

Winning without losing? The feedback effect of brand extension and co-branding strategies  
on current and potential customers

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## **Abstract**

This paper investigates if a brand extension or co-branding strategy is more effective for brands extending their business into unrelated product categories. The study examines the feedback effect on the brand for current and potential customers with high and low involvement in the new category. Based on categorisation and schema theory, this study assumes that a co-branding strategy is more suitable regarding the feedback effect on the brand than a brand extension strategy. The context of the investigation is the sports industry, particularly professional soccer clubs entering the esports domain to acquire new target groups. A between-subject online experiment with 1,482 potential and current fans of two German Soccer League clubs reveals that the co-branding strategy affects the attitude towards the sports club brand more than the brand extension strategy. The results show that the co-branding strategy positively affects potential customers without alienating the brand's current customers.

**Keywords:** *Brand extension; Co-branding; Feedback effect*

**Track:** Product and Brand Management