

Brand Extension Evaluation

The Case of NFL Europe

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Abstract

Brand extensions are attempts by companies to leverage consumer recognition into successful new product and service offerings. In the sport business, brand extensions have largely been limited to physical products, such as Gatorade creating energy bars or the National Football League (NFL) creating lines of clothing. Recently, sport leagues have begun to leverage their intangible product—the entertainment of the game—to create brand extensions in the form of new sport leagues. The purpose of this paper is to examine the NFL's brand extensions: the World League of American Football (WLAF) and NFL Europe. Introduced by Park, Milberg, and Lawson (1991), the criteria for analyzing these extensions consists of two dimensions: 1) product feature similarity, or the degree to which the original product and the extension have the same product attributes, and 2) brand concept consistency, referring to the degree to which the original product's

abstract meaning is passed on to the brand extension. Following a summary and evaluation of the WLAF and NFL Europe products, the authors offer strategic suggestions to other leagues considering similar brand extension endeavors.

Brand extension allows a company to take its established name in the marketplace and use it to launch a new product or product line. Extensions are popular, because they provide new products with a ready-made image while simultaneously helping existing products through increased brand exposure. However, extending a brand name to inappropriate products may result in product failure and/or reduced brand value (Oakenfull, 2000). Firms conducting business in the sport industry have long taken advantage of their ability to create brand extensions. Examples abound of sport entities expanding their brand, from NIKE expanding from apparel into camps and equipment, to the PGA Tour developing their own merchandise lines, to the recently launched "Leafs TV" specialty channel in Canada. Professional sport leagues and their members are known for creating high levels of emotional attachment (e.g., Eitzen & Sage, 1997; Sloan, 1989; Sutton, McDonald, Milne, & Cimperman, 1997; Wann & Branscombe, 1993). Accordingly, brand extensions have become logical additions to their core businesses.

Traditional brand extensions for sport leagues include apparel, television programming, and licensed

merchandise. Recently however, leagues have begun to create new leagues as brand extensions. In the last 10 years, the National Football League (NFL) created the World League of American Football (WLAF)—which has become NFL Europe—the World Wrestling Federation formed the XFL, and the NBA initiated the WNBA for women and a men's developmental league (NBDL). As the propensity to create brand extension leagues grows, it becomes increasingly critical for sport marketing practitioners and researchers to evaluate the tactics and strategies of these endeavors, in order to better gauge their likelihood of success. The purpose of this review was to examine marketing literature for the prominence of brand extensions and to utilize the research of Park, Milberg, and Lawson (1991) as an analytical framework for critically examining the extension strategy of the NFL in their development of WLAF/NFL Europe.

Background on Brand Extensions

Brand extensions are used by businesses in an attempt to increase growth. From the consumer perspective, it has been suggested that those customers who have a functional relationship with a brand are less likely to be receptive to brand extensions, while those who have an emotional attachment to a brand are more likely to positively evaluate a brand extension (Aaker & Joachimsthaler, 2000). Park, Milberg, and Lawson (1991) suggest that there are two critical factors in determining the relative success of brand extensions: product feature similarity and brand concept consistency. *Product feature similarity* refers to the degree to which the original product and the extension have the same product attributes. *Brand concept consistency* refers to the degree to which the original product's abstract meaning is passed on to the brand extension. Combined, these two constructs have been used repeatedly as the foundation for research related to

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brand extensions (e.g., Bridges, Keller, & Sood, 2000; Broniarczyk & Alba, 1994; Glynn & Brody, 1998) in marketing literature. To date, these constructs have not been used to examine sport league brand extensions.

NFL Brand Extensions

The product lifecycle provides an intuitively appealing framework for understanding how a product follows a progression similar to biological life by passing through phases: from birth to growth to maturity and finally, to decline (Day, 1981). Howard (1999) applied the product lifecycle to the industry of American professional sport, including the NFL, and concluded that it was an entity in the late maturity or decline stages of the product lifecycle. One strategy leagues can employ to extend their stay in the maturity stage is to modify their product and/or create brand extensions. Previously, new products in team sport have come in the form of competitors forming new leagues. Leagues such as the AFL, ABA, and USFL entered the professional sport marketplace but were overwhelmed by the high barriers to entry and either folded or were absorbed by existing leagues. While the NFL had experimented with exhibition games in international cities, no sport league attempted a brand extension in the form of a new league until 1991, when the World League of American Football (WLAF) was launched.

WLAF and NFL Europe

The WLAF consisted of 11 teams in three divisions, which for the first time was trying to develop a weekly intercontinental schedule, with teams in North America and Europe. In North America, franchises were established primarily in "secondary" markets (with the exception of New York City), while in the European market, the teams were in "first tier" cities (Barcelona, Frankfurt, London). The league forged media contracts in the United States with ABC and USA

networks. Highlights of this first extension attempt were an average attendance of 35,000 during the first weekend of play in 1991 and the success of World Bowls I and II, which drew 61,000 fans at Wembley Stadium and 44,000 at Olympic Stadium. In September of 1992, however, the NFL suspended play for the WLAF.

In October 1993, the NFL announced plans to re-launch the World League of American Football. In its second attempt to penetrate the European market, the NFL abandoned the idea of forming an intercontinental league. Six franchises were granted, with three in the original WLAF cities being joined by new franchises established in Amsterdam, Dusseldorf, and Glasgow. In March 1994, the league announced a partnership with Fox to broadcast games, while also giving Fox an equity stake in the league. The reconfigured league kicked off in April 1995, was renamed NFL Europe in January 1998, and remains a viable sport entity. On the field success helped NFL Europe solidify its affiliation with the NFL, as several NFL Europe stars have become notably successful after transferring to the NFL.

An evaluation of WLAF/NFL Europe and lessons learned

Using the criteria laid out by Park et al. (1991), the WLAF and NFL Europe can be evaluated on the dimensions of product feature similarity and brand concept consistency. In the category of product feature similarity, the original brand extension (WLAF) differed greatly from the NFL. The rules for the game were similar to the original brand, with the notable exception of special provisions for the inclusion of "international" players on team rosters. The new league was different from the original brand in several ways. The WLAF conducted its season in the spring, rather than the traditional fall season preferred by football fans in the United States. Also, because the league consisted of fewer teams, the season was con-

siderably shorter. Finally, the initial launch of the WLAF included teams in disparate locations on two continents, vastly dissimilar to the regional rivalry format popular in the NFL. All of these disparities served to distance the brand extension from the product features of the original brand.

In terms of brand concept consistency, the WLAF again differed significantly from the NFL. Two critical abstract meanings of the NFL brand are that it represents the highest caliber of play and is rich with tradition. However, by definition, a newly created league could not match the NFL on either of these brand concepts. First, the quality of play was certain to be lower than the original brand based on the abilities of the players attempting to compete in each league. This credibility problem was exacerbated in the eyes of North American fans with the inclusion of rules requiring roster spots for "local" European players, many of whom had limited experience in the North American brand of football. Second, the tradition of the NFL was not transferred effectively to the new league. Many aspects of the NFL convey the ubiquitous nature and importance of tradition to fans, ranging from rivalries among teams to mascots, logos, and scheduled game times. The original brand extension (WLAF) did not adopt or attempt to translate any of the NFL's strong traditions into the new product. In fact, the idea of regional rivalries was virtually impossible, given the distribution of the franchises. Upon its second attempt (NFL Europe), the NFL attempted to remedy this shortcoming by placing franchises exclusively in the European market in order to foster a sense of regional rivalry among consumers. Perhaps most importantly, the NFL tried to increase the consistency between the original brand and the extension by renaming the new league NFL Europe, a change that more directly linked the two products.

From the application of Park et

al.'s criteria, several practical suggestions for managing sport league brand extensions emerge.

Limit geographic scope

One of the major changes after the failure of the WLAF was the geographic make-up of the league. The intercontinental approach shifted to a regionalized European league. This configuration provides several advantages to NFL Europe. Among these are: 1) it increases the formation of regional rivalries; 2) it allows for synergy in media coverage of the league; 3) it allows for a more concentrated and likely more accurate assessment of the marketplace; and, perhaps most importantly, 4) it significantly defrays travel expenses.

An example of a current league brand extension is the National Basketball Development League (NBDL), launched by the National Basketball Association. The NBDL is being introduced in the limited geographic area of the Southeastern United States. Based upon the analysis provided here, this tactic would seem to be a wise initial course of action.

Leverage the original brand

The WLAF was established without a clear link between its name and the name of the originating brand's existing league name—the NFL. Without this clear connection between the established league and its brand extension, consumers may detect a message that the original league is not confident in the quality of the second league's product. Additionally, potential fans may not even realize that there is a link between the original and the new league. As noted earlier, the new league was renamed NFL Europe in January 1998, a change which more directly linked NFL Europe with the NFL brand. Once again, the NBA appears to have learned lessons from the experience of the NFL. The two leagues that the NBA has created as brand extensions—the WNBA and the NBDL—have clear name associations with the original brand.

Bridge talent between leagues

Based on the way the NFL stocked WLAF and NFL Europe rosters with practice squad players and draft choices from the original league, it seemed a given to most observers that the leagues would have a largely inferior quality than the original brand. Because the established league does not want to cannibalize its own talent level, it is unlikely that veteran players from the original league would ever be used to stock the rosters of a league brand extension. However, as NFL Europe's experience has shown, it is possible to effectively leverage the success of selected individual players, both within the new league and in the original league. Some notable success stories of NFL Europe players who have gone on to star in the NFL have been effective tools for the new league in marketing the quality of their product. Players such as Kurt Warner (twice NFL MVP), Brad Johnson (the first NFL Europe graduate to be named NFL player of the week), and Adam Vinatieri (the first former NFL Europe player to score in a Super Bowl), have been utilized effectively by NFL Europe in this regard. Most notable is the case of Warner, whose success and popularity significantly advanced the worldwide brand recognition and credibility of NFL Europe.

Have a clear objective

Initially, the NFL tried to do too much in their attempt to bring football to the European market. The league tried to be the first intercontinental weekly sports league and, in doing so, attempted to appeal to both European and North American fans simultaneously. They broadcast games in several countries, encouraged grass roots participation by supporting U.S. football leagues for children in Europe, and used the WLAF as a developmental league. While each of these goals may be admirable, it seems that the primary objective of the league was unclear. By failing to focus on one or two clear and complementary objec-

tives from the outset, the NFL was stretched too thin too soon, and its resources and resolve soon withered. In its second attempt, the NFL limited their market and focused more on the product itself, rather than re-launching with the same format and objectives. As such, NFL Europe has become a much stronger entity than WLAF, without tarnishing the NFL brand. Future leagues that wish to create brand extensions must be clear in their purpose for founding the league and manage it to meet these specific objectives.

Be open to re-launch

The failure of the NFL's first attempt to create a league brand extension could have been the end of the league's effort to penetrate the European market. Instead, the league retrenched and tried a different strategy. The success of their second venture gives perhaps the most valuable lesson of the NFL's first ten years in Europe. If a league brand extension does not succeed originally, a concerted effort to better identify threats and opportunities for success prior to becoming operational allows an opportunity to successfully re-tool and re-launch the brand extension league.

Conclusion

As brand extensions continue to proliferate in the marketplace, examination of their implementation strategies and subsequent successes or failures becomes increasingly important. For existing sport leagues, creating new leagues as brand extensions cannot be ventured lightly, as the costs of failure are prohibitively high. However, these extensions do offer great opportunity for sport leagues to not only extend the reach of their existing brand, but to bolster it by cultivating new talent and new markets. Sport leagues as brand extensions do face some unique challenges. Not the least of these is the tendency to operate in a counter-seasonal fashion and the inability of these leagues to utilize existing

league talent to any great degree. We have suggested here that using the framework of Park et al. can be useful not only in evaluating brand extension efforts, but can help us offer guidance for future endeavors. In the future, more in-depth quantitative analysis is needed to accurately examine the effect of the extension on the original brand, as well as to track the trends and strategies of league brand extensions.

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