in transferring the functional feature of the brand across different product categories. Fashion apparel has been considered a means of nonverbal communication to deliver messages about the wearer's identity, social status, and lifestyle. Extending a functionally oriented durable product brand into a more experientially oriented fashion apparel market is a challenging long-distance stretch. Moreover, the billion-dollar fashion industry has been full of self-expressive brands and is very competitive in all segments. Do functional brands, such as mass-market auto brands, have a chance to extend into more experientially oriented product categories such as fashion apparel?

In fact, the chances for a functionally orientated brand to extend into lifestyle categories successfully ultimately depend on consumers' acceptance. To this end, it is our goal to examine consumers' acceptance of fashion apparel extensions licensed by functional mass-market auto brands. This empirical study intends to provide knowledge concerning consumer acceptance of fashion apparel extensions, which may facilitate functional mass-market brands to identify the direction for cross-category brand extensions and to compete for a share of consumer identity. We intend to examine how those identified extension success factors, including parent brand image, quality, and perceived fit, affect consumers' attitudes toward and acceptance of a mass-market auto brand licensed fashion apparel extension. We also want to explore whether consumers' favorable attitudes toward a functional mass-market auto brand can be transferred into favorable attitudes toward its fashion apparel extension.

THEORETICAL BACKGROUND AND HYPOTHESES DEVELOPMENT

Attitudes toward brand extension and acceptance

Previous research suggests that a brand extension succeeds if consumers hold positive attitudes toward the extension (Aaker and Keller, 1990, Völckner and Sattler, 2006). However, some other researchers do not agree that a consumer holding positive attitudes toward a product will necessarily purchase the product; therefore, they propose that extensions success should be assessed based on consumers' intent to purchase (O'Cass and Grace, 2004, Lafferty, 2007). This

study conceptualizes consumers' acceptance of a brand extension as their behavioral intentions to the brand extensions, which include purchase intention and willingness to engage in positive word of mouth because the social and financial benefits of the cross-category extensions have important behavioral consequences beyond attitudinal evaluations (Xie, Batra & Peng, 2015).

According to the theory of reasoned action (Ajzen and Fishbein, 1980), a person's behavioral intention is a function of his or her attitudes. Attitudes consist of beliefs about a particular behavior and the individual's positive or negative evaluation of the outcome (Han and Chung, 2014). Thus, an individual is more likely to perform a behavior when he or she has a positive attitude toward performing the behavior. Soloman and Rabolt's (2009) fashion decision-making model describes the last few stages as evaluation of alternatives (consumer compares several styles and brands of the products in terms of construction, country of origin, or added features), product choice (consumer chooses one product and tries it on), and outcome (consumer buys the product and enjoys the purchase). According to these two models, a consumer may show positive or negative attitudes toward a licensed fashion apparel extension product after evaluating it and make a purchase decision based on the formed attitudes. Thus, the first hypothesis is posited:

H1:   *Consumers' favorable attitudes toward licensed fashion extensions increase the likelihood of their acceptance of the fashion apparel extensions*

Parent brand quality

Aaker and Keller (1990) found that the perception of high quality for a parent brand led to evaluations that are more favorable on extension products. Consumers often think high-quality brands are more credible, expert, and trustworthy. If a brand is associated with high quality, its extension may benefit (Aaker and Keller, 1990), and consumers are willing to pay more for the brand extension and recommend it to others (Fedorikhin et al., 2008). As a result, even if consumers do not clearly perceive the fit between a relatively distant extension and its parent brand in terms of product features, they may still be willing to give a high-quality brand extension more chances than to one considered average quality (Keller and Aaker, 1992). According to Forney et al. (2005), the salient dimensions of evaluative criteria for purchasing fashion products consisted of quality, image, color, style, design, and beauty. When a consumer evaluates a brand's fashion apparel extension, perceived quality of the parent brand may be transferred to the fashion apparel extension and affect individuals' attitudes toward and intention to purchase the brand extension products. For those mass-market functional brands, even if there is a lack of prestigious image, good quality including reliability, durability, workmanship, and dependability may function as extrinsic cues on consumers' perceptions of quality and value upon their extension products (Teas and Agarwal, 2000). This is especially true for product categories in which quality matters significantly to consumers such as jeans and active wears.   Thus, we posit the following set of hypotheses:

H2:   *Higher perceived quality of a mass-market functional brand leads to (a) more favorable attitudes toward, and (b) higher likelihood of acceptance of its licensed fashion apparel extensions.*

Fit

A review of the literature found that perceived fit has been considered as the most salient success factor in brand extension development (Keller, 1993, Boush, 1987, Barone et al., 2000,

Bhat and Reddy, 2001). Even for brands that are perceived as reasonable, or "make sense" to enter a specific new product category, it is still very challenging to succeed if perceived fit is not good enough (Af Sandeberg and Östlund, 2003). The "categorization" perspective from the viewpoint of psychology (e.g., John et al., 2006, Boush, 1987) can help better understand the concept of perceived fit. According to the view of categorization, consumers' evaluations of brand extensions follow a two-step process. First, consumers determine whether there is a match between what they know about a parent brand and what they believe to be true about its extension. If consumers perceive the match, then in the second step, they might transfer extant brand attitudes towards the parent brand to its extensions (Keller et al., 2011, Keller et al., 2008).

According to Keller (2011), any of the parent brand associations serve as a potential source for fit. Most researchers agree that consumers' judgment of relevancy or consistency is a function of salient shared associations between a parent brand and its extension product category (Choueke, 2009). The more shared associations there are between the parent brand and its new extension category, the greater the perceived fit. Greater perceived fit between the extant and new extension products leads to a better transfer of positive beliefs and attitudes to its new extensions (Aaker and Keller, 1990).

Park et al. (1991) suggested that product feature similarity and brand concept consistency are the two factors affecting the success of brand extensions. Consumers not only take into account information about the similarity of product features between the parent brand products and its extensions but also consider the concept consistency between the parent brand and its brand extensions. Fit at the level of the brand concept affects brand extension success more saliently than the similarity of product features between parent brand products and its new extensions (Broniarczyk and Gershoff, 2003). Extending a mass-market functional brand into fashion categories is a distant extension. Even if there is no product similarity between a parent brand and its fashion apparel extension, it is reasonable to assume that perceived fit, which mainly comes from conceptual consistency still plays a role for consumers to form attitudes toward brand extensions. Therefore, we posit the following hypothesis:

H3: *The perceived fit between a parent brand and its licensed fashion apparel extensions leads to favorable attitudes toward the fashion apparel extensions.*

Parent brand attitude

Attitudes toward an extension are favorable when a consumer trusts a parent brand (Reast, 2005). Consequently, the consumer buys the brand's products regularly or shows a commitment to repurchase them (Völckner and Sattler, 2006). This relationship might create a virtuous cycle in which loyal consumers are more likely to have positive experiences with a brand, and those experienced consumers are more likely to try the brand extension (Swaminathan, 2003). In short, positive attitudes toward a parent brand may be transferred to the attitudes toward its extension products. (Hem et al., 2003).

Previous research (Bhat and Reddy, 2001) found that attitudes toward a parent brand, which is associated with the brand's attributes, play a prominent role in the process of forming attitudes toward the brand's extensions. For auto brands, significant brand attributes affecting attitude formation include dependability, economy, masculinity, social status, aggressiveness, ruggedness, style, leadership, comfort, safety, and etc. (Hughes and Guerrero, 1971). These attributes can be classified into three categories: functional, social, and economic. When consumers select fashion apparel products, they form attitudes based on the brand and product attributes from functional,

social, and economic perspectives too. According to the brand concept consistency theory (Park et al., 1991), it is reasonable to assume that attitudes toward a durable mass-market brand associated with its functional, social, and economy attributes can be consistently transferred into attitudes toward its fashion apparel extensions. Therefore, we post the following hypothesis:

> H4:   *Favorable attitudes toward a mass-market functional parent brand lead to favorable attitudes*
> *toward its fashion apparel extension.*

Parent brand image

Brand image refers to all the perceptions that consumers hold in their mind about a brand (Keller, 1993) which results from communicating the brand identity to markets and creating brand associations (Martínez et al., 2009). It is argued that consumers use their knowledge of brands and products to "simplify, structure, and interpret a specific marketing environment" to make a decision (Keller et al., 2011). Previous research suggests that individuals usually evaluate each new stimulus they are exposed to in terms of whether they can classify it as a member of an already defined category (Meyers-Levy and Tybout, 1997). If consumers see a brand extension as closely related to the parent brand's category, they could easily transfer their extant attitudes toward the parent brand to its extension. They may be able to directly apply those favorable brand associations into extension product evaluations, and form positive evaluations of the brand extensions (Martínez et al., 2009). Yeung and Wyer (2005) found that if a brand evokes a strong positive emotional attraction, consumers are less likely to be influenced by the low perceived fit between a parent brand and its extension.

The image of fashion products is an important purchase criterion when brands are extended into fashion-related categories (Forney et al., 2005). Empirical studies (e.g., Lin, 2010, Fennis and Pruyn, 2007) found a connection between individual consumer personality and brand personality, indicating that consumers' evaluation and selection of brands reflect their needs for self-expression. For consumers who choose mass-market functional brands may perceive and favor the brand's personality and image of being down-to-earth, and sincere. Meanwhile, when consumers select fashion apparel, showing personality or image is one of the major motives or evaluation criteria for product selection. When a mass-market functional brand extends into fashion apparel categories, if consumers hold favorable image perceptions toward the parent brand from self-expression perspective, they may transfer such positive image perceptions toward its extension products, which also serve the function of self-expression. Thus, the fifth set of hypotheses is proposed as follow:

> H5:   *Favorable perceptions of a mass-market functional parent brand image lead to (a) favorable*
> *attitudes toward, and (b) acceptance of the brand's fashion apparel extension.*

Based on the review of the literature, a research model was proposed with all the hypotheses specified (see Figure 1).

Figure 1: Research Model and Hypotheses
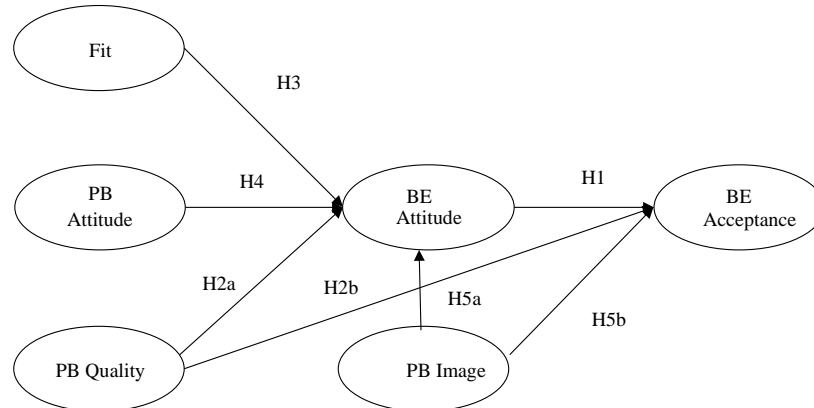
RESEARCH METHOD

Research design

An online survey was developed using Qualtrics.com to collect empirical data. A screening question, "have you bought/tried on/heard of Ford jeans?" was asked at the very beginning of the survey to filter out the participants who were exposed to Ford jeans to reduce pre-experience bias.

Auto brand Ford. First, we sought a brand that would be familiar to consumers, because familiarity was required to allow participants to draw upon their knowledge and be able to resolve a moderate incongruity between the brand and its fashion apparel extension. Second, we wanted a brand that would evoke similar, moderate-positive associations across participants. The findings from a pilot study suggested that Ford fit these criteria. Ford is the second-largest U.S. based automaker and the only one of the "Big Three" of U.S. auto brands whose reputation was not extremely damaged during the auto industry crisis that occurred between 2008 and 2010 (Shen et al., 2011). Moreover, Ford Motor Company manages more than 300 licensees across all its vehicle brands (Wilensky, 2007). Recently, Ford Motor adjusted its brand strategy and shifted its focus to increase brand equity of the corporate brand, Blue Oval. Ford Motor also is trying to leverage brand equity through licensing to get into fashion clothing markets to compete for a share of consumer identity. Therefore, this research collaborates with one of the Ford automobile brand licensees to explore consumers' acceptance of Ford fashion clothing extensions.

Fashion apparel extension category. When a brand extension is associated with fashion, merchandisers need to offer a wide assortment of fashion apparel products to meet the preferred image, quality, design/beauty, color, and/or style dimensions (Forney et al., 2005). A sample of 37 undergraduate college students enrolled in the Textiles, Apparel Design, and Merchandising program were recruited to participate in a pilot study to identify fashion apparel categories, which have a high level of conceptual fit with the auto brand Ford. Three categories including menswear, active/sportswear, and footwear/leather goods were identified with menswear having the highest scores on perceived conceptual fit. Thus, menswear was selected and used in the research instrument development.

Measure

Scales to measure research constructs were adopted or adapted from the extant research to fit the focus of the current research. All measures were rated on a 7-point Liker-type scale (1=strongly disagree/very bad/very unlikely/not at all, 7= strongly agree/excellent/very likely). Six items assessing Parent Brand (PB) image were adopted from the research conducted by Truong, Simmons, McColl, & Kitchen (2008), Perceived Fit (FIT) was measured by a three-item scale considering both the similarity between the parent brand and the extension developed by(Keller and Aaker (1992). PB quality was measured using the six-item-scale adapted from the research done by Yoo, Donthu, and Lee (2000). PB attitude and Brand Extension (BE) attitude were measured using the three-item scale adapted from Musante (2007). BE acceptance was measured by three items adapted from previous research (Dall'Olmo Riley et al., 2013, O'Cass, 2004, Lafferty, 2007).

Sampling and sample

A pretesting was conducted on 56 undergraduate students at a major university in the U.S. South. Analyses of the responses revealed that each construct measure was unidimensional with Cronbach alpha levels of .7 or greater. The survey was refined for clarity based on the pretest findings, and the revised survey was then deemed ready for use in collecting data.

The participants for the main study were recruited from students registered in a major university in the southern region of U.S.A. A random sample of 2,700 students was drawn by the university administration office, and individuals' email addresses were provided. A follow-up reminder was sent three days later. A total of 449 responses were received with a response rate of 16.63%. The relatively low response rate in comparison with that for other studies may result from the fact that some email systems automatically marked the invitation emails as spam. After data cleaning, 391 valid responses were included in the empirical analyses.

DATA ANALYSIS AND RESULTS

Measurement assessment

Exploratory factor analysis (EFA) was first conducted to examine the basic structure of the measures of variables proposed in the research model. Using a principal component extraction method, all scale items measuring six constructs were subject to EFA using Varimax rotation. Items exhibiting low factor loadings (<0.70), high cross-loadings (>0.40), or low communities (<0.30) were eliminated (Hair, 2006). The final factor analysis solution, with 23 items measuring six factors, showed a clear structure and high factor loadings, as presented in Table 1. The total variance explained was 75.89%.

Table 1
Construct assessment results

Constructs	Items	EFA Loading	CFA Loading
Parent Brand Quality	Trustworthiness	.853	.775
	Reliability	.846	.804
	Overall quality	.709	.689
	Function	.705	.704
	Durability of Ford	.767	.757
Perceived Fit	Ford clothing shown above fits the Ford brand	.899	.911
	Ford clothing conveyed the same impression as the parent brand	.929	.931
	It is logical that Ford launch clothing products	.891	.871
Brand Extension Attitude	Do you like above-shown Ford clothing?	.779	.854
	Do you think above-shown Ford Clothing is appealing?	.769	.935
	In your opinion, is Ford Clothing favorable?	.767	.890
Brand Extension Acceptance	Buy Ford clothing for myself or family	.912	.953
	Recommend to my friends to buy Ford clothing	.875	.924
	Try Ford clothing	.874	.897
	Buy Ford clothing as gifts	.816	.853
Parent Brand Attitude	Do you like Ford?	.810	.816
	Do you think Ford is appealing?	.809	.924
	Is Ford favorable?	.778	.918
Parent Brand Image	To what extent is Ford a symbol of prestige?	.740	.841
	To what extent is this brand a symbol of wealth?	.788	.880
	To what extent is Ford a symbol of achievement?	.821	.909
	To what extent does Ford attract attention?	.877	.746
	Can a person use the brand Ford to impress other people?	.887	.721

Confirmatory factor analysis (CFA) using maximum likelihood approach was conducted on the 23 items. The initial results showed acceptable fit ($\chi2= 609.983$, df = 215; $\chi2/df = 2.837$; GFI = .875; CFI = .947; RMSEA = .069) (Hair et al., 2009) . However, checking modification indices revealed that three pair of error items (within constructs) were highly correlated. We then added correlation links between the three pairs of error items to increase model fit. The final CFA showed a good fit measurement model ($\chi2= 408.359$, df = 212; $\chi2/df = 1.926$; GFI= .915; CFI = .973, RMSEA=0.049). Table 2 shows correlations between research constructs and extracted variance for each construct.

Table 2
Construct correlations

	PB Quality	PB Image	PB Attitude	Perceived Fit	BE Attitude	BE Acceptance
PB Quality	**.558a**					
PB Image	.368b	**.677**				
PB Attitude	.641	.452	**.787**			
Perceived Fit	.050	.19	.084	**.818**		
BE Attitude	.086	.253	.327	.379	**.785**	
BE Acceptance	.185	.303	.309	.292	.734	**.824**

a Numbers in diagonal cells (in bold) are variances extracted.
b All correlations are significant at level of .001.

Hypotheses testing

Structural equation modeling (SEM) was conducted using AMOS 23 to test the proposed research model and hypotheses. Results showed great model fit, with major fit indices higher than cutting points ($\chi 2$= 408.359, df = 212; $\chi 2$/df = 1.926; GFI = .915; CFI=0.973; RMSEA=0.049) (Hair et al., 2009), indicating that the research model was accepted. Significant path coefficients supported H1, H2b, H3, H4, and H5b, but not H2a nor H5a (see Table 3).

Therefore, acceptance of the auto brand's fashion apparel extension is directly affected by the attitudes toward the brand extension, parent brand image, and parent brand quality. The BE attitudes are affected by the PB attitudes and FIT. However, empirical results did not show support for the hypothesized effects from PB quality, PB image on the BE attitudes. The highest path coefficient is from the BE attitudes to the BE acceptance, followed by the path from the PB attitudes to the BE attitudes, and from FIT to the BE attitudes. The overall structural model path coefficients are shown in Figure 2.

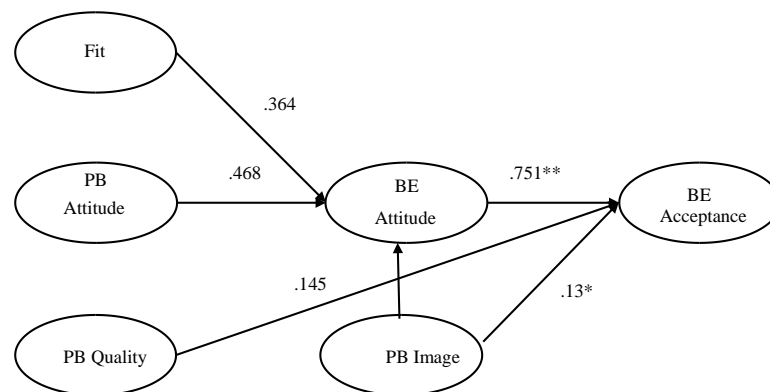Figure 2. Research Model Testing Results

Table 3
Summary of direct effects testing results

The relationship within proposed research model			Path coefficient	Hypotheses	Testing results
BE Acceptance	←	BE Attitude	0.751**	H1	Supported
BE Attitudes	←	PB Quality	-0.337	H2a	Not Supported
BE Acceptance	←	PB Quality	0.145*	H2b	Supported
BE Attitudes	←	Perceived Fit	0.364**	H3	Supported
BE Attitudes	←	PB Attitudes	0.468**	H4	Supported
BE Attitudes	←	PB Image	0.117	H5a	Not Supported
BE Acceptance	←	PB Image	0.13*	H5b	Supported
Model fit indices			GFI= .910; CFI= .969; $\chi2/df$= 2.65, RMSEA = .055		

$** p < .001; * p < .05$

DISCUSSION AND IMPLICATIONS

To our knowledge, this research is an initial attempt to understand the consumer acceptance of a mass-market functional brand's fashion apparel extension. This research contributes to brand extension and brand licensing literature by adding the self-expression notion. From a self-expression standpoint, both brands and fashion products are used for consumers to display their knowledge of culture, taste, and/or style to communicate membership in particular social or professional groups; and to convey hidden aspects of their self-images (Chernev et al., 2011). Therefore, it might be different from conventional brand extensions when a non-fashion brand extends into fashion and other lifestyle-related categories, which are full of self-expression products competing for consumers' identities.

The proposed research model was developed based on review of extant research. This research added theoretical contributions through empirically testing the established theories and identified brand extension success factors in a more specific brand extension context, with a focus on durable and functional brands. Most of the hypotheses were supported and the overall research model was tested and accepted. The findings reveal that favorable attitudes toward brand extension, better perceived PB quality, and favorable PB image directly leads to consumers' acceptance of the mass-market functional brand's (i.e., Ford) fashion apparel extension. Among the three factors directly affecting brand extension acceptance, consumers' attitudes toward the brand extension have the strongest effects, consistent with Soloman and Rabolt (2009)'s fashion decision-making model.

Meanwhile, an individual is more likely to form favorable attitudes toward a fashion apparel extension when he or she perceives high fit in terms of brand concept consistency and holds favorable attitudes toward the parent brand. This finding is consistent with Keller et al.'s (2011) argument that "successful brand extensions occur when the parent brand is seen as having favorable associations and there is a perception of fit between the parent brand and the extension product" (p. 431).

Keller et al. (2011) posited that consumers' evaluations of brand extensions follow a two-step process from the categorization perspective. First, consumers determine whether there is a fit between what they know about a parent brand and what they believe to be true about its extension. If the perceived fit is good, then consumers might transfer their existing attitudes toward the parent brand to the extension products (Keller et al., 2008). Thus, to form positive attitudes toward a brand extension, there should be a perceived fit between the parent brand and its brand extension, and positive attitudes toward the PB that can be transferred to the brand extension. When any one of them is lacking, the positive attitudes toward a brand extension might not occur. Moreover, previous research found that, despite the product feature similarity, brand concept fit is more likely to happen and be used by individuals to make extension acceptance decisions for prestigious brands than for functional brands (Keller and Aaker, 1992). Bhat and Reddy (2001) reported that only attitudes toward a symbolic parent brand influence the acceptance of its cross-category extensions. However, our research findings showed that both consumers' attitudes toward a parent brand and brand concept consistency between the parent brand and its fashion extension affect consumers' acceptance of the brand's fashion apparel extension. Our findings indicate that conceptual fit is important not only for prestigious brands' extensions but also for relatively functional brands' extensions when extending into different product categories. Our findings are consistent with Choi, Liu, Liu, Mak, & To (2010)'s conclusion that brand concept consistency is the most important factor affecting attitudes toward cross-category extensions.

Our empirical results showed that perceived parent brand quality and image did not affect individuals' attitudes toward the auto brand's fashion apparel extension. However, higher perceived parent brand quality and image contribute to a higher likelihood of acceptance of the brand's fashion apparel extension directly, instead of being mediated through attitudes toward the extension. These findings indicate that both tangible parent brand equity (i.e., perceived parent brand quality) and intangible equity (i.e., perceived parent brand image) can be leveraged to promote brand extension acceptance in the context of a cross-category long-distance brand stretching with low product-feature similarity between parent product category (i.e., automobile products) and the extension product category (i.e., fashion apparel). According to Soloman and Rabolt (2009) and Forney et al. (2005), consumers evaluate fashion extension products mostly based on fashion styles and designs, without considering parent brand associations very much. Once an overall evaluation of the fashion extension product is formed, a consumer may consider parent brand quality and image to facilitate his or her further decisions. Generally, consumers often perceive high-quality brands as having more credible, expert, and trustworthy even in the context of brand stretching to a long-distance category (Aaker and Keller, 1990). Our findings further indicate that there are opportunities for functional durable good brands with high perceived quality to stretch into soft consumer good categories, which are more lifestyle oriented.

All brands have boundaries on extending to different categories. In the case of extending a mass market functional brand to fashion apparel categories, if the perceived fit is too low, or does not "make sense" to consumers, consumers may question the ability of the parent brand to make attractive fashion apparel products. For instance, people might think it does not make sense to launch women's wedding gowns under an auto brand name. In this circumstance, the incongruence of a parent brand and its brand extension may lead to unfavorable attitudes toward the brand extensions. Since the favorable attitudes crucially affect the acceptance of the fashion apparel extension, the positive influence from the perceived high quality of the parent brand or positive parent brand image might be dwarfed.

This study also has some practical implications. To increase consumers' acceptance of the fashion apparel extension from a mass-market functional brand, marketers should focus on maximizing the conceptual fit (if not physical feature fit) between a parent brand and its extension. Choosing appropriate categories to extend or stretch a parent brand to expand markets is the most critical first step. In addition, the study findings indicate that marketers need to provide sufficient product information of a mass-market functional brand's fashion extensions to increase the perceived fit that facilitates the formation of positive attitudes. It is also critical for marketing communication to provide parent brand information strategically to form a conceptually fit perception and facilitate the evaluations of brand extension.

This study has some limitations. The convenience sample may be biased to some degree in comparison with the general young consumer population. This research did not take into account those individual characteristics related to fashion apparel purchasing and consumption. Individual characteristics, for instance, brand engagement, which measures the importance of brand in consumers' daily lives and the strength of their self-brand associations may affect their decisions on buying a brand's fashion apparel extension products (Sprott et al., 2009). In addition, this study only examined one American auto brand, Ford in the empirical study. Even though Ford has been considered a successful and representative auto brand, every other auto brand has its own brand personality and brand associations. In fact, consumers tend to evaluate Ford as a "functional," "budget" brand with a personality of "tough," "masculine," and "outdoorsy." Thus, those successful brands that are viewed as "prestigious" and "luxurious" (such as Porsche), or with a less distinguishable personality (such as Toyota), may be perceived and evaluated differently if they extend into fashion apparel markets.

For future research, we recommend examining other types of auto brands, comparing the differences between functional and luxury brands, or budget and prestige brands, and among brands with different personalities. Literature shows that consumers may perceive a fit between the parent brand and brand extension based on the evaluation of different types of a brand in terms of luxury brands or mass-market functionally oriented brands (Park et al., 1991, Keller et al., 2011, Aaker, 1997, Batra et al., 2010). Another recommendation is to consider cultural differences. Automobile brands usually target the global market. However, successful and popular products in one area may not have the same performance in another area because of cultural differences. Monga and John (2007) found that consumers from Eastern cultures (such as China) have a more holistic style of thinking and perceive higher levels of extension fit than do consumers from Western cultures (such as the United States), who have a more analytical style of thinking (Kim and John, 2008). Thus, examining the impact of cultural differences on brand extension success may help mass-market functional brands such as auto brands to extend further.

REFERENCES

Aaker, D. A. 1996. Measuring brand equity across products and markets. *California management review,* 38**,** 103.

Aaker, D. A. & Keller, K. L. 1990. Consumer Evaluations of Brand Extensions. *Journal of Marketing,* 54**,** 27-41.

Aaker, J. L. 1997. Dimensions of brand personality. *Journal of Marketing Research***,** 347-356.

Af Sandeberg, C.-F. & Östlund, J. 2003. Ingredient co-branding of private labels: From a consumer derived management perspective.

Ajzen, I. & Fishbein, M. 1980. Understanding attitudes and predicting social. *Behaviour. Englewood Cliffs, NJ: Prentice-Hall*.

Barone, M. J., Miniard, P. W. & Romeo, J. B. 2000. The Influence of Positive Mood on Brand Extension Evaluations. *Journal of Consumer Research,* 26**,** 386-400.

Batra, R., Lenk, P. & Wedel, M. 2010. Brand extension strategy planning: Empirical estimation of brand–category personality fit and atypicality. *Journal of Marketing Research,* 47**,** 335-347.

Bhat, S. & Reddy, S. K. 2001. The impact of parent brand attribute associations and affect on brand extension evaluation. *Journal of Business Research,* 53**,** 111-122.

Boush, D. M., Sahhnon Shipp, Barbara Loken, Ezra Genturck, Susan Crockett, Ellen Kennedy 1987. Affect generalization to similar and dissimilar brand extensions; consumer behavior seminar. *Psychology and Marketing,* 4**,** 225-237.

Broniarczyk, S. M. & Alba, J. W. 1994. The importance of the brand in brand extension. *Journal of Marketing Research***,** 214-228.

Broniarczyk, S. M. & Gershoff, A. D. 2003. The reciprocal effects of brand equity and trivial attributes. *Journal of Marketing research,* 40**,** 161-175.

Buratto, A. & Grosset, L. 2012. Brand extension using a licensing contract with uncertainty advertising effects. *Applied Mathematical Sciences,* 6**,** 4405-4419.

Chernev, A., Hamilton, R. & Gal, D. 2011. Competing for consumer identity: limits to selfexpression and the perils of lifestyle branding. *Journal of Marketing,* 75**,** 66-82.

Choueke, M. 2009. Does your brand have the stretch factor? (cover story). *Marketing Week (01419285),* 32**,** 16-20.

Colucci, M., Montaguti, E. & Lago, U. 2008. Managing brand extension via licensing: An investigation into the high-end fashion industry. *International journal of research in marketing,* 25**,** 129-137.

Dall'olmo Riley, F., Pina, J. M. & Bravo, R. 2013. Downscale extensions: Consumer evaluation and feedback effects. *Journal of Business Research,* 66**,** 196-206.

Danskin, P., Englis, B. G., Solomon, M. R., Goldsmith, M. & Davey, J. 2005. Knowledge management as competitive advantage: lessons from the textile and apparel value chain. *Journal of Knowledge Management,* 9**,** 91-102.

Fedorikhin, A., Park, C. W. & Thomson, M. 2008. Beyond fit and attitude: The effect of emotional attachment on consumer responses to brand extensions. *Journal of Consumer Psychology,* 18**,** 281-291.

Fennis, B. M. & Pruyn, A. T. H. 2007. You are what you wear: Brand personality influences on consumer impression formation. *Journal of Business Research,* 60**,** 634-639.

Forney, J., C., Park, E. J. & Brandon, L. 2005. Effects of evaluative criteria on fashion brand extension. *Journal of Fashion Marketing and Management,* 9**,** 156-165.

Gelsi, S. 1996. Lifestyle-oriented car brands grow licensed merchandise ambitions. *Brandweek,* 37**,** 8.

Hair, J., Black, W. C., Babin, B. & Anderson, R. 2009. *Multivariate Data Analysis* Prentice Hall. Hair, J. F. 2006. *Multivariate data analysis,* Upper Saddle River, NJ [etc.], Pearson Prentice Hall.

Han, T.-I. & Chung, J.-E. 2014. Korean Consumers' Motivations and Perceived Risks Toward the Purchase of Organic Cotton Apparel. *Clothing and Textiles Research Journal***,** 0887302X14538116.

Hem, L. E., De Chernatony, L. & Iversen, N. M. 2003. Factors influencing successful brand extensions. *Journal of Marketing Management,* 19**,** 781-806.

Hughes, G. D. & Guerrero, J. L. 1971. Automobile self-congruity models reexamined. *Journal of Marketing Research,* 8**,** 125-127.

Jayachandran, S., Kaufman, P., Kumar, V. & Hewett, K. 2013. Brand Licensing: What Drives Royalty Rates? *Journal of Marketing,* 77**,** 108-122.

John, D. R., Loken, B., Kim, K. & Monga, A. B. 2006. Brand Concept Maps: A Methodology for Identifying Brand Association Networks. *Journal of Marketing Research (JMR),* 43**,** 549-563.

Keller, K. L. 1993. Conceptualizing, measuring, and managing customer-based brand equity. *The Journal of Marketing*, 1-22.

Keller, K. L. & Aaker, D. A. 1992. The effects of sequential introduction of brand extensions. *Journal of Marketing Research*, 35-50.

Keller, K. L., Apéria, T. & Georgson, M. 2008. *Strategic brand management: A European perspective*, Pearson Education.

Keller, K. L., Parameswaran, M. & Jacob, I. 2011. *Strategic brand management: Building, measuring, and managing brand equity*, Pearson Education India.

Kim, H. & John, D. R. 2008. Consumer response to brand extensions: Construal level as a moderator of the importance of perceived fit. *Journal of Consumer Psychology,* 18, 116126.

Lafferty, B. A. 2007. The relevance of fit in a cause–brand alliance when consumers evaluate corporate credibility. *Journal of Business Research,* 60, 447-453.

Lin, L.-Y. 2010. The relationship of consumer personality trait, brand personality and brand loyalty: an empirical study of toys and video games buyers. *Journal of Product & Brand Management,* 19, 4-17.

Martínez, E., Montaner, T. & Pina, J. M. 2009. Brand extension feedback: The role of advertising. *Journal of Business Research,* 62, 305-313.

Meyers-Levy, J. & Tybout, A. M. 1997. Context effects at encoding and judgment in consumption settings: The role of cognitive resources. *Journal of consumer research,* 24, 1-14.

Musante, M. 2007. Brand portfolio influences on vertical brand extension evaluations. *Innovative Marketing,* 3, 59-65.

O'cass, A. 2004. Fashion clothing consumption: antecedents and consequences of fashion clothing involvement. *European Journal of Marketing,* 38, 869-882.

O'cass, A. & Grace, D. 2004. Exploring consumer experiences with a service brand. *Journal of Product & Brand Management,* 13, 257-268.

Park, C. W., Milberg, S. & Lawson, R. 1991. Evaluation of Brand Extensions: The Role of Product Feature Similarity and Brand Concept Consistency. *Journal of Consumer Research,* 18, 185-193.

Reast, J. D. 2005. Brand trust and brand extension acceptance: the relationship. *Journal of Product & Brand Management,* 14, 4-13.

Shen, Y.-C., Bei, L.-T. & Chu, C.-H. 2011. Consumer evaluations of brand extension: The roles of case-based reminding on brand-to-brand similarity. *Psychology & Marketing,* 28, 91113.

Sprott, D., Czellar, S. & Spangenberg, E. 2009. The importance of a general measure of brand engagement on market behavior: Development and validation of a scale. *Journal of Marketing Research,* 46, 92-104.

Swaminathan, V. 2003. Sequential brand extensions and brand choice behavior. *Journal of Business Research,* 56, 431-442.

Taylor, D. 2004. *Brand Stretch : Why 1 in 2 Extensions Fail and How to Beat the Odds : a Brandgym Workout*, Wiley.

Teas, R. K. & Agarwal, S. 2000. The effects of extrinsic product cues on consumers' perceptions of quality, sacrifice, and value. *Journal of the Academy of Marketing Science,* 28, 278290.

Völckner, F. & Sattler, H. 2006. Drivers of Brand Extension Success. *Journal of Marketing,* 70, 18-34.

Walsh, P., Rhenwrick, I., Williams, A. & Waldburger, A. 2014. Team brand extension or licensed product? Examining consumer awareness of two distinct brand strategies. *Sport, Business and Management: An International Journal,* 4, 96-108.

Wilensky, D. 2007. Leading Licensing Companies. *www.licensemag.com*, 34-51.