Master Thesis

MA in International Business Communications (ICM)

Hand-in date: May 15th 2020

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Copenhagen Business School

Number of pages: 78

Number of characters (including spaces): 154.074

ABSTRACT

I denne afhandling er forskningen fokuseret på et teoretisk grundlag af brand equity, der analyseres i en sports perspektiv og brand extensions der ligeledes analyseres i en sports perspektiv. Motivationen for dette, er den øgede fokus på brand equity for sportsorganisationer såvel som den nylige tendens med sportsfirmaer, der kommer ind på eSport-markedet gennem brand extensions.

Baseret på eksplorativ undersøgelse er formålet med denne afhandling at udvikle nye rammer, der ville optimere eksisterende. Formålet med denne afhandling er at udvikle nye rammer, der kan optimere eksisterende. Den første teoretiske ramme, sigter mod at karakterisere komponenter i brand equity for professionelle sportsorganisationer. Mens den anden foreslår otte nøglefaktorer, der er nyttige for sportsorganisationer, når man vurderer den potentielle succes af brand extensions. Disse rammer bruges derefter til at analysere de spørgsmål, der blev rejst i forskningen i det teoretiske fundament.

Tre hovedspørgsmål blev rejst og besvaret ved brug af de foreslåede rammer i denne afhandling. Disse spørgsmål vedrørte karakteriseringen af brand equity for professionelle sportsorganisationer, og hvilke komponenter der kan styrke brand equity i forbrugernes sind. Karakteriseringen af brand equity for professionelle sportsorganisationer blev identificeret ved at opstille en ramme for brand equity, og rammens nøglekomponenter opfattes som kvalitet, brand awareness og brand associationer. Desuden blev der fundet nøglefaktorer for identificering og evaluering af potentiel succes af brand extensions.

Indhold

INTRODUCTION

A new trend has emerged in the world of sports, which is a shift from short-term focus on profits, to a long-term strategic focus on managing the team brand and thus improving the brand equity (Gladden, Milne, & Sutton, 1998). This has led to sports organizations having to make major strategic decisions based on what components they can change to increase brand equity. The theory tells us that consumers are the driving force for brand equity since it is, they who value the brands and thereby create value around the brand name (Keller, 1993).

Given the increased focus of sports organizations on brand equity, it has become more popular than ever to develop brand extension strategies. The rising cost of managing a sports organization have resulted in an increased need to generate additional revenue streams for the sports brand. By using a strong existing brand name to create new products and enter new product categories, you can thereby increase revenue for the organization with a relatively low risk. One explanation for this new trend may be due to the shift from focusing on short-term profit to long-term growth (Lee & Walsh, 2012). Aside from only focusing on generating new profits, it is also very important for sports organizations to strengthen the brand relationship with their fans (Apostolopoulou, 2002), which could be a second reason to brand extension. The primary purpose of the research regarding sports organizations and brand extensions is similar to traditional research on brand extensions. This means, that the main focus will be on how consumers are affected by brand extensions and how brand extensions in a positive way will affect the brand equity of the parent brand. Another exciting perspective in relation to sports organizations and brand extension deals with the different levels of fan identification of team brands and how these will have an impact on consumers' evaluation of the parent brand (Lee & Walsh, 2012).

Obviously, one of the most exciting topics in brand extension, is how the rising popularity of esports, has led sports organizations to enter this relatively new and exciting market, either as a new organization or as part of an existing one. Sports Organizations entrance in eSport is interesting for many different reasons, but the focus in this thesis will mainly be, how these organizations can gain a positive impact on the branding establishing their own eSports team.

A brief definition of eSports

The term "eSports" in its most common use refers to an increasingly popular form of professionalized, organized and competitive computer/video games (Hanhan Xue, 2019).

Tracing the origin of the term E-Sports can be a difficult task as no individual has taken responsibility for its inception (Taylor, 2015). However, regardless of the origin, E-Sports became a term that would define a billion industry. E-Sports is an abbreviation for electronic sports, and there are different definitions of what eSports includes, although there are some similar features. Ma et al. (2013) drew attention to the fact that eSport players differ from casual gamers. An eSport player is a professional player who plays for competition rather than for fun and defines it as their job. Casual gamers play for fun and to entertain themselves (Ma et al. 2013). Wagner (2006) provided a detailed definition of eSport as "an area of sports activities where people develop and train mental or physical abilities in the use of information and communication technologies" (Wagner, 2006, p. 3). Hemphill (2005) adds that eSports are "alternative sports realities, i.e., electronically expanded athletes in digitally represented sporting worlds" (Hemphill, 2005, p. 199). More pragmatically, esports has been defined as "an umbrella term used to describe organized, sanctioned video game contests, most often in the context of video game tournaments" (Whalen, 2013).

In short, E-Sports differs from video gaming through a competitive aspect and differs from traditional sports through an online, virtual aspect. Thus, E-Sports is a term used to describe online competitive gaming and this will serve as the working definition for this thesis. Freeman & Wohn (2017) similarly define E-Sports as computer-mediated competitive multiplayer gaming but add an interesting detail: Spectators. Spectators raise the level of E-Sports to a professional level as they are mostly tied up in higher forms of competitive play.

What makes a focus on eSport interesting?

Playing video games has become one of the most popular recreational activities, not only among children and young people, but also among adults. Video games have changed over the last five decades and have evolved from early standalone games such as *Space Marines* (1962) and Pong (1972) to collaborative and competitive games played through massive multiplayer online environments where millions of players can play simultaneously against other players. Recently, video games have become professionalized and for a small minority of players it has become a career opportunity in the world of competitive gaming (Fanni Bányai, 2018).

As eSports continues to evolve into a major global industry, with elite level competitions generating billions of dollars in revenue, millions of viewers streaming live events, and thousands

of fans packed weekly in arenas around the world, the industry has been witnessed a significant increase in the number of participants in playing eSports games (Hanhan, 2019).

A new trend in eSport is the entry of "normal" sports clubs in the top leagues in major titles such as Counter-Strike: Global Offensive, League of Legends, Dota 2, FIFA, etc. It's a huge healthy thing for eSport, as it helps build a much broader acceptance when clubs like FCK, Manchester United, Manchester City, PSG, Miami Heat and many more clubs from the world's biggest sports teams buy professional gamer teams to large million amounts. In addition, several sports clubs have also partnered with existing eSports organizations. Several things indicate that eSport is facing an international breakthrough, which means that eSport can be considered a competitive sport that is accepted and followed by the majority (Fanni, 2018).

FIFA has become huge and sports clubs are buying FIFA players who were the real footballers. They even get their own sports jerseys with their own name and number printed on the back. CS: GO players are also sold and bought as football players, and there are even sports clubs that organize CS: GO teams (Patrick, 2019).

Esports offers access to an extremely valuable and otherwise difficult-to-reach millennial demographic; a group not nearly as impacted by traditional television and advertising (Patrick, 2019).

Conclusively, the meteoric rise of E-Sports continues; the global E-Sports market revenue was estimated at $130 million in 2012, it further grew to $865 million in 2018 and is projected to hit $1.790 million in 2022 (Statista, 2019).

Motivation for choice of focus

The rise of professional sports organizations choosing to enter the esports market due to the rapid rise of the industry is fascinating. The motivation to better understand why traditional sports organizations may want to enter an industry that does not yet guarantee a profit has prompted a focus on this in this thesis. Realizing that some sports organizations are entering new markets just to build a fanbase or raise awareness for their brand resulted in my focus on the characterization of brand equity for sports teams and how they can increase this. For this reason, I also chose to focus on brand extensions, as I believe that there is a connection between these two and that they are interdependent. Brand equity is an important parameter if you intend to extend into a new

market. Due to the lack of modern frameworks, which sports managers can use to identify important components of brand equity, resulted in my interest in developing my own framework based on existing theory that could help characterize brand equity for sports organizations and how it can be improved. Further, I was also interested in exploring how to best achieve a successful brand extension into esports. Due to a lack of frameworks that can help sports organizations identify important factors helping them to achieve a successful brand extension, I chose to create my own.

RESEARCH QUESTION

The research question that this thesis intends to answer is formulated accordingly, whilst a set of sub-questions will be fielded to further operationalize the main research question.

How can sports clubs gain a positive impact on the branding establishing their own eSports team?

- *What characterizes Brand Equity for professional sport organizations?*
- *What components of brand equity can sports organizations strengthen in order to increase brand equity in the minds of consumers?*
- *how can brand extensions into eSport affect brand equity for Danish sport clubs?*

In answering this question, the thesis intends to contribute to the foundations of this new field and further studies into the values that can be derived from E-sports.

DELIMITATION

Due to corona this thesis is purely based on a theoretical foundation.

ESport is an international market with fans, events and companies all over the world, and the overall market will be analyzed. However, the primary focus of this dissertation will remain with the Danish consumers in focus. As eSport is a relatively new phenomenon for the general Dane, not much scientific empiricism has been created, which only concerns Denmark, and the majority of the secondary data will therefore cover the whole world. The ultimate focus will be football club brands even though the term "sports organizations" is used wisely.

ESport represents a market where there is a huge interface with private consumers, which has therefore made the market more attractive for companies in a business-to-business (B2B) context.

Throughout the dissertation, private consumers will be at the forefront, in relation to the theory used. This means, the focus is exclusively on the business-to-consumer market, thereby separating itself from the B2B market. Although the B2B market also has a lot of interesting aspects to investigate, the inclusion of these is considered not to be possible within the scope of the project. At the same time, it is estimated that if a high brand equity is achieved in the private consumer market, it will automatically derive a strengthened position for potential B2B partners. The study itself is conducted on the basis of a B2C analysis, but the effect of it could be experienced in both markets.

As it will also be seen in the theory section, the value of a given brand can be assessed by a variety of methods. In brand equity, it is typical to distinguish between the consumer-based approach and the financial approach. Looking at the financial approach within brand equity, we strive to quantify one single value, as a measure of the overall financial value of an entire brand. According to the project's research question, this financial statement is demarcated, since the most important thing is to consider how sports clubs can gain a positive impact on the branding in the eyes of the consumer by entering the esports industry.

METHODOLOGY

Research Philosophy and approach

The purpose of this section is to explain my approach as well as to consider the methodological considerations underlying the design of the dissertation. To approach this in a structured way, the model below from Saunders et al. [2003] will be utilized as a template to form the framework for the section. The model is called "The Research Process Onion", and is divided into five parts, each of which aims to provide a detailed explanation of the investigation process. The use of the model is due to my belief that this contributes to a structured approach to the method section, which starts with the outer part of the onion, and then works towards the center. The model is illustrated below:
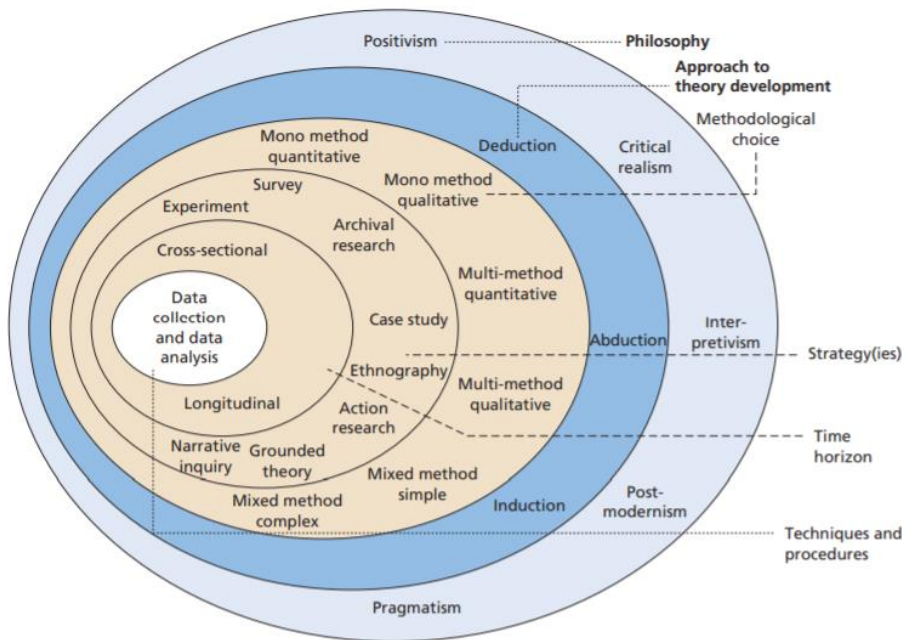
Figure 4.1 The research 'onion'
Source: © 2015 Mark Saunders, Philip Lewis and Adrian Thornhill

Positivism disregard any realization gained through sacred writings, intuition, or speculation as these are not verifiable. In this way, positivism attain their recognition through the perception of reality and through logical associations. In data collection, positivism will concentrate on the objective information, such as place of residence, age, gender. Respondents' opinions and attitudes about a given topic are thus worthless and cannot be used (Thurén, 2008 p. 18-22).

Constructivism assumes that reality is constructed by people and social constructions. Reality thus depends on the thoughts and perceptions of humans, which constitute reality for each individual. In data collection, constructivism will largely deal with qualitative data (Thurén, 2008 p. 18-22).

Positivism disregards human attitudes and opinions, where constructivism makes attitudes and opinions the source of interpretation. On the basis of the definition of the two above mentioned different research philosophies, this thesis is subjected to a constructivist paradigm.

This thesis has a deductive approach since it is based on general theories about brand equity and brand extension and examines from them.

Data collection
In connection with the theory of science, the following section will clarify the methodological approach that is considered most applicable according to a satisfactory answer to the overall

problem. The dissertation's information needs are identified using a variety of sources, which take the form of secondary data.

Secondary data

The secondary data is made up of both professional literature and research projects in the same field. The theoretical starting point is based on a wide variety of articles and theories, and is used to varying degrees on a continuous basis

Within the general theory of brand equity and brand extensions, it is in particular Aaker (1990; 1991; 1992; 1993; 1996; 2010), Keller (1993), Martensen & Grøndholdt (2003), and Tauber (1988), that sets the frame. Based on the topic of the dissertation, these are linked to a sporting setting, where articles from Gladden & Milne (1998; 1999), Apostolopoulou, (2002), Ross (2006) and Pifer & Zhang (2015) are particularly emphasized.

The above forms the basis for the thesis's theoretical starting point but will be continuously supplemented by other relevant articles and theories. This is also true in the concept definitions presented, as well as in the later frameworks for both brand equity and brand extension.

Further to the mapping of how brand equity, through the thesis is assessed to be constructed, there will also be a section dealing with how the measurement of brand equity occurs. Various theoretical articles will also be used here, but will mainly rely on editions by Aaker (1996), Keller (1993) and Martensen & Grøndholdt (2003).

A critical aspect of this methodological approach is considered to be found in the fact that the theoretical foundation of the dissertation is largely based on few (but recognized) theorists. On this basis, a holistic picture may be threatened by being one-sided, and there will probably be other sources, with opposing attitudes to a number of the statements.

However, it is argued that the theories chosen are consistent with the majority of the empirical basis found within the topic of the dissertation. In addition, the theory used is chosen because it has been tested through previous research, and thus leaves some operationality that the dissertation can later benefit from.

Finally, the secondary data ends in both a brand equity and a brand extension framework, which includes the main findings from the theoretical basis.

RELIABILITY AND VALIDITY

Validity is a term that expresses the quality of the conclusions reached in the empirical studies. Therefore, a high degree of validity will express the best possible approximation to the truth (Trochim, Donnelly & Arora, 2014 p. 26). To boil down validity, you can say, that it is about ensuring that you actually measure/investigate the problem you intend, and do not design your study design in a way that allows to doubt this.

Reliability means that the measurements in the study were made correctly. Thus, for example, in the underlying data there is a "representative" target group so, for example, coincidences do not affect a result you get. So, eliminating the "noise" that may be in the study design and target group results in a high degree of reliability (Thurén, 2008 p. 30).

The difference lies in the fact that validity is based on whether you actually measure what you want to measure, whereas reliability depends on whether the study was made on the basis of a correct data basis that does not allow the empirical data to be based on chance.

Data used for this dissertation was collected as a qualitative research, as it is a purely theoretical thesis that uses existing theory to generalize relevant theory introduced in the theoretical foundation to develop theoretical frameworks that are used to provide answers to the research question. All data and methodology are selected because of their reliability, validity and relevance to the research of the problem definition. This is important for the dissertation to avoid a validity issue.

THEORY

More and more companies have recognized that one of their, if not the most valuable, asset is their brand (Keller, 2013). Therefore, it should be a very high priority for all companies to try to realize the full potential of their brand.

As a consumer and as a businessperson in a complex world, you are always faced with more choices with less time to make decisions. Therefore, a strong brand is a crucial parameter for a business, as it can help to simplify the decision-making process, since consumers already have a biased idea of that brand's products (Keller, 2013). This is especially true when there are several providers offering similar products. When you as a consumer or businessman already know a

brand and have started a relationship with this company, you have thus also established a link to this company's products and their brand (Aaker & McLoughlin, 2010). In the field of eSport, it is strongly considered that the respective teams are able to create loyal fans who, over time, will follow the teams closer than the other teams. The key to creating loyal fans is to a great extent about creating value for the consumer. Therefore, it is considered extremely relevant to identify which aspects create value for consumers in the eSports market.

The specific brand is often regarded as one of the most important areas, in creating successful relationships with fans, sponsors, etc. (Bauer & Sauer, 2005). Since brands have proven to serve as the foundation for long-term success for sports teams, clubs should strive to leverage the emotional connection with fans, thereby creating associations that will potentially strengthen perceived brand equity.

A brand is defined by the American Marketing Association (AMA) as:

> "*A name, term, sign, symbol or design, or a combination of these that identifies the goods or services of one seller or group of sellers and differentiates them from the competition.*" (Keller, 2013).

Therefore, you can say that if you create a new name, logo or symbol for a new product you have created a new brand. This definition must therefore be said to be very general as it does not take the emotional into consideration.

As the literature has realized that brands play a crucial role in the traditional industries, research has been extended in recent decades to a much broader type of industries and organizations (Aaker, 1991). Previous research has emphasized the importance of branding in the sports industry as well. The sporting results are not enough alone. Branding is also a critical success factor for a successful sports business (Richelieu, et al., 2011).

Brand equity

In order to become clearer about how value in eSport is created, it seems appropriate to use the concept of brand equity as a starting point. With the concept of brand equity, we have a tool that can be used to measure the strength of a brand. Immediately, it may seem straightforward to assess whether a brand is strong or weak. Where it becomes more complicated is when to

measure strength more specifically, as well as what actions a company can take to influence the strength of its brand. For this problem statement, brand equity is a useful tool.

Specifically, brand equity looks at what factors have an impact on whether a brand is strong or weak. More recently, this issue has become an even more important consideration for executives around the world, as it is recognized that the company's brand is a key factor for success and profit. On average, a company's brand accounts for more than 50 percent of its total value (Martensen & Grønholdt, 2003).

The purpose of incorporating brand equity as a starting point is to become clearer about elements that help create a strong brand. I am interested in investigating how, as a company, you can create a strong brand in the eSports industry, as well as how the position is maintained and expanded. To do this, one has to understand brand equity as a concept, and then establish a system for how to manage it as a company (Aaker & Joachimsthaler, 2010). In order to be able to work actively with brand equity, companies are also required to undertake an in-depth review of their own activities, as this provides insight into the company's strengths and weaknesses, as well as opportunities and threats. This information can be crucial for a business to maintain or expand its position in the market. Brand equity has been used as a term in the marketing literature back in the 1980s, but especially in the 90s became a core element when David Aaker, who pioneered brand equity and stressed its importance. Aaker describes brand equity as follows:

> "*Brand equity is a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or substracts from) the value provided by a product or a service to a firm and/or that firm's customers*" (Aaker, 1991).

These assets that Aaker describes include; Brand Awareness, Brand Loyalty, Brand Associations and Percieved Quality (Aaker & McLoughlin, 2010). These will be described in more detail later.

Another important theorist in relation to brand equity is Kevin Keller. He defines brand equity as follows:

> "*Brand equity represents the added value endowed to a product as a result of past investments in the marketing activity for a brand*" (Keller, 2013).

This definition is very similar to Aakers, but emphasize the importance of the previous activities a company has undertaken. This means that it is difficult for a company from one day to another to add their brand value for their consumers, but it is something that happens over time based on the company's marketing activities.

It should be said that these two definitions are far from the only ones. Many definitions and changes have been presented over time. However, these two seem to be the most significant, and for that reason they are presented.

Brand equity typically looks at two main elements. The financial brand equity as well as the consumer-based brand equity. I have previously delineated the financial brand equity. Therefore, the financial brand equity will not be described in more detail.

Cunsomer-based brand equity

The primary approach to this task will be through the consumer-based brand equity. Unlike financial brand equity, consumer-based brand equity is based on what the consumer attaches to the brand of value. At first, it seems essential to comment and discuss what special circumstances are relevant when it is the eSports industry being analyzed.

Sports teams have the ability to create an emotional response from their fans that is greater than in any other industry (Underwood, Bond, & Baer, 2001). This is also expected to apply to an eSports team. This is one of the main reasons why sports teams should work hard to improve their fans' perception of their brand, to leverage this emotional attachment to build trust and a loyal fan base (Holt, 1995). For sports teams, therefore, there are also a number of aspects that need to be taken into consideration to create and strengthen brand equity. These measures are taken into account in the frameworks presented later.

Initially, the classic approach will be presented, followed by a review of the specifics that plays a prominent role for a sports club.

Within consumer-based brand equity, one of the most widely used definitions was developed by Aaker in 1991. It explains brand equity from a consumer approach such as the following:

> "*Brand equity is the value consumers associate with a brand, through brand awareness, brand associations, perceived quality and brand loyalty.*"

That means, the consumer-based brand equity itself should be perceived as a measure of a given brand's ability to create value, through four dimensions. The four dimensions that Aaker in particular focuses on, and which are argued to be primary sources of value adding, are the following; *brand awareness, brand associations, perceived quality and brand loyalty*. These four dimensions have become the common denominator as the foundation of many models of brand equity. According to Aaker (1991), overall, they can be considered the strength of a brand's presence in the consumer's mind. The dimensions are illustrated in the model below:
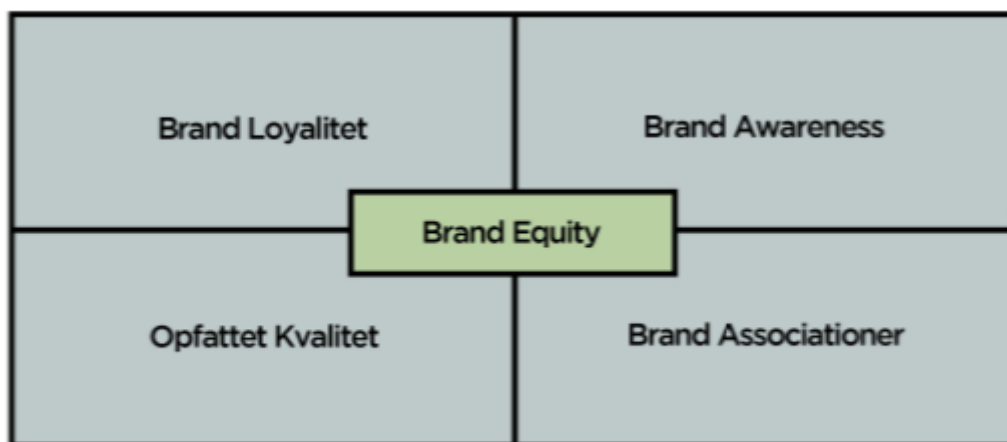
Figur 1 - Inspireret af (Miller, et al., 2004) - egen tilvirkning

In addition to Aaker's four-dimensional model, it is also seen at Keller (1993) that some very fundamental areas are in focus in relation to brand equity. Keller in particular centers on brand awareness and brand associations, which he says collectively constitute brand knowledge. Keller explains these mechanisms in his model Customer-based Brand Equity, which is often referred to simply as CBBE. CBBE is designed with a view to unraveling the value of a given brand, in the minds of customers. The purpose is therefore to identify aspects that make a brand strong, as well as ways to establish a strong brand. The very essence of CBBE lies in the assumption that a brand's true strength is in the consumer's view. This view will presumably differ whether it is a tangible consumer product or, as in this case, eSport, which is more likely to be built on an emotional aspect. Keller defines overall Customer-based brand equity as the following (Keller, 2013):

"*The differential effect that brand knowledge has on consumer response to the marketing of a brand*".

CBBE occurs when a customer has a high degree of brand awareness and knowledge of a brand, and at the same time possesses strong, favorable and unique brand associations in memory (Keller, 2013). Basically, the CBBE model encourages companies to define their brand in connection to a hierarchy of customer impressions. This hierarchy often takes the form of a pyramid and can be illustrated in the figure below:

Figur 2 - Brand Resonance Pyramid (Keller, 2013)

These four steps each represent four fundamental questions that a consumer will ask themselves - often in the subconscious mind - regarding a brand.

The first step in the model deals with Salience, which can be considered as an extended version of the definition previously mentioned regarding brand awareness. Salience depicts both the depth and breadth of brand awareness, which in aggregate represents the likelihood of the brand appearing in the consumer's memory, as well as the range of situation in which it occurs. Here, companies not only have to differentiate themselves, they must also do it in a way that the customer notices and is aware of it.

In step two, it is about communicating what the brand "can" and what it stands for. There are two blocks here, performance and imagery. These are related to whether customers' functional and psychological needs are being met. The respective blocks are considered to be fundamental in determining the brand, that is, the customer's evaluation and opinion about the brand. In eSport, it is conceivable that performance is assessed in relation to whether or not the consumer feels

entertained when, for example, streaming eSport. Of course, the providers involved must do everything possible to make the experience as interesting as possible. Compared to imagery, there may be a greater challenge for eSport. Right now, it is at a relatively new stage, and it is believed that part of the potential market does not yet see itself as "someone who sees other people playing video games". Here, the task is to a large extent that eSport develops from the somewhat "nerdy" reputation it has had in the past and tries to approach a wider group that is more socially acceptable.

The third step deals with customers' feelings about the brand and how they respond. Keller argues that these constant brand evaluations are divided into four key categories: Quality, Credibility, Consideration and Superiority. In relation to the project's angle, it can be argued that these constant evaluations do not necessarily occur at the same level in relation to, for example, a specific sports team. The emotions are of course greatly influenced, but in the field of sports and probably eSport, these key categories are considered to be actively evaluated to a lesser extent. Once a "consumer" has chosen a specific organization to follow, in most cases the person will stick to that choice. Of course, performance will be evaluated, etc., but in lesser cases it is thought to dictate that a new organization / team must be followed (Pifer & Zhang, 2015). The degree of this, of course, may vary, and is considered to be highly correlated to the points in the next step of the model.

The fourth step concerns resonance, that is, the relationship between the customer and the brand, as well as the degree of identification that the customer obtains in relation to the brand. The step also uncovers the intensity of the relationship, which deals with how attached the customer is to the brand, as well as the level of activity in the relationship, which reflects the loyalty and commitment that occurs in actions beyond the actual use or purchase of the brand (Keller, 2013).

Among researchers in this field, there is no doubt that customer-based brand equity is increasingly regarded as a key factor in a company's success. It is therefore necessary for companies to develop strategic initiatives that enhance the perceived value of the brand. In order to identify whether one's business is on the right track in relation to its brand equity, it is recommended by Lassar, et al. (1995) that firms measure their brand equity on a regular basis.

Brand equity in sports

Many of the aforementioned theorists' approach to brand equity has been designed on the basis of a predominantly general point of departure. In order to meet the overall theme of the dissertation, it is considered obvious to include aspects of brand equity within the world of sports. As with commercial brands, it is just as necessary to measure, manage and strengthen brand equity in the sports industry.

The brand itself is often considered to be one of the most important assets in creating successful relationships with fans, sponsors and other prominent stakeholders (Bauer, et al., 2005). Since brands have assumed the role of the foundation of long-term viability for sports teams, clubs should capitalize on the emotional connection to their fans, in order to create long-term associations that will ultimately strengthen perceived brand equity.

In the article "*Examining the importance of brand equity in professional sports*" by Gladden and Milne (1999), they developed a conceptual framework that primarily defines three prior categories, each containing variables that may have an impact on perceived brand equity. These three categories are respectively; Product related, Organizational and Market related. The categories then point to the perceived brand equity, consisting of four variables, which corresponds to the aforementioned four categories in Aaker's brand equity model, which can then follow several different positive side effects as results of a given club's brand equity (Gladden & Milne, 1999). This cover, among other things, increased media coverage. The model can be seen in Figure 3 below:
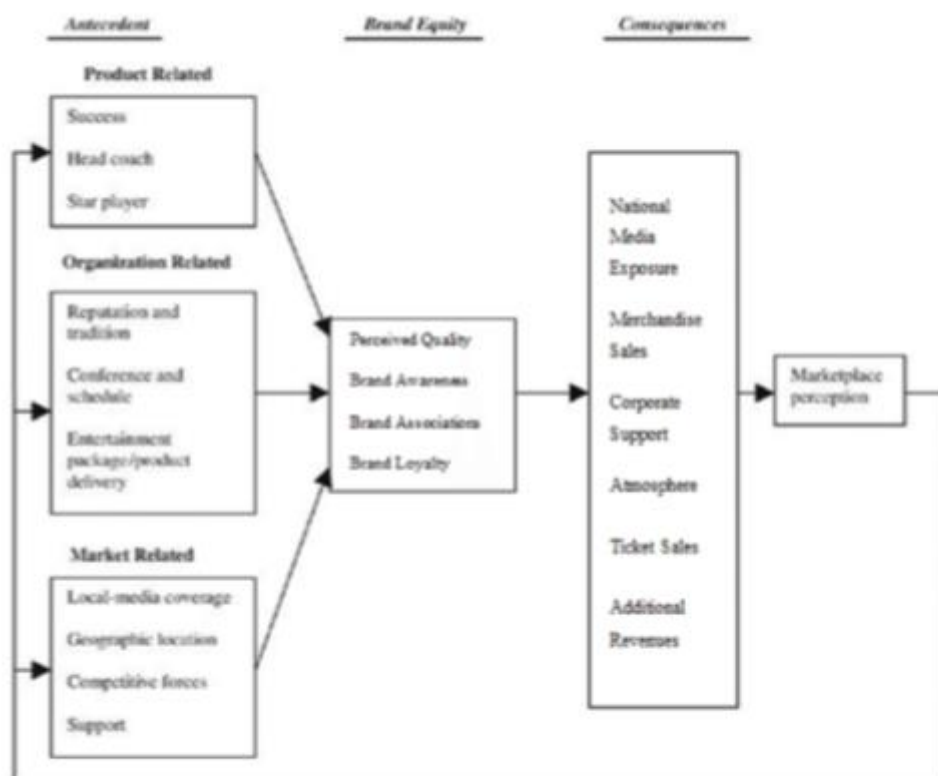
Figur 3 – Framework for Assessing Brand Equity in Professional Sport (Gladden & Milne, 1999).

The article is in line with previously mentioned theories (e.g., Aaker, 1991; Keller, 2013), which explains that brand equity is formed by numerous areas, which are therefore important for organizations across disciplines, as brands with a high degree of brand equity, manages to attract and retain customers better (Aaker, 1991). Gladden and Milne (1999) explain that professional sports organizations are no exception to this phenomenon, as the attraction and retention of consuming spectators and fans is critical in terms of the financial and subsequent performance of the clubs. Consequences portrayed in the last part of the model play a crucial role in increasing the value of clubs, both on and off the pitch. If a sports organization manages to create a high degree of brand equity, the accompanying consequences can be lucrative in relation to profit maximization and "victory maximization" (Pifer & Zhang, 2015). Although many eSports branches are still very unstructured compared to most traditional sports, these variables are identically considered to be critical.

Gladden and Milne (1999) analyzed the positive relationship between brand equity and the achievement of merchandise sales in the NHL and MBL (National Hockey League and Major

Baseball League), which showed that brand equity was more important than short-term success. An interesting finding, however, testified that short-term success proved to be the primary sales force in the NBA (National Basketball Association).

In general, the short-term financial success of a club seems to depend on both athletic success and respective brand equity, as both have been shown to influence areas such as merchandise revenue and crowd numbers (Bauer et al., 2005).

Pifer and Zhang (2015) provide a clear example of this, according to the Leeds United English football club. Although the past few years have been characterized by relegations to lower divisions, untrustworthy management decisions and financial difficulties, Leeds United is still considered one of the biggest brands in English football and has merchandise sales and average attendance better than many Premier League clubs. Something may indicate that there is a special type of loyalty in the sports industry. Although Leeds United no longer perform at the highest level they did in the past, they have managed to hold on to a large base of fans who watch their matches and support the club. This type of fans, or customers, is extremely valuable to the clubs. Although there are many other clubs that perform at a higher level, few fans change clubs. This is a true loyalty.

In sports, there are also individuals who can make significant differences. These individuals are referred to as "star players" and have abilities that can increase team performance, audience numbers, television viewership and merchandise sales (Pifer & Zhang, 2015). Star players can be key in generating benefits that differentiate one team's brand from another. This creates an opportunity for the team to position its brand in relation to the others.

By positioning is meant to create an offer that is clear and distinctive in relation to competing offers in customer awareness (Kotler, Amstrong, Wong, & Saunders, 2008). Due to the discussed service characteristics of sport, Blankson and Kalafatis (1999) argue that for service brands, establishing a clear and differentiated identity is essential to position the brand in the market and be able to promote the value of the brand to customers. This may also be important for ordinary products, but because of the intangible nature of the product in the sports industry, where the customer does not get much more than an experience, it is crucial to create a clear identity (Blankson & Kalafatis, 1999).

To meet these challenges, Richelieu (2003) proposes that teams divide positioning into two dimensions, namely (1) selection of market segments and target market and (2) differentiation of the brand in the market. Through (1) market segmentation, companies can divide a larger population into smaller segments that can be more effectively reached with an offer (products / services) that matches their unique needs (Kotler, 2008). This means the team needs to identify the customers who are considered most susceptible to the Club's Value Proposition developed in Step 1. These potential customers would represent the target audience for future loyal fan development and long-term brand development (Richelieu, 2003).

Secondly, (2) the differentiation of the brand comes on the market, which means that the sports clubs try to differentiate themselves and their brand in a unique way to persuade customers why they should buy or support their club instead of others (Richelieu & Couvelaere, 2005).

It is also crucial for companies/clubs to be able to differentiate from competitors, to get a clear market overview of direct and potential competitors (Kotler, Amstrong, Wong, & Saunders, 2008). It should also be mentioned that sports clubs compete not only with other sports teams, but also with many other consumer entertainment offerings, such as Netflix and other forms of entertainment. In order to compete with other offers, clubs must be innovative and competitive in how the club engages its fans to ensure both engagement, affordability and availability to exceed fan expectations and bring in new as well as keep "old" customers (Couvelaere & Richelieu , 2005). Differentiation and positioning is about the company, or in this case, the team that decides how different customers can be reached and the communication how the club creates value for the customer, which means the teams must communicate the full mix of benefits that differentiate the brand from its competitors. To this end, the association of "Star Players" can help differentiate the club.

An example of this can be found in basketball, in connection with club change for one of the world's biggest sports stars. When LeBron James switched to club Cleveland Cavaliers, they came off a season with just 17 wins. The club had an attendance of 11,497 fans at home games, which is below league average, as well as having a team value of $ 258 million (Pifer & Zhang, 2015). LeBron James quickly reversed the entire organization, nearly doubling the crowd per game to 20,562 fans, leading the Cavaliers to seasons with 60 wins, as well as propelling an overall team

value of $ 476 million (Pifer & Zhang, 2015). When LeBron James announced his departure to the Miami Heat in 2010, Cavaliers value dropped nearly 26%, all while Miami Heats rose 17% (Pifer & Zhang, 2015). These trends also continued when LeBron James switched to the LA Lakers in 2018.

Nevertheless, it should be emphasized that the most successful brands in the world of football are typically the most successful on the field, and athletic success must still be considered as the fundamental driver of long-term financial success (e.g. sponsorships, access to international competitions) (Pifer & Zhang, 2015).

Here we can discuss whether there is a feedback loop, which can be both positive and negative for a sports club. Positive feedback loops are self-reinforcing. When an eSports club performs well at the tournaments they attend to, there is an expectation that this will also generate more fans and thus also more revenue. This positive development can then be used to optimize the sporting sector so that the team continues to perform well, and the circle can start over. This "loop" must be assumed that all eSports teams try to strive for. On the other hand, if it is true that the main driver is the sporting results, the opposite should also apply. A number of poor results will result in less prize money, less attention and thus less revenue. However, as previously discussed, it seems that once a sports team has succeeded and built a fanbase, this one does not disappear immediately. On the other hand, a product where consumers are not so emotionally involved in the buying process would otherwise, the customer would find a new brand only if the quality of their preferred brand was drastically degraded. However, with a product where consumers are not as emotionally involved in the buying process, the customer would find a new brand if the quality of their preferred brand was drastically deteriorated.

Sub conclusion – brand equity

Brand equity is therefore a key concept to gain a better understanding of how companies work with their brand, to strengthen their position in the market. A large part of the value of the company in the eyes of the customers is associated with a strong positioning and incorporation in the market. The stronger the branding, the greater the market value. Brand equity can be defined as a mix of the characteristics of knowledge, quality perception, brand associations and loyalty.

Consumer-based brand equity is therefore considered obvious to use to analyze brand equity and thus answer the problem for this thesis. In the sports industry, there are sometimes other

mechanisms than the traditional physical and service products. Therefore, theory based on the world of sports has been included that can help uncover and analyze these.

Definition of concept

Following is a conceptual definition of the various drivers that are believed to have an impact on the creation and enhancement of brand equity within the eSport industry. By becoming clearer on these elements, it allows to better assess which elements are the driving forces and thus also provides a better basis for arguing how an eSports company can create brand equity.

Brand awareness

Both Aaker (2010), Keller (2013) and Grønholdt and Martensen (2003) cite brand awareness as one of the basic drivers of brand equity. Customer-based brand equity occurs when consumers have a high level of "awareness" and recognition of the brand, as well as having strong, unique and favorable brand associations (Keller, 2013).

Aaker defines three levels of brand awareness (Aaker, 1996). *Brand recognition, brand recall and top-of-mind*. Keller also focuses, in his review of brand awareness, on brand recognition and brand recall as an explanation of what brand awareness consists of (Keller, 2013).

Brand recognition

Recognition reflects the knowledge and linkage created from previous exposure. That as a consumer you remember a brand between several. As a consumer, you may be able to recognize a particular brand, having been previously exposed to them, in another previous situation (Keller, 2013).

Brand Recall

Brand recall or recognition reflects the awareness of a brand when it comes into consideration as soon as the product category is mentioned. An example of this might be when the talk falls on eSport and the consumer immediately thinks about Astralis. Or when a consumer chilling on a Saturday night, recalls eSport as a source of entertainment and chooses to stream eSport, rather than watching a movie from, for example, Netflix.

Top-of-mind

This is rated as the highest level of consciousness and the brand dominates the mind and emerges as the first when possible. Aaker chooses to describe this concept in more depth. Two major subcategories for brand recall are top-of-mind and brand dominance. Top-of-mind, as described, is the dominant brand, the first thing a consumer comes to mind, in a given situation where a consumer thinks of brands in a product category (Aaker & McLoughin, 2010). For example, Aaker mentions Google. When a consumer has to use a regular search engine, the vast majority of consumers will only think about Google. This is a very advantageous position for a brand to be in.

Brand awareness, which is one of the fundamental elements of a company's brand equity, is crucial to the success of a business in a given market. It represents a driving factor for a brand to be involved in consumers' purchasing decision journey, as most consumers prefer to consume products from a company or brand that they know or have at least heard of (Moisescu, 2009).

Brand awareness also has a major influence on the consumer's risk assessment in connection with a purchase. By purchasing a product from a well-known company, the consumer feels more confident about the quality of their product or service (Moisescu, 2009).

Brand awareness is widely recognized for its impact on brand equity. The eSports industry and the sports industry typically work with high levels of involvement. The team, that the consumer support, is part of this person's everyday life. For these dedicated supporters, a high level of exposure may not be the right way to go, as they are expected to keep up to date with the team they support next, and even look for opportunities to interact with the team. The most important thing here is that the possibility of obtaining this information is present. For this group of fans, their favorite eSports team may be top-of-mind and therefore the first and only thing they think of in any given purchase situation.

Among those consumers who do not yet consider themselves eSport fans, the creation of higher brand awareness is expected to have greater impact. This type of consumer does not recall eSport at the moment of purchase, which may be Saturday night in front of the television. Therefore, with an effective strategy to increase eSport's brand awareness, there may be an opportunity to create more fans who might better recall eSport, and possibly have eSport as the top of mind.

Brand loyalty

Basically, it is estimated that there is a high level of loyalty among the teams' fans in the sports industry. This is therefore also expected to apply in the eSports industry. Many brands that offer regular brands may be very interested in having such a loyal fan base, and this seems to be the case among sports teams (Wilkens, 2017).

Aaker (1991) defines brand loyalty as:

> *"A measure of the attachment that a customer has to a brand. It reflects how likely a customer will be to switch to another brand, especially when that brand makes a change, either in price or in product features."*

A company's competitors may try to copy a product, and may in fact improve a brand's product. But they still face a major challenge by getting customers to change brands. Brand loyalty or resistance to change may be based on simple habits (there is no motivation to switch from the well-known brand), preference (people really like this brand, perhaps based on user experience over a long period of consumption), or administration costs. Administration costs can be a company that uses a specific type of software. If this company wants to change the IT system throughout the company, it will require a great investment to buy the product, but also to train the employees in the new system, in addition to the cost the company has already incurred in training the employees in the old system. For consumers in the eSports environment, it is conceivable that consumers have an emotional bond with a team or organization that may be difficult for competitors to break.

Loyalty in this context is a direct measure of how willing customers are to stick to a particular brand. Loyal customers prevent the entry of potential competitors and reduce the risk of substitute products. On top of that, loyalty runs over time. This means that it is possible to respond to market innovations and create a defense against price fighters trying to push the price down. Therefore, Aaker defines brand loyalty as a core dimension of brand equity theory (Aaker, 1996). This is an element that can be difficult to test precisely in the dissertation. There is no direct monetary transaction by watching eSport on TV or on the Internet, other than an Internet subscription or, for example, a cable TV subscription. The importance of loyalty is also recognized

and correlated to brand equity by Kapferer (2008). Strong brands can only be strong if they have a solid supply of loyal customers. Where the value of the financial brand value is a function of brand equity, loyalty reduces the risk of expected future returns. Loyal customers spend more and their spending can easily increase over time. Compared to new potential customers, retaining a loyal customer is five times cheaper than creating a new one (Kapferer, 2008). The cost per conversion is therefore far cheaper with loyal customers.

Loyalty is often measured as repeatedly purchases. Keller argues that repeatedly purchases do not necessarily take into account high customer loyalty or customer satisfaction. Customers can buy multiple times and feel very satisfied, without demonstrating inherent loyalty to the product, brand or organization. Nevertheless, repeatedly purchases are part of brand loyalty. Loyalty requires deeper attitudes that fully meet customer needs, in addition to having a positive attitude towards the brand (Keller, 2013). Love and Gelbert claim that strong brands consistently win two "moments of truth" and that they will win a special place in customer awareness (Kotler & Pfoertsch, 2006). The first moment of truth arises when the customer chooses the brand in question rather than the competitors. The second "moment of truth" occurs when the customer experiences the brand, and that brand promises, matches the brand experience. Therefore, loyalty is directly linked to the value of trust gained through credibility as a result of the "moments of truth" mentioned. Therefore, trust in a brand can be seen as a simple foundation for loyalty (Kotler & Pfoertsch, 2006). Again, it is stated that loyalty is very much based on whether customers choose a given brand's product over competitors, but this formulation also shows a link to perceived quality. Unless the expectation of quality is met after the purchase, it is difficult to create a loyal customer.

Aaker defines five loyalty segments in his loyalty pyramid that guide companies to develop their strategic and tactical market insights (Aaker, 1991)

Figure 4 – The Brand Loyalty Pyramid (Aaker, 1991)

In his brand loyalty pyramid, Aaker identifies five levels of brand loyalty, from non-loyal to very loyal (the lowest level is depicted at the bottom of the pyramid). He describes the behavior of customers for each level, and points to the challenges that marketers face in their efforts to lift a customer/consumer to a higher level. The greater the number of customers/consumers in the higher parts of the pyramid, the more effective the branding strategy is. The five segments are characterized as follows:

Switchers: These are buyers who are not loyal to the brand in question. This kind of customer/consumer does not look at the brand at all in his/her behavior. This type of consumer has no qualms about changing the brand. Against this segment, it is most advantageous to try to increase the company's brand awareness, in order to move consumers up the pyramid (Aaker, 1991).

Satisfied/habitual buyer: These are consumers who buy a brand from a habitual perspective. They tend to be reasonably satisfied customers who basically see no reason to change their buying behavior and are therefore not looking for alternatives. When such a customer has some trouble buying a specific brand, he/she will relatively easily buy another brand, instead of going to another store to get the brand he/she usually buys (Aaker, 1991).

Satisfied buyer with switching costs: These are satisfied buyers who are reluctant to switch to competing brands due to, among other things, changing costs (Aaker, 1991).

Brand Likers: These buyers may be characterized as true brand enthusiasts. Their brand preference is mostly the result of an experience of emotional benefits, along with more rational benefits, such as price, time and quality. This is further reflected by the fact that Brand Likers are generally unable to state why exactly they have such a strong preference for that brand, which is normal for people with an emotional attachment to a brand (Aaker, 1991).

For these categories, the engaged eSport fans seem to belong to the "Brand Likers" and "Committed buyers" groups. This is primarily due to their emotional attachment to the teams they support. Brand awareness, perceived brand quality, a well-managed brand identity, and behavioral brand loyalty programs, could leverage brand loyalty among these groups (Aaker, 1991). The latter has also been addressed by Kapferer, who argues that behavioral loyalty programs create an emotional connection between the brand and customers (Kapferer, 2008). Keller focuses heavily on the product when describing what the main drivers for brand loyalty are. To achieve brand loyalty, consumers' expectations of the products must, as a minimum, be met and also very much exceeded. After considering how consumers form their opinions about a given product's quality and value, we, as marketers, can explore how we can go beyond the actual product to improve the overall product experience, and add additional value before, during and after use of product (Keller, 2013).

It is thus seen in theory that many brands seek is an emotional connection between brand and customer. This is thought to be present for many sports clubs, and it therefore seems okay to assume that this is true in the eSports industry. If, as an eSports club, you can build a large fanbase through success and effective branding, you are immediately in a very advantageous position.

Brand associations

The associations associated with a company and its brand can be crucial to the company's business activities as they reflect the brand's strategic position. A brand association is something that is directly or indirectly linked in the consumers memory to a brand (Aaker & McLoughlin, 2010). In order to create a positive brand image, the marketing strategy must link strong, favorable and unique associations to the brand in the consumer's memory (Keller, 2013).

Associations appear most strongly when they are based on a more extensive amount of experiences, as well as exposure from the brand through their communication. (Aaker, 1991).

Brand associations or brand image are arguably the most important element of brand equity, according to Aaker (1992). There are different types of associations. One way to distinguish between the different types of associations is by their level of abstraction (Alba & Hutchinson 1987). It is about, how much information is summarized or subsumed in the association. Alongside this dimension, brand association can be classified into three main categories of growing scope: attributes, benefits, and attitudes (Keller, 1993).

According to Aaker (1992), brand associations include product attributes, customer benefits, users, lifestyles, product classes, competitors and countries. Brand associations can help customers process or gather information, be the basis of differentiation, provide a reason to buy and create positive emotions.

Consumers shape their attitudes about brand attributes and benefits in different ways (Keller, 2013). However, the definition of customer-based brand equity does not take into account the source of the brand associations and how these are created. The only thing that matters is the strength and how favorable and unique they are (Keller, 2013). This means that as a consumer you can shape your brand associations in many different ways than through the brand's own marketing strategies. This can be done through direct consumption of products and services, browsing the internet, reading unbiased reviews of the product, etc. Marketers should pay close attention to these sources of information relating to their brand so that they can best control or cater to this flow of information about their brand.

It will now be looked more closely at the three overall types of brand associations presented by Keller (1993). Attributes, benefits and brand attitude.

Attributes

Attributes are the descriptive features that characterize a product or service (Keller, 1993). What a consumer believes the product or service is or has and what is involved in a purchase or consumption. Attributes can be categorized in different ways (Keller, 1993). Here, attributes are separated according to how directly they relate to a product or service. Product-related attributes are defined as the ingredients needed to perform the product or service sought by consumers.

Therefore, they relate to a product's physical composition or service requirements. Product-related attributes vary by product or service category. Non-product-related attributes are defined as external aspects of the product or service that relate to purchases or consumption. For teams in the eSports industry, the brand attributes most often are associated with, are elements such as success, star players and coaches. These elements are what primarily help to characterize the product in eSport.

Benefits

Benefits are the personal value that consumers attach to the product or service attributes. That's what consumers think the product or service can do for them. Benefits can be further distinguished into three categories according to the underlying motives to which they relate to (Whan Park, Jaworski, & MacInnis, 1986): (1) functional benefits, (2) experiential benefits, and (3) symbolic benefits. Functional benefits are the actual benefits of the product or service and usually correspond to the product-related attributes. These benefits are often associated with fairly basic motivations, such as physiological and safety needs (Maslow, 1970), and involve a desire for the removal or removal of problems (Keller, 1993). Experiential benefits relate to how it feels to use the product or service and usually also correspond to the product-related attributes. These benefits meet experiential needs such as sensory enjoyment, variation, and cognitive stimulation. Symbolic benefits are the more extrinsic (emotional) benefits of product or service consumption. They usually correspond to non-product-related attributes and relate to underlying social approval needs, or personal expressions and external self-esteem. Therefore, consumers may value the prestige, exclusivity or maturity of a brand, because of how it relates to their self-concept (Solomon, 1983). Symbolic benefits should be particularly relevant to socially visible "brand" products. Sports fans generally feel a great emotional attachment to the club they support. Often, sports fans will say they can identify themselves with the club they support.

Brand Attitude

Brand attitudes are defined as consumers' overall ratings of a brand (Keller, 1993). Brand attitudes are important because they often form the basis of consumer behavior (eg brand choice). Although different models of brand attitudes have been proposed, a widely accepted approach is based on a multifunctional formulation, where brand status is a function of the associated attributes and benefits that are important to the brand. Brand attitudes can be related to beliefs

about product-related attributes and the functional and experiential benefits, consistent with work on perceived quality (Keller, 1993). Brand attitudes can also be related to attitudes of non-product-related attributes and symbolic benefits. Due to the emotional connection of a sports fan, it is also conceivable that they have very strong attitudes about their club. In addition, they often have a great deal of knowledge about everything in and around the club as they follow them intensively.

In addition, Keller (1993) emphasizes the importance of investigating more closely how strong, favorable and unique these brand associations are. These associations include perceptions of brand quality and attitudes about the brand. Similarly, Aaker (1991; 1996) suggests that brand associations are "anything linked in memory to a brand". Keller and Aaker both present that consumers' perceptions of brands are multi-dimensional, but many of the dimensions they identify appear to be very similar. Furthermore, Aaker and Keller's conceptualization of consumers' psychological representation of brands has not been subject to empirical validation (Low & Lamb, 2000). Therefore, it is difficult to determine whether the various constructs they are discussing, such as brand attitudes and perceived quality, are distinct dimensions of brand associations (multi-dimensional) that they propose or if they are merely indicators of brand associations (a-dimensional) (Low & Lamb, 2000).

Perceived quality
The last item to be examined is Perceived Quality. Perceived quality is the customer's perception of the overall quality or superiority of a product or service compared to alternatives that meet the same needs (Keller, 2013). Achieving a satisfactory level of perceived quality has become more difficult, as continuous product improvements over the years have led to increased consumer expectations. Consumers are constantly becoming more demanding and continuously expect better products. According to Aaker, perceived quality is also a significant factor for brand equity (Aaker, 1996). If consumers have high thoughts about the quality of the product, all this will also speak in the direction of a relatively better brand equity. Perceived quality is a subjective concept that varies according to which consumers are surveyed. One group of people may have higher higher perception of the quality of Coca Cola as opposed to Pepsi, where with another group this is the other way around. Much research is needed to understand how consumers form their opinions on quality. The different attributes and attributes that determine perceived quality can

vary greatly from category to category. However, there is some consensus that the following attributes may be crucial: Primary, supplementary, product safety, durability, usability and style and design (Keller, 2013).

An element that the clubs can actively change themselves to increase the expected quality is to bring star players into the team. Picking up a star player for the team can increase the interest of fans and draw attention to the club and the brand (Richelieu, 2003). This can also be done by picking up local players, whom fans will recognize and feel a stronger connection to, to draw support and build loyalty around the team (Underwood, et al. 2001).

Consumers 'perceptions of these product characteristics are often the most important factors defining quality and thus also consumers' attitudes and behavior when it comes to the different brands. The product quality itself depends not only on the purely functional product performance, but a broader consideration, which may include how quickly and accurately the product is delivered, as well as installed. There is also an element of customer service if there is a problem with a product, and it needs to be repaired.

Consumer attitudes towards a specific brand may be influenced by more abstract product image (Keller, 2013). This may include symbols and the personality that the brand reflects. For sports teams, this is seen through logos and mascots. These reinforced elements have a major impact on brand equity as they add value to the brand beyond just the functional (Keller, 2013). In particular, this point is intended to be significant for the eSports industry. Roughly speaking, if it was only the quality of the game on the pitch that influenced which team different people would stick with, everyone would stick with the same team.

With perceived quality in eSport, it is therefore thought that the voltage level plays a role. If all the matches are too predictable and without the big surprises or spectacular situations, it would be imagined that the level of entertainment would fall, and viewership numbers would be the same. As a sports fan you will also find that the team you support will lose matches, but you may still feel entertained in these matches if the level of tension is high enough or you are emotionally engaged that many sports fans can recognize. Although the team you support loses some matches, this type of fans and consumer will not necessarily get a worse perception of the quality, even if the

competitor was actually better. The level of entertainment could therefore be imagined to be an important aspect of the perceived quality of eSport.

Thus, it is clear that there are many factors that play a role in defining the overall product quality. In addition to being able to say something about brand equity, perceived quality also has a major impact on financial performance (Aaker & McLoughlin, 2010).

Sub conclusion - definition of concept

Part conclusion - concept definition All of these elements help shape brand identities in the industry. Keller (2001) states that the creation of a strong brand identity is closely linked to brand awareness. It has been mentioned before that brand awareness is, among other things, the customer's ability to recall and recognize the brand. However, Keller (2001) also emphasizes that a strong brand identity will increase customer awareness in the sense that customers relate to certain values that the brand represents, and therefore it is imperative for managers to consciously and carefully work to create a meaningful identity.

According to Richelieu (2003), sports brand identity consists of two key elements: the team's attributes and the value that the team represents to its fans. What the attributes of the team refer to are the core values of the team, meaning what the team is associated with and recognized for (Richelieu & Couvelaere, 2005).

The purpose of sports organizations is to identify key elements that they want the team to represent. This may include, among other things, ambition, solidarity, fighting spirit, etc. The history of the team and its presence in the community is often used as assets to trigger an emotional response, and a sense of belonging to its fans (Kapferer, 2001).

The communication of identity is crucial to gaining new customers as it is the only evidence of what the company or in this case the sports organization stands for, thereby having to appeal to the customers to get their attention (Berry, 2000). Finally, sports organizations must carefully evaluate how the brand's identity is communicated. Once a clear identity is formulated, this should be conveyed with consistency.

Method of measurement of brand equity

Now that the basic concepts are in place, the focus is shifting to how to work more closely with and measure brand equity within the eSports industry. The basis is based on 2 tested methods and models, by Aaker (1996) and Martensen and Grønholdt (2003). The purpose of involving 2 theories is to get a more nuanced picture of how brand equity is built. As none of these models relate to the measurement of a market such as eSport, the inclusion of two theories provides a broader understanding and starting point that a later analysis can benefit from. In this way, better conditions are created for ultimately developing a conceptual model to be used to answer the research question. By including two models, the conceptual model can also be better adapted to the characteristics of the eSports industry. The following models will therefore not be copied directly to a practical operationalization in the dissertation, but will instead carry theoretical approaches and points, to the conceptual model.

The Brand Equity Ten

In continuation of Aakers Brand Equity Framework (1991), he has further developed a number of general measurement tools, across different product categories, referred to as the Brand Equity Ten (Aaker, 1996). The purpose of these measurement tools is to supplement financial measures, which often only act in the short term, with the measurement of fire assets that can illuminate long-term effects and justify investments in fire-reinforcing activities. In addition, the approach is designed to incorporate a customer-oriented perspective into the measurement process of brand equity.

Aaker (1996) further explains that before the model can measure brand equity effectively, four criteria must be set. First and foremost, the variables used in the model must be valid, which means that they examine the actual topic in focus - in this case brand equity. Here, in particular, it is noted the importance of the variables reflecting the value of the brand, with a view to longer-term competitive advantages. In addition, the primary drivers of the market must be reflected in these variables. In addition, the variables must be subject to some change sensitivity so that modifications in the brand equity of the company in question can be directly identified through the variables. Furthermore, variables must not be company-specific, which means that they must be able to be used independently of the market, brand and product category.

The ten variables identified by Aaker are grouped into five respective categories. These can be seen in the figure below:

Loyalty Measures	Price premium
	Satisfaction/Loyalty
Perceived Quality/Leadership Measures	Perceived quality
	Leadership
Association/Differentiation Measures	Perceived value
	Brand personality
	Organizational associations
Awareness Measures	Brand awareness
Market Behavior Measures	Market share
	Price and distribution coverage

Figure 5 – inspirered by The Brand Equity Ten (Aaker, 1996) – egen tilvirkning

Aaker explains that the ten variables in the model do not necessarily represent the optimal set-up in all respects and should therefore be viewed as a starting point instead. Therefore, in many cases it will be convenient to supplement and/or remove individual variables from the model to meet the given situation (Aaker, 1996).

This is also something that is expected to apply during the preparation of the dissertation's conceptual model. For example, variables regarding price are not considered to be particularly relevant to the project and will therefore probably not be included as measurement variables. The theory chosen in this review highlights that price is a significant factor for brand equity. Price can, among other things, assess whether customers are loyal or attribute an added value to the brand. If a consumer is willing to pay more for a brand product compared to a similar product that immediately meets the same need, then everything else must have a higher brand equity in that consumer's eyes. For eSport it has been found more difficult to use this variable than with the physical products. The consumer does not pay for the product in the same way as for a classic physical product.

As illustrated in the above table, the ten variables in Aaker's model are divided into five different categories. The first four categories represent customers' perceptions of the respective brand, following the four dimensions of brand equity (loyalty, perceived quality, associations and awareness). The fifth category contains two different measures of market behavior, which

represent information acquired on the basis of market-specific information, rather than being obtained directly from customers (Aaker, 1996).

If you start from the model's first category, *Loyalty Measures*, there is *price premium* and *satisfaction/loyalty*. *Price premium* can be explained as a relatively elementary indicator of customer loyalty measurement. The variable is defined as the consumer's willingness to buy a given brand, compared to the willingness to buy a similar brand, with identical product characteristics. This willingness inevitably depends on which brand is being compared to, and the *price premium* value may therefore in some cases be negative if the consumer is weighting the comparative brand of higher value than the focal. Therefore, when *price premium* is determined, it is necessary to make a specific definition of the brands that are compared. Aaker argues that the comparison with several different brands within the same category will provide the most accurate picture, as the measured brand equity for a single brand can rapidly deviate, thus deriving a flawed insight (Aaker, 1996).

Under *Loyalty Measures*, the variable *satisfaction* is also available. This is one of the most common measurement features of loyalty, as satisfaction is usually highly correlated with whether a customer intends to repurchase or not (Aaker, 1996). However, this variable is limited to being used exclusively on existing customers, and therefore does not measure the degree of brand equity beyond the current customer base. Although eSport is not as tangible, the same case holds true. Similarly, it is not possible to assess whether a consumer intends to repurchase or not. Therefore, the questions are more formulated as to whether a consumer sees themselves as an eSports fan. Here, there will also only be people who are already actively participating in the eSports world being measured and who therefore can be explained.

In the *Perceived Quality* category, the variable is supplemented by *leadership*. Aaker explains leadership in this regard as being divided into three respective dimensions. First and foremost, the part of what is called "No. 1 syndrome ". No. 1 syndrome refers to a situation where a consumer does not have a pre-existing relationship with a brand, but that the brand is, for example, a sales leader in the market. Here, the sales leadership will automatically bring credit to the brand, in connection with consumer perception, and thus can be traced back to the company's brand equity. As eSport in the Danish market is at a relatively early stage, this case is considered to be

highly applicable. It is estimated that there is a part of the Danish market that does not currently have a relationship with a brand / team within the world of eSports. Although there is no specific inventory, Astralis is assumed to be, for example, able to act as market leader in eSport in the Danish market, thereby automatically gaining credit in consumers' perception of brand equity.

The second dimension considers the brand in relation to its degree of innovation in relation to a product category, and thus whether the brand is ahead of the market technologically. The last dimension deals with the dynamics of customer acceptance, which reflects the recognition that people would like to join the "wagon" and have difficulty going against the flow, and therefore end up having a positive attitude towards the brand in question. This is also something that could potentially apply in the eSport market. If the development in eSport is seen in recent years, it has become far more prevalent than before, an area that flourishes in the general news picture in Denmark. Therefore, this can cause more people to follow the flow and therefore maintain a positive attitude to either an area of eSport, or to the entire market in general.

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Under *Association/Differentiation Measures* there are three variables that have to do with the brand's ability. *Value* has a great deal to do with the brand's *value proposition*, which typically involves functional benefits. The functional benefits come less into play in the eSports market, and will probably take the form of entertainment, for example. No matter what form it takes, it claims that if the brand fails to generate value, it will have no consumer interest and be extremely vulnerable to competitors.

Brand personality is based on a "brand-as-person" perspective. Some brands manage to have a brand personality that links to the brand's emotional and self-evident benefits. In addition, it can form the basis of a customer/brand relationship and differentiation.

The last variable in this category is *organizational associations*, which considers the organization (people, values, activities), what is behind the brand. This can be particularly useful if the competing brands are identical in connection to attributes or if a "corporate brand" is involved (Aaker, 1996).

This is considered to be of great importance in the field of the dissertation. The organizations publicly image in the eSports market is supposed to be created, among other things, by the players, their personality, their skills and their abilities. This has been true in many respects in traditional sports, as mentioned earlier from the theory of brand equity in sports (Gladden & Milne, 1999).

The *brand associations* category has to do with brand awareness, which is in line with the previously explained definition in the *brand awareness* section.

With the last category, *Market Behavior Measures*, Aaker argues that one can measure market behavior in addition to the first four traditional brand equity dimensions. He believes that if all the aforementioned customer-related variables are to be investigated and measured, then the process will be extremely comprehensive. On the other hand, if you look at variables within Market Behavior *Measures*, these are considered more accessible, as market data can most often be obtained via external sources. The behavior in the market can also portray a valid picture of how the given brand is positioned in the market, in relation to consumer perception. Aaker believes that if a brand has a relative advantage in consumer perception, then the brand will have a greater chance of gaining market share rather than a decline (Aaker, 1996). However, it is considered that the use of market shares as an indicator of the degree of brand equity must be carried out with caution. Market shares may appear relatively ethereal, and may vary rapidly based on changing prices, business acquisitions, etc. (Aaker, 1996).

As previously mentioned, eSport in Denmark is currently located in a place where all external data is relatively limited. Therefore, the market data will probably not be included as the main variable in the final conceptual model. However, the points are still interesting, and it is conceivable that a

team like Astralis currently has a relative advantage in consumers' perception of eSport, given their large media exposure and past success.

Customer-based Brand Equity model

Martensen and Grønholdt (2003) have also developed a model for measuring brand equity from a customer perspective. The model's design is based on pre-existing research from, in particular, Franzen, Keller and Aaker. Martensen and Grønholdt (2003) explain the model as a causal model that holds customer-brand relationships (defined as behavioral and attitudinal brand loyalty) along with rational and emotional brand associations and evaluations. This is done as it is believed to be directly linked to product quality, service quality, price, brand *promise*, brand differentiation, brand trust and credibility (Martensen & Grønholdt, 2003). The model, like the two above theories, has a customer-oriented approach to brand equity, and it is therefore their view that is central.
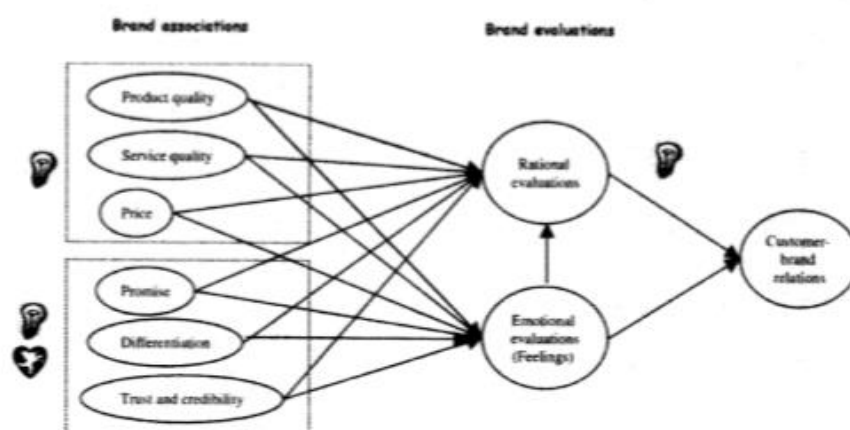
Figur 7 – The Customer-Based Brand Equity Model (Martensen & Grønholdt, 2003).

As previously mentioned, the model is constructed based on previous studies and theories and the basis is in extension of this, based on Keller's Brand Resonance Pyramid (Keller, 2013).

The idea is that the consumer's response to a given brand is subjected to a mental review of Keller's four-stage model. That is, the consumer first and foremost becomes aware of the brand and its functions. The consumer then forms some associations about the brand, which are most often the result of the given company's image, which is caused by, among other things, marketing activities. When the consumer has subsequently tried or been in possession of the brand's product/service, evaluations are made based on the experience gained. As mentioned, these may

appear rational, emotional, or a combination of the two. Finally, the process ends in a *customer-brand relation*. These relationships are, as I said, built on brand loyalty, and are argued to be defined by both behavioral and attitude loyalty (Martensen & Grønholdt, 2003).

In eSport, this mental review can start with a consumer becoming familiar with the phenomenon, for example through Word-of-Mouth. After this, the consumer forms some thoughts about eSport, and probably associates it with pre-existing notions of similar areas. This new knowledge can also cause the person to end up watching an eSports match on the television, which is then evaluated. The consumer's attitude to the eSports market will then be largely reflected in the evaluation made. If the person thinks about it, there is a basis for building a relationship that takes shape in the two different brand loyalty branches.

In the previously mentioned measurement methods by Keller and Aaker, a great deal is assessed on how the individual variables affect the overall brand equity. In the model developed by Martensen and Grønholdt, it is possible to measure correlations among the individual variables, which allows an identification of their internal influences (Martensen & Grønholdt, 2003).

If you look at the model's brand associations, there are six different variables. Product quality, service quality and price as rational associations, whereas promise, differentiation, trust and credibility all three are both rational and emotional associations.

The arrows of the model that emerge from the respective variables constitute their hypothetical correlations, all of which are supported by theoretical and empirical studies (Martensen & Grønholdt, 2003). In addition, the model itself is formulated as a structural model, with nine latent variables. Latent variables mean that they cannot be measured directly but are made up of several measurement variables. These measurement variables are often observed from customer questionnaire data (Martensen & Grønholdt, 2003).

If this is seen in relation to the eSports market, a latent variable may, for example, be perceived quality. There is not assumed to be a single variable that can measure this directly, but that the overall perceived quality is assessed on the basis of a number of measurement variables such as *Star Player*, *Entertainment* etc.

Brand extension

It can be argued that one of the most valuable assets of a company is their brand name, which also provides the opportunity to increase brand equity. A lot of risks are often included when entering a new market. There are many factors that influence whether you succeed, as a new player in a new market. These factors also affect the cost of the new venture. One way to keep costs down is by using an existing brand to market products in another product category. There is less cost to launch, higher sales from day 1, as the name is already known, and in very good cases, a brand extension can increase the value of the existing product. The basic rationale behind brand extensions is the limited risk of failure to introduce new products by leveraging the image and reputation of a successful existing brand. Research shows that brand extensions tend to be more effective than new brand introductions in the sense that they capture greater market share and require less advertising (De Pelsmacker, p. 46). By expanding their brand, companies can leverage the added value that their brand provides, also known as brand equity (Grime, 2002).

Extensions uses a company's most valuable asset, their brand name. This opens up benefits such as instant consumer awareness, minimized costs of launching a new product, an increase in sales of the main brand and reduces the risk of failure of the new product (Tauber, 1981). Tauber (1981, s. 38) elucidates necessary conditions for a successful expansion: "The parent brand must influence the new category". This means that the consumer must believe that the extension is consistent with the parent brand. Furthermore, Tauber (1981, p. 40) describes three criteria for appropriate brand extension: Perceptual fit, competitive leverage, and transfer of benefits. Perceptual fit is based on whether the consumer perceives the brand extension as being in line with the parent brand. Competitive leverage involves the parent brand providing leverage in the new product category that their competitors do not possess. Transfer of benefits meaning that the extension brand should offer the same benefits that the parent brand offers (Tauber, 1981).

Just because you are a well-known brand does not mean that you automatically experience success with a brand extension, since many factors are crucial. In his 1988 study, Tauber highlights the most important criteria for successful brand extension being fit and leverage. Fit means that the customer sees the new product as a logical move from the company and had an expectation that it would happen. Leverage is when the consumer believes that the new brand is better than competing products in the category, based on the perception they have of the parent brand.

Tauber (1988) defines seven types of leverage that are a must for companies to consider when thinking about brand extension as these will be a helping hand in ensuring that the company uses their strengths and will make them able to capitalize their attributes in the minds of consumers. The seven different types of leverage are (Tauber, 1988, s. 29-30):

1. ***Same products in different form***. A simple way to utilize a product is to change how it is offered.

2. ***Products that contain the brand's distinctive taste, ingredient or component***. To take a component of the current product and make it part of a new product in another category

3. ***Companion products for the brand***. Brands that produce products that are usually used with compliments could begin to produce an accompanying product for their brand.

4. ***Products relevant to the customer franchise of the brand***. Introducing a new product to the existing customer-based, that is believed to be a consumer need.

5. ***Products that capitalize on the firm's perceived expertise***. An effective way to offer extensions in a current category where consumers associate the brand with special experience or knowledge.

6. ***Products that reflect the brand's distinctive benefit, attribute or feature***. If a brand is associated with distinctive product features such as quality, design sensibility, personality etc.

7. ***Products that capitalize on the distinctive image or prestige of the brand***. Some brands offer status for their users, and a new product could project their image to consumers, such as Porsche sunglasses.

In a later study of consumer evaluations of brand extensions, Aaker and Keller (1990, p. 27) highlight two methods of extension: Line extension and brand extension. They describe line extension as the use of an established product brand name for a new item in the same product category (Aaker & Keller, 1990). Line extensions occur when a company introduces additional items in the same product category under the same brand name such as new flavors, forms, colors, added ingredients, package sizes. Line extension offers variation to the product category and can enlarge the target audience. In addition, they describe brand extension as the use of an established brand name for a new product or product category. (Aaker & Keller, 1990). Entering a new market with a brand known from a different category is extremely complicated and there is

usually a greater risk of entering a brand in a new category than introducing a new variant into an existing category. This definition of brand extension is the focus of this thesis.

Brand extension is considered to be part of modern marketing strategy and can be useful for companies with a strong brand image, to launch new markets.

The use of a strong brand can significantly reduce the risk when entering new markets, due to the consumers will have strong perceived quality of the brand (Aaker & Keller, 1990). When you already have a strong position in the market you normally operate in, the communication tasks of the company will be reduced due to the already existing network. When you as a company do a brand extension, you develop brand recognition and associations amongst a new target group. This helps to strengthen the core brand and its image (Aaker, 1990).

A successful brand extension depends on whether the consumer has positive beliefs and favorable attitudes towards the parent brand. It is also important that negative associations are not formed in connection with brand extension (Aaker & Keller, 1990, p. 28).

These constructs consisted of brand attribute associations, perceived quality of the brand, the fit between the two products, and the difficulty of making the brand extension (Aaker & Keller, 1990).

Brand attribute associations are created in the mind of the individual consumer and these associations can potentially be passed on to brand extension. This will clearly be an advantage for most companies. But it depends on whether the individual consumer sees it as appropriate to form new associations with a new brand and the strength of the associations they have for the core brand (Aaker & Keller, 1990).

Thus, strong associations can help with the communication and positioning of a brand. However, focusing on the specification of product attributes can be a challenge as there will often be other competitors with different attributes and this can confuse the individual consumer. Therefore, it is relevant to focus on the perception of quality associated with a given brand. This can be an important factor in achieving success from a brand extension (Aaker, 1990).

Attitude towards a parent brand depends on the perceived attributes of the brand such as performance, features, etc. If a consumer associates the parent brand with high quality, this will clearly benefit the brand extension (Aaker & Keller, 1990).

The fit between the superior brand and brand extension is a key component of brand extension. One way to predict the success of brand extension may be that if a consumer perceives the new brand to be in line with the parent brand (Tauber, 1988). If there is a logical fit between the new brand and the existing brand, this can be considered a superior factor compared to competitors. This is the result of a successful transfer of perceived quality from parent brand to brand extension (Tauber, 1988). If this brand extension is not in line with the parent brand, then the brand extension may be considered indifferent and uninteresting (Aaker & Keller, 1990).

Aaker & Keller (1990, p. 30) propose three dimensions of fit. Two for the demand side and one for the supply side. The first fit measure is complementing, indicating the extent to which consumers consider two product classes as complement. The second fit measure is substitute, it is whether consumers consider two product classes as substitutes meaning that if a product can replace the use of another product and satisfy the same needs. The last and third fit measure is transfer and suitable for the supply-side. Transfer is about whether consumers see relations in product manufacturing and thus how they perceive a company's ability to manufacture a product in a new product class (Aaker & Keller, 1990). If a consumer does not believe that there is a fit between the parent brand and the extension, it may mean that the perceived quality of the parent brand is not transferred to the extension. This can result in negative associations and attitudes towards the brand extension.

Perceived difficulty in making the extension can influence the consumer valuation of the brand extension. If a consumer experiences that there is a quality difference between the brand extension and the parent brand, incongruity can occur. An incongruity can provoke a rejection of the extension, in that matter, that the consumer considers the quality of the two products to be inconsistent (Aaker & Keller, 1990). Incongruity occurs if a consumer feels that a strong brand that they have knowledge about chooses to go into a negligible product category, which can then lead to higher prices than the product is worth. In this way, the consumer will feel that the strong brand is pulling itself down (Aaker & Keller, 1993).

In their study, Aaker and Keller's (1990) made some observations of how consumers evaluate brand extensions. In one of the observations, they conclude that what may be a positive attribute for the parent brand may not necessarily favor the brand extension. Another observation was that when there is a fit between parent brand and brand extension, then the positive perception of the quality of parent brand can be transmitted to brand extension. It was also observed that the parameters: Transfer and complement were the most important parameters of Aaker and Keller's (1990, p. 30) three dimensions of fit between the parent brand and the extension. This means that companies should try pursuing a complement fit or a transfer fit. Lastly, consumers will tend to evaluate the brand extension positively og be more likely to accept the brand extension, if they perceive the brand extension as being not easy to make (Aaker & Keller, 1990).

The similarity that arises between a parent brand and an intended extension can be based on several dimensions. It could be the previously mentioned three dimensions of fit, by Aaker and Keller's (1990), consisting of: Complements, transfer and substitutes. The information that a consumer has obtained about the parent brand will most likely be relevant in relation to the brand extension. This means that the more common attributes they possess, the more likely consumers are to assume that the quality of the brand extension is on an equal footing with the parent brand, which will lead to an equal favorable evaluation of the two brands (Keller & Aaker, 1992).

Aaker and Keller further specify the functions of extension evaluation in their 1993 study as: "*the interaction of perceived quality of the core brand and the perceived fit of the core brand with the proposed extension, as well as perceptions of the difficulty of making the extension product".* This is based on the results of their previous studies and further evidence of how important "fit" is as a key criterion for a successful brand extension (Aaker & Keller, 1993).

In the figure below, Sandor Czellar (2003, p. 99) illustrates very well how brand extension formation will lead to consumer behavior in the market:

Figure 6. Basic model of the extension evaluation process. (S. Czellar, 2003, P. 99)
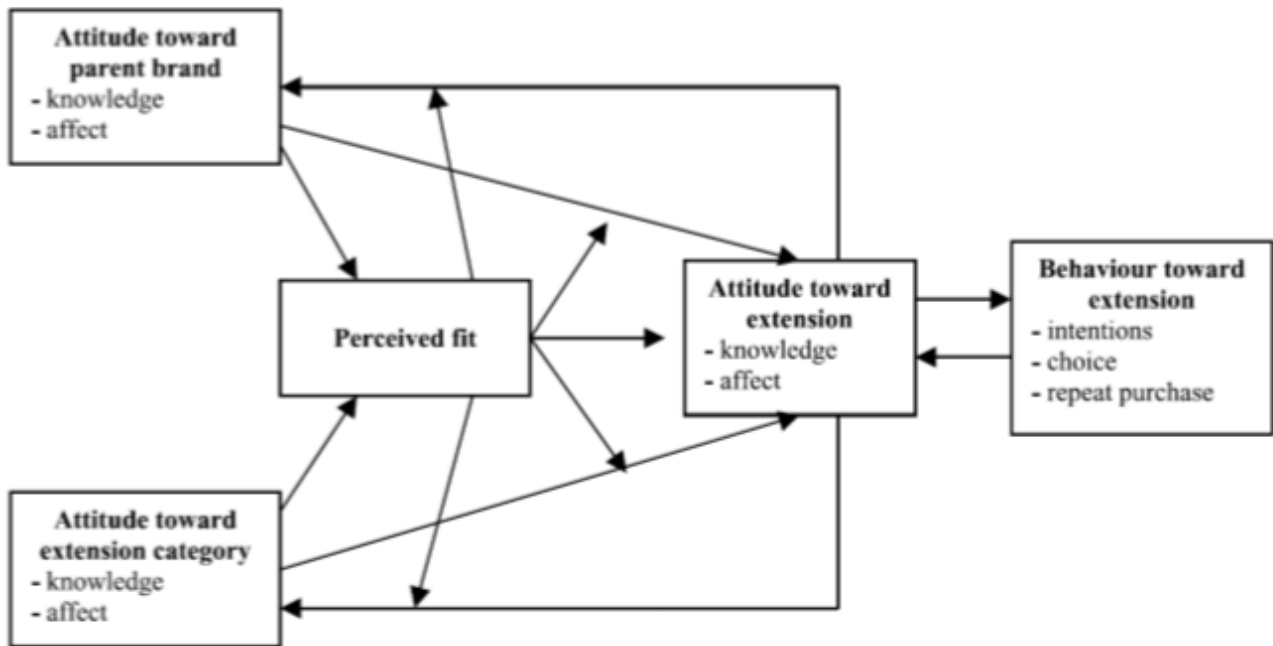
Brand extensions in sport

The above presented theory of brand extension is mainly based on extensions of products and services operating in traditional markets. Lately, there has been a major focus on how sports clubs can benefit from the brand's strength in extending their brand in hopes of increasing revenue. Brand extension allows sports clubs to step into new categories, which can reinforce the emotional connection between the fans and the team. This also gives the fans a new alternative to show their loyalty to the team. In this way, sports clubs can provide their fans with new leisure or entertainment opportunities associated with the team brand. It could be team broadcasts, apps, sports camps as well as giving fans a new team to keep up with under the same brand but within a new sports category.

In a 2002 study, Artemisia Apostolopoulou identifies five major categories of extension products offered by professional sports clubs to give their fans more ways to experience the team. These 5 categories are shown in the table below and consist of sports-related extension, entertainment-related extensions, media-related extension, information-related extension and low perceived fit extensions.

Extension Types	Examples
Sport-related extensions	Extension teams and leagues (e.g., NBA – WNBA) Sport camps and clinics Youth leagues Tournaments Street teams Merchandise stores
Entertainment-related extensions	Team mascots Cheerleaders Bands
Media-related extensions	TV and radio shows Broadcasting stations Pay-per-view programs
Information-related extensions	Team publications Web sites
Low perceived fit extensions	Art galleries Health and fitness clubs Credit cards and banking accounts Water and beverages Stores (not team merchandise) Software packages Advertising services

Figure 7 - Types of Extension Strategies employed by U.S. Professional Sport Teams (Apostolopouloua, 2002, p. 209).

What is interesting about these categories is that not all of them meet consumers' perceptions of fit, which, according to traditional brand extension theory, can be negative for parent brand associations. Apostolopoulou (2002) points out that a greater number of extensions in the main categories were not considered traditional extensions and, in many cases, this was perceived as low fit with the core product. Such low-fit extensions were either introduced under the club's name or separately under another name. Furthermore, these extensions were owned and operated solely by the organization or under the joint control of the club and their sponsorships (Apostolopouloua, 2002, p. 209). The introduction of low-fit extensions may not meet the organization's goal of increasing revenue, but sports organizations may be trying to achieve another goal with their extensions. Sports organizations are willing to launch an extension with the sole purpose of improving fans' emotional connection with the team. This means that even if an organization does not benefit financially from an extension, the extension can easily be considered a success if it establishes a presence in a new and different category and at the same

time builds fan loyalty and strengthens fan identification. This perspective of extensions seems to be unique to sports organizations (Apostolopoulou, 2002).

ANALYSIS

In this part of the dissertation, the cases will be analyzed based on the theoretical foundation for brand equity and brand extensions. The goal is to investigate the proposed research questions and try to find answers. The arguments presented in this segment are based on the components of brand equity and brand extensions and seek to outline and clarify key findings in the research issue and research objectives.

Branding a product allows an organization to distinguish and differentiate itself from others in the market. A brand plays an economic role in the consumer's mind, and therefore brand equity stems from the brand's ability to achieve an exclusive, positive and meaningful position in the mind of many consumers. Thus, branding and brand formation should focus on developing brand equity. When it comes to the sports industry, building the brand has an impact on consumer behavior, such as increased participation, merchandise sales or participation in sports. For this to happen, more things need to happen in the branding process (Adrian, 2018).

Since research of brand equity is often based on brands that offer products in traditional markets, the need for a conceptual framework that can identify components that can increase brand equity specifically for professional sport organizations is needed. Sports organization can enhance factors of the brand equity components in order to affect brand equity in a positive way, by focusing on enhancing brand associations in the minds of the consumers.

The conceptual framework can be drawn up based on all the information provided by the review of the two different measurement methods. In relation to the construction of the conceptual framework, the theory and articles already presented have formed the basis for its construction. In particular, these are elements from the Gladden and Milnes model from 1999, as well as from Martensen and Grønholdt's model from 2003. In addition, these two models are also based on customer-based brand equity theory from both Aaker and Keller, which will therefore also be represented in the conceptual framework. Gladden, Milne and Sutton (1998) found that antecedent conditions would create brand equity based on how they are evaluated and perceived

by the consumers. The brand equity derived from the perception of the consumers will lead to consequences that may increase or decrease the brand equity of the brand.

I propose an optimal framework for brand equity in professional sport organizations and have identified the antecedent conditions of equity I view as most important for brand equity and the consequences that can affect a sport organization positively or negatively.

I propose that the conceptual framework for brand equity in professional sports should consist of the following antecedents of equity, as well as new antecedent conditions introduced by myself:

Conceptual framework for brand equity in professional sports

Antecedents of equity

Team related antecedents

Team-related antecedents represent the factors that contribute to team performance

Brand associations

A given company and its brand associations can play a crucial role in the operation of the company, as they reflect a number of key areas in the brand's overall strategic position. These associations carry out feelings in consumers, and can thus potentially enhance a company's ability to differentiate itself in their subconscious. The associations may be directly or indirectly linked in consumer memory to a brand (Aaker & McLoughlin, 2010). Consumers can also use the associations to organize and structure information about the brand in question. This will often occur most strongly when the foundation is based on a more extensive amount of experience and experience with the brand (Aaker, 1991). Brand associations are therefore frequently stated, as a consumer's point of departure in relation to attitudes, purchase intentions, and consumer intentions (Keller, 2013). This is also why brand associations figure as the first dimension of the conceptual framework.

The structure of the brand associations is primarily based on a structuring of the variables from Gladden and Milne's model (1999), as well as Martensen and Grønholdt (2003). The rationale behind this is to incorporate a sporting aspect, into a more general brand equity theory. Within the team-related variables, there are: Success, head coach, star players and community.

In theory, it is pointed out that one of the most important drivers of brand equity for a sports team is team success. Team success creates brand association and brand equity over time and is objectively the most important component of the sports organization. With the success of the field, more attention is paid to the surrounding world which can result in adding more value to a team in the form of potentially attracting more fans and thus becoming more attractive for companies regarding sponsorships. In addition, there is also ticket sales, sale of merchandise and increased media exposure. Due to the nature of sport, success is not necessarily something defined by wins and losses. Success often means meeting or exceeding the expectations of the fans as this would increase brand equity (Gladden, Milne and Sutton, 1998). In this way, successful teams will meet the viewer's need to identify with something successful or desirable (Gladden & Funk, 2002). Successful teams will increase brand equity by securing strong brand associations of success to satisfy this benefit of consumers. We have previously discussed whether there is a so-called feedback loop. Therefore, it is considered fair to assume that eSport also has a correlation between success and brand equity.

Star player

The importance of the Star Player element in creating brand equity is through increased perceived quality, brand loyalty and brand awareness. There is an expectation that when Astralis has some of the best players in the world, this also must raise consumer expectations for the sporting results. This is clearly seen in American football where a good quarterback can be all the difference between a good and a bad season (Kulp, 2016). Previous studies have shown that brand awareness and brand image appear to be the areas of brand equity that are most influenced by star players. This provides benefits both on and off the field (Pifer & Zhang, 2015). Having one or more star players on your team will enhance the gaming experience, as well as increase merchandise sales and ticket sales (Gladden, Milne and Sutton, 1998). When a star player signs a long-term contract with a team, this can have a long-term impact on brand equity in the form of the presence of a star player, and thereby also help attract more star players and influence the team success. If a team experiences a performance decline, the presence of a star player can offset the negative brand associations that occur when losing. Therefore, the promotion of a star

player plays a huge role if a team experiences decline in success (Funk & Gladden, 1999). Studies have shown that there is a positive relationship between star players and brand equity, but the in-depth links between these two areas remain vague and unknown (Pifer & Zhang, 2015). Such obscurity is confusing considering that star players are a fundamental element of any professional team sport and take a massive bite of the revenue that clubs strive so hard to reach. In Europe's best professional football leagues, for example, somewhere between 50-70% of the team's revenue goes to the player's salary (Deloitte, 2013). This does not even include the large transfer fees of hundreds of millions (Deloitte, 2013), which is required to buy a player from another club.

Head Coach

As individuals, it is not only the star players that positively influence brand equity. In addition, a head coach can also help improve the team's brand equity, through publicity and expectations of success. A recognized head coach has the ability to increase the team's visibility in a media position. This is based on his tactical performance, his strategic actions, his ability to use the players in the right way and his ability to make the players work for each other. In general, each head coach has his or her own unique personality and characteristics. E.g. we know football coach Pep Guardiola from his tiki taka play style and ability to make the most of each player. We know Mourinho as this very tactical head coach and are known for parking the bus (defensive football strategy). For these reasons, a head coach can have a direct impact on a team's success and therefore the consequence of the brand equity component associated with success. Recognized and popular head coaches can influence the creation of brand associations or even personify the image of a team (Gladden, Milne, and Sutton, 1998).

Community

Within the world of sports, it is often seen that building different communities with sports clubs is the focal point (Bauer, et al., 2005). These communities have, in several respects, reflected an increased propensity to continue support for the club, thereby extending the fans' loyalty. According to Wann (2001), affiliation plays a major role in consumers regarding sports motivation, in relation to showing loyalty to a given team. Therefore, the variable community from Gladden and Milne's model (1999) is assumed to be related to brand loyalty in the conceptual framework.

However, the community of a given club is not necessarily expected to be directly correlated to the framework's respective brand equity variables.

Organization related antecedents

Organization-related antecedents are characterized as elements directly produced by the organization and are controlled by the management of the sports organization (Ross, 2006).

Tradition

As values and traditions create important brand associations, the tradition of a team can be extremely valuable to sports organizations. In addition, if a club is considered to be successful over a long period of time becoming almost a tradition, this could result in the club still being perceived as a good team, despite a decline. Tradition can also be an important brand association for fans, as they feel a kind of pride in supporting a team that is rich in history.

Tradition will fulfill the benefits of nostalgic fans longing for the past and reminiscent of better and more successful times (Funk & Gladden, 2002). Teams that are rich in stories of success are able to satisfy the nostalgic feeling of reminiscing about past victories and highlights in people's lives. While a club may not be successful anymore, a fan can still satisfy their needs by attending their team's games. Football clubs like Manchester United, Liverpool and Brøndby IF are worth mentioning. These clubs 3 clubs are all filled with tradition and rich in history

Management

The management can be defined as those responsible for the overall management of the sports club as, for example involves financial responsibility and stability. If management makes the wrong decisions about the team, such as failing to extend player contracts with star players or getting rid of star players, this could adversely affect fan associations.

Team communication

Team communication is about the availability of communication from a sports team. Important points can be mentioned as interacting with the fans as a team before and after the games, how they communicate, what platforms they use as a communication tool or do they produce content for social media e.g. that fans can consume, etc.

Team logo/shirt design

Team logo and colors or shirt designs generate brand associations and are important for recall and recognition by sports organizations, as low-involvement consumers often associate sports teams with specific colors and shirt designs.

Stadium/arena

A stadium or arena can be judged on three points: comfort, functionality and aesthetics. In addition, it is also about the experience you can give your audience in the form of a show with music, entertainment, light shows and sound effects that form the foundation of a good atmosphere. However, this is quite subjective and can be perceived differently in the minds of consumers. The facilities around an experience are important in creating brand both positively and negatively.

Attending a match at a stadium or arena can be an alternative to escape from everyday routines. This escape, provided by sports, can help increase brand association (Funk & Gladden, 2002).

Market-related antecedents

Media coverage

With inspiration from Gladden and Milnes (1999) market-related variable "Local media coverage" in relation to brand equity, the media coverage variable is also part of the conceptual framework. For many Danes, eSport is a relatively new phenomenon and has only become widely known over the past 3-4 years. There may be several reasons for this. If this is compared to the general Danish media coverage, a potential correlation is assumed. Since eSport has begun to break out of its former underground niche environment, there has been more media coverage of it in recent years than ever before. A number of the largest Danish TV channels, such as TV2, TV3 and DR, have begun to cover major events in the world of eSports (Kulturministeriet, 2019). This is clearly seen as a trend that has the potential to influence consumer perception and thereby a number of the parameters affecting brand equity. Increased media coverage is first and foremost intended to increase overall brand awareness for consumers. In addition, this will give consumers a stronger opportunity to follow eSport on a more general level, which is why it can also be assumed that loyalty can increase as a result.

Geographical location

Inspired by the Gladden and Milnes (1999) variable Geographic Location, it is assumed to be a correlation between a geographical aspect and the construction of brand equity. For example, when referring to Daniel Wann's "The Sport Fan Motivation Scale" (2001), eight respective categories are identified that motivate consumers to follow sports clubs. One of these categories, as mentioned earlier, deals with "Affiliation", which explains how geographical aspects can influence people's affection for given clubs and give them an affiliation, which will often increase loyalty. In addition, it is explained that local clubs and teams' performance is exposed more frequently, in areas where affiliation is more present. Compared to eSport, it is assumed that there are potentially similar trends. The Danes in particular have been exposed to the eSports world, as a result of the success Astralis has achieved over the past years, which must be believed to have affected the public's awareness. In relation to the quality expected of eSports teams, there seems to be no immediate correlation between this and geography.

Differentiation

Generally, differentiation is considered to be extremely necessary for a brand, according to the achievement of success. This differentiation is thought not only to occur on the basis of a given position in the market, but to the same extent in consumers awareness (Keller, 2013). In most contexts, differentiation will also be a necessity for the survival of the company and will in many cases reflect whether the company is competitive or not. A brand can potentially differentiate itself into countless different associations (Aaker, 1991). In the world of sports, the product can in many cases be a more abstract notion, and here, for example, differentiation is made on the team's setup, the club's general philosophy, the surrounding community, etc. (Bauer, et al., 2005). Therefore, there are many aspects of differentiation that are believed to have an impact on a company's brand equity. The fact that things are done differently in some organizations may mean that consumers have a higher perceived quality of the team, and that they also become more easily acquainted with them. In addition, this is also believed to be an attribute that increases the retention of consumers and thus can make them more loyal.

<u>Word-of-mouth</u>

You can throw away fortunes for ads in newspapers and magazines and spend hours creating awareness on the internet, but the most rewarding form of marketing is still the oldest: word-of-mouth and satisfied customers recommending your business in their network. Consumers may be able to gain awareness and develop images of the brand based on communications offered by sources other than the organization. This can help create both bad, but also good publicity. Often, negative word-of-mouth is weighed more strongly than positive ones and can negatively impact brand equity (Ross, 2006). If you are not in the eSports environment itself, the real impact of marketing efforts from companies within eSport is not really affected, and it can therefore be argued that word-of-mouth can have an extra-large influence.

<u>Fan support</u>

Applying to any sports team, brand equity means an established fanbase, attending to the matches. Support is defined by size and loyalty. These parameters may include ticket holders and TV viewers. Fan support plays a significant role of the stadium experience. This is defined by a larger crowd that is deeply involved in the games, which will positively impact a team's brand associations.

<u>Competitive forces</u>

Competition can negatively affect the brand if the brand must compete with more popular brands for consumer attention (Gladden, Milne and Sutton, 1998). The competitive level of a league can also have an impact on perceived quality, as consumers would rather see a team compete at a high level. Therefore, teams that play in the world's best and most competitive leagues are perceived as of higher quality than teams competing in leagues with lower competition. One way to increase a team's perceived quality despite playing in a low-competition league is to qualify for international league games with higher quality components.

Brand equity

Now we come to the next step of the framework. The above antecedents of equity are conceived in the mind of the consumer and form the overall brand equity for sports clubs. Here, the following brand equity components will be illuminated

Perceived quality

Based on the selected antecedents in my proposed conceptual framework for brand equity in professional sports, I identify the key factors that can strengthen the brand equity component of perceived quality such as success, head coach, star players, management and competitive forces.

Many of these factors will also reinforce the other factors in brand awareness and brand associations, but I have chosen these five as antecedents of equity that can strengthen the perceived quality of sport clubs.

For a consumer to gain a positive perception of team quality, I chose success as the most important factor for low-commitment consumers, as success of a team may be the only factor they can relate to. In addition, low-commitment fans may have a negative perception of a team based on their competitive level, as fans may perceive a team as low-quality solely based on the fact that they only play lower-level teams.

For high-involvement fans who identify with a specific team, team success is not necessarily the most important factor in the perception of quality. Fans may have a positive perception of some star players or a skilled head coach, which can offset the poor performance and improve the perception of quality for a team.

The management of a team will mostly impact team in a negative way, if the sport club is in financial problems or if the team is not performing as they should. This will often be perceived as low quality. However, when a team is successful, it is rarely the management that gets the credit, since this perception of quality will be taken into account as a result of the head coach and star players.

Brand awareness

Aaker (1996) described brand awareness as the strength of brand name in consumer memory. This means that brands with high brand awareness will be present in the mind of the consumer when considering a purchase in the specific product category. Keller (1993) explain that brand awareness can be measured through recall and brand recognition, which also influences the consumer purchase.

In relation to sports clubs, brand awareness is about consumers' awareness and understanding of a specific team (Gladden, Milne and Sutton, 1998). Before a consumer can develop brand associations, they need to become acquainted with a product, which makes up the reason why brand awareness is an important component of brand equity. This is especially true for low-involvement consumers, as these consumers will be more likely to attend games of brands, they recognize. Major international sports brands such as the LA Lakers, Chicago Bulls, Real Madrid, Manchester United etc. are able to attract consumers all over the world as the familiarity of these clubs is relatively high and the perceived quality of the teams is high.

In my proposed conceptual framework for brand equity in professional sports, I highlight the key factors affecting brand awareness such as word-of-mouth, media coverage, team communication and geographic location. In addition, factors such as success, head coach and star players also form the foundation of how a team's quality is perceived.

Media exposure and word of mouth are the key factors of brand awareness for low-engagement consumers. Consumers who are not actively seeking information about a team brand must obtain information through media sources that mention the teams. In addition, word-of-mouth is also an important factor in creating brand awareness for low-engagement consumers as they will remember or recognize a brand after hearing about them.

For fans of high engagement who regularly consume sports, team communication may be a more important factor than external communication, such as the above mentioned media exposure and word-of-mouth, as consumers who support a specific team will often actively seek communications directly from the team which would enhance further awareness and usually result in positive brand associations in the mind of the consumer.

Brand awareness can be increased in the minds of consumers due to success, which will lead to increased media exposure and word-of-mouth in a local community. Another important factor that can raise awareness is the presence of a star player or a reputable head coach. If a team has a star player who stands out, it is guaranteed that the media coverage of the team will be increased, and thus increasing awareness. This may also be the case for a high-profile head coach who receives a large amount of media exposure and thus is exposed to low-commitment fans (Gladden, Milne and Sutton, 1998).

Brand associations

As mentioned in the above section, brand awareness is the first step in recalling a brand association due to brand associations are the thoughts you make right after you become aware of a certain brand. Brand associations are thus the consumers' perception of a brand and have a great impact on brand equity (Aaker, 1996). According to sports organizations, brand associations are associated with the emotional identification with a sports brand the consumer make and the excitement that arises from attending sporting events (Gladden, Milne og Sutton, 1998).

In a 2005 study by Bauer, Saur and Schmitt, they come up with the following statement: "The strength of brand associations greatly depends on the amount and quality of a consumer's information reception and processing". This means, the more a fan interacts with the information handling of a given team, the stronger the associations become. At the same time, it is expected to be favorable if a consumer has a positive approach during the consideration. Applying this in a sport setting means that a fan has favorable brand associations if, he or she, in a short period of time finds the team interesting (Bauer, Saur & Schmitt, 2005, p. 500). This definition is consistent with my research on brand associations, which is based on the theoretical basis of this thesis and provides an understanding of highly involved sports consumers.

In my proposed conceptual framework for brand equity in a professional sports setting, most factors influence the components of brand equity, as they are all part of the whole team experience. However, I select the most important factors for brand associations being success, tradition, stadium/arena, management, team communication, geographical location and fan support.

I designate success and fan support as key factors in brand associations. Success is an important element since you can easily determine positive or negative brand associations, as the perception is shaped based on whether or not the team is winning. However, success can be a little more complicated for high-involvement fans, but for low-commitment fans, it's simply that if you win, these fans will have a positive approach to the team and the brand. When it comes to fan support, low-involvement fans base their perception of the team and the brand on the basis of the number of spectators and the atmospheric experience at home matches (Gladden, Milne and Sutton, 1998).

High-involvement fans might appreciate more specific factors such as: Tradition, stadium/arena, management, team communication and geographical location. These factors are more complex and requires that the consumer have knowledge of the brand and that they engage with a specific team. Tradition is valued as a positive association for teams that throughout history have won many titles and had players with legendary status playing on their teams. In some cases, tradition can have a negative effect if a team is known for never winning anything (Gladden, Milne, and Sutton, 1998). The experience in a stadium or arena will determine whether a consumer connects a team's home ground with positive things, such as comfort, functionality and aesthetics. If a team acquires good players and attracts great star players or reputable head coaches, they will clearly be associated with success. In contrast, if management fails to meet these factors or fails to manage the club's finances, fails to pay salaries to their players, or disagreements arise between management and players, this may result in a lack of trust in management (Funk & Gladden, 2002). Team communication is a significant factor for fans who are very involved with the team. In order to meet the needs of these fans, it is important that the team players and the team as a whole show some form of "fan love" and show their gratitude to the fans. In addition, social media visibility is important and, in this way, gives their fans some context to engage with. Geographical location will have a positive impact on high involvement fans if a given team is present in the community and represents its norms and values. Negative associations can occur if a team brand shows no interest in engaging in the local community or if they do not honor its culture and core values (Gladden, Milne and Sutton, 1998).

Consequences of equity

In this framework, brand loyalty is considered a consequence of brand equity, rather than being a component of brand equity. The consequences are a result of brand equity and can have a positive or negative impact on the sports club. The proposed consequences in the conceptual framework for brand equity in professional sports are:

Team Loyalty

Aaker (1996) describes brand loyalty as: "Brand loyalty refers to the degree to which a consumer chooses one brand over another based on experience and brand name." This is supported by Feldwick (1996) who states that brand loyalty is the consumer's association with a brand.

Fans who are loyal to a team brand in sports are likely to have a strong positive attitude towards a team. Negative perception of team activities would reduce the chance of a consumer becoming a loyal fan. Generally, this means that if consumers have a favorable attitude towards a brand, it is likely that it will lead to increased consumption (Ross, 2006). Consumers with great commitment who seek different ways to consume the brand and identify with the organization are likely loyal fans.

Team loyalty is expected to be strong due to brand awareness in local areas, as well as how factors will create positive brand associations such as: Tradition, association with logo or shirt design, the desire to communicate with the team, fan support, the atmosphere and the overall experience of the team when attending to sport events.

Media exposure

high-pressure media exposure increases brand awareness and thus brand equity. Whether this will negatively or positively affect the organization depends on the nature of the media coverage. If the coverage is positive, it is likely to lead to positive brand associations, but if media attention is bad, it can have the opposite effect and harm the brand.

Merchandise sales

Merchandise is clothing and other items that are associated with the team brand. People buy merchandise in order to represent an image, which they are emotionally connected with (Gladden, Milne og Sutton, 1998). Especially star players can have a significant impact on merchandise sales as fans often look up to them and want to be associated with them. Similarly, launching a new shirt design can increase interest and result in sales increase. If the club is performing poorly in terms of performance, as well as having no star players or not engaging with the fans, there might be a decrease in merchandise sales.

Ticket sales

When a sports club experiences success and wins their matches, the attendance at home matches will increase significantly. The increase can also be influenced by the excitement of experiencing the star players up close or observing the newly arrived head coach who has a different way of thinking. This increased attendance should have a positive impact on the overall consumer

experience, as the more the consumers attend, the more they engage in activities associated with the club (Gladden, Milne and Sutton, 1998). A drop in attendance may mean that the club is experiencing decline in terms of poor results, lack of exciting star players or head coaches who bother to spend their time watching.

Revenue solicitation

Revenue application refers to the general addition of revenue in various sports. In general, Revenue solicitation consists of many different revenue streams, depending on the level of sport. (Ross, 2002, p. 31-32).

On a professional level, revenue solicitation usually relates to the ability to attract and maintain company sponsors and names. This means that a positive brand image and brand associations are important for sports brands as the companies sponsoring the team will be associated with their brand (Ross, 2006). Ross (2006) explains that a sports organization must do its best in order to create positive brand associations if they have to make any expectations of attracting sponsorships and thus create positive consequences that result from strong brand equity.

To be able to attract sponsors, success is an important element, as it can be important to attract even more sponsors. Positive associations in terms of geographical location can play a major role in attracting local sponsors. Tradition is also an important parameter, as sponsors should be able to identify with the core values and beliefs of the sports brand.

Based on the proposed conceptual framework for brand equity in professional sports clubs, I select perceived quality, brand awareness and brand associations as being the three elements that together form brand equity and impacts on the consequences of brand equity (Ross, 2006). This framework will allow sports managers to identify which antecedents of equity that have to be focused on creating brand equity and also provide an understanding of how consequences of brand equity can affect the sports organization's brand equity. This will help sports executives realize the positive benefits of their brand that can improve brand image, increase brand loyalty and increase revenue.

Brand extensions professional sport clubs

Professional sports clubs have moved their focus from short-term profits to long-term strategic focus of managing their brand. This has resulted in a growing interest in increasing brand equity and taking advantage of the value of their brand name. As a result of this increased focus, sports clubs have begun to expand their brand into existing and new categories, like never before. Thus, as it now appears, there is no framework to benefit from, in relation to extending to a new category, whether it will strengthen the brand equity or whether it will damage the brand.

On the basis of brand extension, which is be explained in the theoretical part of this thesis and based on my proposed framework for brand equity in professional sports clubs, I will try to identify important factors that may influence whether a sports club achieves success in brand extension or not. This theoretical framework will allow sports organizations to evaluate whether brand extension into a particular new category would be possible, how the extension can impact their relationship with their fans and determine whether the expansion will strengthen their team brand and increase brand equity or risk damaging their brand.

In the theoretical foundation of this thesis, the concept of brand extensions has been reviewed. A company's most valuable asset is clearly their brand name. The brand name opens the opportunity to enter a new market and thus increase their brand equity. By using an existing brand name when entering a new market, consumers can thereby recognize the brand name as well as project advantageous associations of the parent brand to the brand extension (Aaker & Keller, 1990). If a brand is extended successfully, it will strengthen brand associations for the parent and thereby increasing brand equity (Aaker & Keller, 1990).

However, brand extension can cause the parent brand to be diluted, which should be seen as negative, as this can reduce the brand equity for the parent brand (John, Joiner & Loken, 1998).

The theory of brand extension has been most influenced by the focus on traditional consumer goods. However, some research has been done focusing on sports organizations and how they can benefit from a brand's strength and thus increase brand equity by extending their brand into a new product category. Sport brands uses extension to generate additional revenue and is generated by strong brand equity. By having a brand organization with a strong brand equity, they

can use this to increase the opportunity to extend their brand into new categories (Gladden & Milne, 1999).

Brand extension allows sports clubs to step into new categories, which can reinforce the emotional connection between the fans and the team. This also gives the fans a new alternative to show their loyalty to the team. In this way, sports clubs can provide their fans with new leisure or entertainment opportunities associated with the team brand. It could be team broadcasts, apps, sports camps as well as giving fans a new team to keep up with under the same brand but within a new sports category.

Artemisia Apostolopoulou (2002) identifies five major categories of extension products offered by professional sports. These 5 categories are shown in figure 7 and consist of sports-related extension, entertainment-related extensions, media-related extension, information-related extension and low perceived fit extensions.

Not all presented categories meet consumers' perceptions of fit, which, according to traditional brand extension theory, can be negative for parent brand associations. Some of the interesting findings made by Apostolopoulou (2002) were that sports organizations are willing to launch an extension with the sole purpose of improving fans' emotional connection with the team. This means that sports organizations may consider introducing extensions that are not intended to generate profits, but intended to meet other goals (Apostolopoulou, 2002).

Apostolopoulou selects six factors he believes can increase the chance of success of a brand extension (Apostolopoulou, 2002, p. 210):

- The strength of the core brand
- The perceived fit between the sports club and the extension
- The promotional support the sports organization can contribute with
- The quality of the product being extended
- The strategy of distribution
- The processing of the extension

By doing this, Apostolopoulou (2002) was the first of his kind to try deliver a framework suitable for sports organizations who intended to do a brand extension. later findings have shown that the

model was not detailed enough and there were shortcomings, which is why the framework is not a reliable way to evaluate brand extensions of sports organizations. For this reason, there are no proper frameworks that sports organizations can use in evaluating brand extensions.

As mentioned, due to the non-existence of proper framework, I will try to develop my own on the basis of parameters that I find crucial. Based the theoretical foundation of brand extension in this dissertation, I have selected key factors that sports organizations should consider when going into new markets. These will form the foundation for a possible brand extension framework.

Theoretical framework suitable for evaluating brand extension

In the following section, you will be introduced to a proposed framework for sports organizations to extend their team brand into new categories, based on the previously worked theoretical foundation of this dissertation:

- Strength of the brand equity

- Identifying the accurate extension type for a sports club

- The perceived fit between the parent product and the brand extension

- The capability to stretch the brand

- The perceived know-how of the extension category

- Motivation and goals for entering a new category

- Team loyalty and fan Identification

- Risks of weakening the parent brand

I consider the above 8 parameters to be crucial for sports organizations when exploring the possibilities of a brand extension, with the aim of taking advantage of the value of their existing brand name. I will now explain why these 8 points should be reviewed when you as a sports organization consider a brand extension.

Strength of the brand equity

In this suggested framework, I highlight the most crucial components for brand equity as being perceived quality, brand awareness and brand associations. These three components have already been discussed in relation to the brand equity framework. These three components are all essential and together constitute a successful brand extension if used properly.

Perceived quality

If a consumer's perception of a parent brand is considered to be of high quality, this should benefit a possible brand extension. This means that if the parent brand and the brand extension have common attributes, consumers are more likely to believe that the quality of both the parent brand and the brand extension are the same. This will lead to a positive evaluation of the brand extension. It is suggested that if a sports organization was perceived as high quality, consumers would also perceive the brand extension as high quality (Aaker and Keller 1992).

Brand awareness

Without becoming aware of the brand extension yet, a consumer will most likely base their immediate firsthand impressions on the basis of their knowledge to the brand equity of the parent brand. This means that the evaluation of an extension is based on the salience of the parent brand (Aaker & Keller, 1992). Until the moment when the consumer is involved or consumes the brand extension, they will perceive the brand extension on behalf of the brand awareness of the core brand. This means that brand extensions from sports organizations being linked with high levels of brand awareness are likely to be recognized as part of a team brand, but consumers will evaluate the brand extension by the brand associations of the parent brand.

Brand associations

The evaluation of the brand extension depends on the assumptions made by consumers, based on positive associations or attitudes towards the parent brand. This would positively enhance most of the brand extensions, since the positive brand associations of the consumers might be transferred from the parent brand to the brand extension. The transfer will depend on the strength of associations, that consumers have towards the parent brand, and whether they perceive the associations of the parent brand and brand extension as being appropriate. Applicable to sports organizations, this would result in the brand associations from the parent brand being transferred to the brand extension. Not to mention, high-involvement consumers in general have strong positive brand associations towards the parent brand.

Identifying the accurate extension type for a sports club
Apostolopoulou (2002) highlighted 5 main categories of extension types, for sports organizations to make use of. By entering a new category as an already established and well-known sports

brand, you give the fans an opportunity to consume the brand in more ways than just one. The five categories can be found in figure 7 and consist of sports-related extension, entertainment-related extensions, media-related extension, information-related extension and low perceived fit extensions.

Examples of sports related extensions could be sports camps, youth leagues, tournament etc. Sports related extensions can be described as every extension related to sports or is otherwise athletic activities. Just because sports-related extensions are close to the main product of the sports organization, this does not mean that it is necessarily a line extension. The launch of a new youth team may be considered a line extension, but other examples of extension may require the sports organization to enter new categories or markets.

Entertainment-related extensions can be defined as the introduction of a team mascot, half-time entertainment in the form of dance show or activities etc. If a team brand offers entertainment for fans otherwise than the actual game, it would require the sports organization to enter a new market or category.

Media-related extensions can be television or radio programs managed by the sports organization to provide fans with extra entertainment options.

Information-related extensions refer to team publications and websites that allow their highly engaged fans to increase their information management of the team (Bauer, Sauer, Schmitt, 2005).

Extensions with low perception of fit are extensions that are introduced under the team brand but have no connection to the sports organization's main product. It could be sport drinks with the team brand as its name or something more complex as advertising services. These may provide value for some fans who consume these items, but generally the products appear to be the result of a brand extension that has gone too far (Apostolopoulou, 2002).

The perceived fit between the parent product and the brand extension
Lawson, Milberg, and Park (1991) elucidate two factors that they believe influence a consumer's acceptance of a brand extension. These 2 factors are product function similarity, and consistency of the brand concept. This means that consumers are more likely to accept extensions with a high degree of resemblance to the parent brand. This concept is called "fit" and is an important

component of brand extension theory (Aaker & Keller, 1990). Fit refers to the resemblance in brand image between the parent brand and the brand extension product. This factor plays an important role in evaluating the success of a brand extension. Fit is characterized by the number of shared associations, beliefs, and attitudes between the extension product category and the brand (Czellar, 2003). Apart from having a positive effect on the brand extension, "fit" will also have a positive influence on how the consumer sees the parent brand (Aaker, 1990). At the same time, if there is no resemblance between the parent product and the brand extension, which then makes it a weak "fit," it stimulates unwanted beliefs or associations. This can lead to a poor evaluation of the brand extension, regardless of how the consumer perceives the brand associations of the parent brand, since these associations in the consumer's eyes will not be considered relevant for evaluating the brand extension (Aaker & Keller, 1992).

However, due to the nature of the sport, it may be a problem to achieve consistency between the extension and the organizational brand. Ideally, sports franchises offer sports-related and non-sports-related products and services, which can also be seen in figure 7. Large sports clubs, which have built a high level of credibility among fans, possess the ability to expand their brand beyond their current category while feeling comfortable exploring new markets without it is affecting the perception of the quality of the sports club (Apostolopoulou, 2002).

This means that if consumers begin to see similarities or feel that there is a logical fit between the team brand and the brand extension, it would make them understand and support the brand extension. Some categories of brand extensions for sports organizations appear to have poor fit, which according to traditional brand extension theory may be negative for the parent brand associations. This may imply that sports organizations operate under a different condition when it comes to being perceived as appropriate, as some consumers does not care that that the product is different from the team brand due to their strong association with the team brand (Apostolopoulou, 2002).

The capability to stretch the brand
In their 1993 study, Aaker and Keller concludes that consumer evaluation of brand extensions for high-quality brands were positive, even though the extensions are different from the parent brand with poor similarity, suggesting that high-quality brands can tolerate to be extended and expanded to new and different categories.

If a sports organization is considered to be of high quality in the brand equity model, it means that they have an advantage when it comes to brand extensions. They can, without the risk of damaging their team brand, enter new different categories that may not exactly match the parent brand. This reinforces the notion that sports organizations can extend their brand to a greater extent in different categories than traditional brands can, because fans are more receptive to these extensions and see them as ways to support their favorite teams even more, even though their perception of fit between the parent brand and the brand extension might seem low (Apostolopoulou, Loukas, & Papadimitriou, 2004).

The perceived know-how of the extension category
When an extension is introduced, consumers are most likely to evaluate the extension based on their attitude towards the parent brand and the category that is being entered (Czellar, 2003). Sports organizations that are expanding their brand into new categories may find that their consumers may not be familiar with the new category or market they have chosen to enter. If the consumers' awareness of the new extension category is low but they know about the parent brand, their attitude towards the extension will be formed based on their attitude towards the parent brand. In the same way, there is a likelihood that the consumers appearing in the new market, which the sports organization has chosen to enter, do not know the parent brand, which means that these consumers will evaluate the brand extension based solely on their experience of this product category (Czellar, 2003).

This means that a sports organization entering a new market may struggle a little bit with attracting new consumers or fans until they have proven themselves in the category they have entered. As a result of this, sports organizations must evaluate their current consumer knowledge.

Motivation and goals for entering a new category
It appears that sports organizations have different motives for stepping into a new market or category. Some enter a market and have a goal of making profit and increasing their revenue others have a goal of increasing other kinds of values as well as brand equity. Based on a 2002 study, Apostolopoulou revealed that some sports organizations were willing to introduce an extension where profits are equal to costs just as long as they meet other goals they may have. This reinforces the notion that sports organizations work under different circumstances when entering new categories. For some sports organizations, goals such as building a fanbase or

improving the communicating with their fans, can be much more valuable than short-term profits as they work on the long-term goal of increasing brand equity (Apostolopoulou, 2002).

Team loyalty and fan Identification

Fan identification concerns the level of personal commitment and emotional involvement a fan has with a team. If a fan is highly identified, he/she will be considered loyal consumers of the brand and will likely be willing to support team-related extension (Branscombe & Wann, 1993). Big-commitment fans who identify with the team are likely to spend more time and money supporting their favorite teams than lower-identification fans. Highly identified fans have strong connections with their teams and are unlikely to change attitude and behavior towards the team brand (Funk & James, 2001). This means that consumers who identify with the team and have a high level of commitment to the team are likely to support and consume a brand extension as this would allow them to increase their consumption of the brand.

Risks of weakening the parent brand

A brand extension will present a new set of attributes or beliefs that are either consistent or inconsistent with the current image of the overall brand. In a study in 1993, Barbara Loken and Deborah John point out that if a brand extension does not have a correlation with the parent brand's beliefs, this can lead to dilution of the brand and risk having a negative impact on brand equity.

However, Aaker (1990) finds three conditions where negative associations of an extension would be less likely to be transmitted to the parent brand. These three conditions are as follows: When the brand associations of the parent brand are strong, when the parent brand and the extension are different and operate in different categories and finally when the difference between brand extension and parent brand is incongruent.

The results of Aaker's (1990) study are positive in relation to sports organizations. He argues that brand associations in the consumer's mind are often strong and that sports brands tend to introduce brand extensions into completely different and new categories. These findings are strongly supported by a 2010 study conducted by Walsh and Ross, who claims that when sports organizations introduce new brand extensions, minimal dilution will occur, due to team identification of fans to a greater extent having an impact on brand equity rather than brand extensions have.

Although the risk of diluting brands is least for sports organizations, they still exist to some degree. Funk and James (2001) argue that brand extensions are more likely to dilute brand associations of consumers with low fan identification. The low identification fans are still affecting brand equity, which is why sports organizations are interested in increasing the level of identification of consumers with the hope of having a positive impact on the brand attitude towards the overall team brand. If brand associations are diluted, it can adversely affect fans with low identification and reduce brand loyalty to the team brand and ultimately brand equity (Ross & Walsh, 2010).

CONCLUSION

A new trend has emerged in the world of sports, which is a shift from short-term focus on profits, to a long-term strategic focus on managing the team brand and thus improving the brand equity (Gladden, Milne, & Sutton, 1998). This has led to sports organizations having to make major strategic decisions based on what components they can change to increase brand equity. The theory tells us that consumers are the driving force for brand equity since it is, they who value the brands and thereby create value around the brand name (Keller, 1993). The rising popularity of esports, has led sports organizations to enter this relatively new and exciting market, either as a new organization or as part of an existing one.

In answering this problem, a theoretical basis was first and foremost created, which was later used to form the framework for the project data used in the analysis. Based on the theoretical basis of the project, in particular, brand equity has been central. Here it has been highlighted how brand equity is created, both in a general format, and more specifically in relation to sports. Throughout the theoretical part, there has been a special focus on identifying the variables that ultimately have the greatest impact on the creation of brand equity in eSport. This happened on the basis of a number of theoretical articles, where traditional brand equity theory was linked to brand equity theory in a sports setting. This theoretical linkage then formed the foundation of the conceptual framework set up. in continuation of traditional brand equity theory from Aaker and Keller, the framework was based on elements of theory from Gladden and Milnes's theory (1999) as well as Martensen and Grønholdts (2003).

Sports organizations can enhance factors of the brand equity components in order to affect brand equity in a positive way, by focusing on enhancing brand associations in the minds of the consumers.

Based on the selected antecedents in my proposed conceptual framework for brand equity in professional sports, I identify the key factors that can strengthen the brand equity component of perceived quality such as success, head coach, star players, management and competitive forces.

In my proposed conceptual framework for brand equity in professional sports, I highlight the key factors affecting brand awareness such as word-of-mouth, media coverage, team communication and geographic location.

I select the most important factors for brand associations being success, tradition, stadium/arena, management, team communication, geographical location and fan support.

This foundation for brand equity in a professional sports setting will lead to the consequences: Team loyalty, media exposure, merchandise sales, ticket sales and revenue solicitation.

I highlight the most crucial components for brand equity as being perceived quality, brand awareness and brand associations. These three components are all essential and together constitute a successful brand extension if used properly. This can improve brand image, increase brand loyalty and increase revenue.

Brand extension allows sports clubs to step into new categories, which can reinforce the emotional connection between the fans and the team. This also gives the fans a new alternative to show their loyalty to the team. In this way, sports clubs can provide their fans with new leisure or entertainment opportunities associated with the team brand.

Brand extensions from sports organizations being linked with high levels of brand awareness are likely to be recognized as part of a team brand, but consumers will evaluate the brand extension by the brand associations of the parent brand. Consumers are more likely to accept extensions with a high degree of resemblance to the parent brand. This will also have a positive influence on how the consumer sees the parent brand (Aaker, 1990). If a brand is extended successfully, it will strengthen brand associations for the parent and thereby increasing brand equity (Aaker & Keller, 1990). Consumers who identify with the team and have a high level of commitment to the team

are likely to support and consume a brand extension as this would allow them to increase their consumption of the brand.

Esports also offers access to an extremely valuable and otherwise difficult-to-reach millennial demographic; a group not nearly as impacted by traditional television and advertising (Patrick, 2019).

if an organization does not benefit financially from an extension, the extension can still be considered a success because it provides a presence in a new and different category and at the same time builds fan loyalty and strengthens fan identification. This perspective of extensions seems to be unique to sports organizations (Apostolopoulou, 2002).

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