Extending Auto Brand into Fashion Clothing Category: An Exploratory Study on Brand Ford

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Keywords: Brand extension acceptance, Fashion extension, Ford Fashion, Brand Ford

Brand extension strategies seek to increase revenues by prompting consumer purchases across product categories. Using an existed well-known brand name to launch new lines or categories of products reduces the need to create awareness and facilitates marketing communications (Aaker & Keller, 1990). Brand extension has been one of the commonly used strategies to launch new products for decades (Aaker, 1996). The global auto industry is highly competitive and it is very challenging to keep increasing profits. Auto companies have been increasingly looking for opportunities to broaden the halo of their brands to expand market via extending brands into other product categories. For instance, BMW launched a whole lifestyle collection, which features trendy apparel, such as polo shirts, T-shirts, hooded sweatshirts.

In fact, the billion-dollar global fashion industries have been seeing brand extensions from established durable brands. Fashion, home décor, fitness, sports, and culinary arts are among the industries catering to markets with specific lifestyles (Danskin, Englis, Solomon, Goldsmith, & Davey, 2005). Once an auto brand successfully launches its fashion clothing extensions, it has better opportunities to extend and combine product categories across lifestyle industries and to establish itself as a lifestyle brand. However, the majority of brand extensions reportedly not successful, suggesting the need for more understanding and strategic approaches that allow for better prediction of different categories, especially fashion categories, into which a brand should extend or license.

Aaker and Keller's (1990) seminal work identified perceived fit and parent brand quality as predictors to consumers' attitude toward extensions. Park, Milberg and Lawson's (1991) research found both product feature similarity and brand concept consistency predict extension success. From practical viewpoint, there are brands succeeded in extending into very distant product categories, sharing few attributes or features in common with existing parent brand products. Previous research posited that brand extendability is also affected by perceived product category fit (e.g., Batra, Lenk, & Wedel, 2010). In addition, consumers' acceptance of brand extensions is also affected by their brand engagement in daily life for functional or social purposes. Overall, consumers' acceptance of new products or brands, especially fashion products, styles, or brands highly depends on their favorable attitudes.

Based on literature review and discussion, a research model was proposed with the following hypotheses (see figure 1): H1. Favorable attitude toward fashion clothing brand extension leads to the higher likelihood of fashion clothing extension acceptance; H2. Higher perceived parent brand quality leads to the higher likelihood of fashion clothing extension acceptance; H3.Perceived image fit is positively related to favorable attitudes toward fashion

brand extension; H4. Perceive category fit is positively related to favorable attitudes toward fashion brand extension; H5. The higher degree an individual engages with brands, the less favorable attitude the person will have toward a brand extension.

Brand Ford, the American first auto brand planning to launch fashion clothing categories, was selected for the empirical study. An online survey with multi-item scale measuring research constructs and Ford menswear examples (see figure 2) included was sent to a convenience sample. Total 56 responses were used to test hypothesis. Factor analyses were conducted to examine the dimensionality of the research constructs Summit indicators were created and used for further analysis. Regressions were conducted to test hypotheses. Results (see figure 1) showed all the hypotheses except for H3 were supported. Perceived parent brand quality, and product category fit play more important roles in fashion clothing extension acceptance while perceive brand image fit does not affect consumers' extension attitude. Auto brand fashion extensions might target consumers using brands as quality cues, instead of as social status symbols. Future study needs to test the research model using larger and less biased sample.
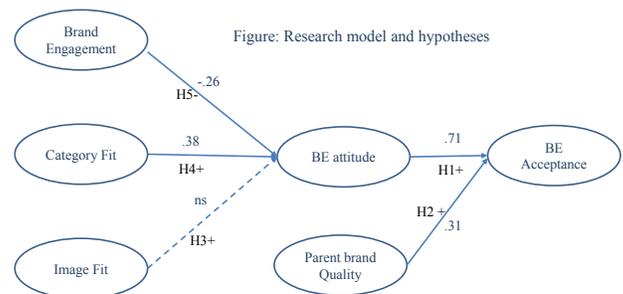
Figure: Research model and hypotheses

Figure 2. Examples of Ford fashion clothing extension

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