REBRANDING: TWO ESSAYS

By

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To the Faculty of Washington State University:

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REBRANDING: TWO ESSAYS

Abstract

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This dissertation extends the limited extant research on rebranding. Despite the high costs and influential marketplace implications associated with rebranding, brand research has largely ignored this brand strategy and consumer responses. To expand our understanding of rebranding, I first provide an overview of rebranding in the marketplace and review existing rebranding research. I then report two essays that examine rebranding from different perspectives. Essay 1 draws on the associative network memory model, consumers’ brand identification, and conceptual fluency in developing the framework for consumer responses to brand logo change. Overall, my experimental studies demonstrate consumers’ unfavorable responses to brand logo change, especially for participants with high brand identification. I also establish state brand identification as a mediator for the impact of a brand logo change on consumer responses. Lastly, subsequent experiments indicate exposing consumers to previous brand logos can improve unfavorable responses to brand logo change due to an increase in ease of processing the meaning of the change. Essay 2 examines sales employees’ responses to rebranding using a survey methodology with technical sales personnel from a Fortune 100 company in the telecommunications industry. I extend recent work on sales employees and brands into
rebranding research to develop and test a model that theoretically links perceived rebranding intensity (i.e., degree) to sales employees’ challenge-oriented motivation and performance (i.e., sales generated and outcome performance). In addition, brand and organizational identification are included in my model due to the nature of the perceived rebranding intensity effect depending on sales employees’ different types of identifications. Results indicate that sales employees with high (vs. low) brand identification have lower (vs. higher) challenge-oriented motivation as perceived rebranding intensity increases, whereas organizational identification reveals an opposite moderating effect. My findings are attributed to the differing nature between the extent sales employees define their identity with a brand and the perceived overlap sales employees have with their firm.
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Dedication

This dissertation is dedicated to my devoted bride, Ronni, and my four loving children, Jordan, Mackenzie, Owen, and Hannah. Words cannot express how blessed I am to have such a faithful and committed family. I will be forever grateful for all of your patience, support, and love during our time in Pullman.
CHAPTER ONE

INTRODUCTION
Brands provide benefits to firms. Without brands, firms would struggle to differentiate from their competitors in the marketplace (Keller 2008; Kotler 1991). This becomes evident when a firm with a high quality product attempts to grow its market share by competing with a firm that also offers an equivalent quality product. Additionally, if positioned properly, brands enable firms to charge a premium (Keller 1993). Along with higher margins, brands facilitate repeat purchasing behavior; thus, establishing brand loyalty amongst customers. The favorable outcomes provided by brands can be explained by the accumulated brand equity from investments made towards brands (Keller 1993). For example, firms promote brands via advertisements, associate brands with well-regarded reference groups, or add a personality dimension to brands (Aaker 1997; Keller 2008).

Despite the investments to increase and maintain brand equity, firms eventually need to make the strategic decision to undergo rebranding in order to not experience a decline in brand equity and for the brand to continue generating cash flow. The notion of making changes to the brand might appear counterintuitive since rebranding could be construed as decreasing any brand equity associated with the original brand. However, forces such as a change in the competitive landscape or too much time elapsed necessitate rebranding not only to maintain the current customer base, but also to increase the likelihood of attracting new consumers.

Rebranding, whether one realizes it or not, has had a positive and negative impact on consumers’ responses. This can be attributed to the centrality that brands have in the lives of many consumers. Brand changes can affect consumers’ knowledge (awareness and image) of the brand and brand outcomes such as attitude and purchasing behavior. We can attribute these phenomena to the symbolic nature of brands and what they represent in consumers’ lives (Levy...
The days of brands acting solely as a functional identifier of a product are long gone. As a result, when changes are made to brands that are imbued with meaning, it is plausible that there would be a spectrum of responses to the rebranding.

There are numerous examples of firms that have achieved positive results with rebranding. Firms such as Target, Old Spice, and Walmart have experienced successful rebranding. Target credits its favorable outcome to transitioning its brand concept from just another low discount retailer to one that offers affordable high quality merchandise. The firm also changed its bullseye brand logo by making it bigger to emphasize its brand positioning. Old Spice took a completely different route by updating the consumption experience via advertising and social media. It ceased to be recognized as an outdated cologne. The company successfully repositioned its brand from a cologne formerly used by our grandfathers to one that should be desired and used by a much younger audience. Walmart’s rebranding campaign is considered a success because it grew its market share. This retailer was once only connected with low prices, but the rebranding efforts have changed its brand image to one that is about eating healthier and doing so with lower prices. One of the major keys to Walmart’s success in rebranding was their awareness of consumers’ current trend to eat better.

Unfortunately, there have been firms who have failed in their rebranding efforts. In January 2009, Tropicana simplified the design of their orange juice carton leading to a decline in sales of approximately 20% after six weeks. The rapid drop in sales persuaded the company to ditch their rebranding efforts. Its goal of having a sleeker and minimalist look for its packaging did not appeal to its customers. Towards the end of 2010, Gap unveiled a new brand logo that was noticeably different from the infamous navy blue square with white text. Gap was excited about the change to the brand logo upon its release. Within a couple of weeks, Gap decided to
forgo its rebranding efforts for its better-known brand logo. The overwhelming response on social media outlets to Gap’s new brand logo was extremely negative. Most recently, at the end of 2011, Coca-Cola reverted back to its signature red can after packaging its soda in a white can for the holiday season. This temporary change lasted only thirty days as a result of its customers displeasure with the white can. Even though this change was not permanent, Coca-Cola’s intent on making the holidays more exciting with a new can color backfired. Coca-Cola customers utilized social media forums to express their displeasure with the change.

This narrative only touches upon a few of the many instances of rebranding in the marketplace. Given that there are just as many failures as successes, it is surprising that the amount of research associated with this topic is limited at best. Moreover, our understanding of this strategic branding decision that firms will have to make sooner or later is minimal for marketing practitioners and researchers. My aim in this dissertation is to further our knowledge of this branding construct from a consumer and firm perspective.

**REBRANDING CONCEPTUALIZATION**

There is a consensus on the definitions of various brand constructs in the brand literature. According to Kotler (1991), a brand is, “a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors” (p. 442). Additionally, Aaker’s (1997) definition of brand personality has been accepted as the human traits that portray a brand, while customer-based brand equity is referred to as, “the differential effect of brand knowledge on consumer responses to the marketing of the brand” (Keller 1993, p.2). The same can be said for brand
extensions as defined by Aaker and Keller (1990) in which, “a current brand name is used to enter a new market segment in its product class,” or, “a current brand name is used to enter a completely different product class” (p. 27). In contrast, there is no consistency in defining rebranding upon examining the rebranding literature.

Some of the prior rebranding research has focused on changes to brand elements. In particular, researchers have characterized a rebrand as a change to the brand name, slogan, and logo (e.g., Stuart and Muzellec 2004). Muzellec and Lambkin (2006) argue that changes can range from evolutionary to revolutionary. Brand element changes may seem minor, but in reality a change to one of the brand elements can pose a risk (Stuart and Muzellec 2004). Specifically, a brand name change could affect how it is perceived by consumers, resulting in a decrease in brand equity that firms have built from the marketing of their brands (Aaker 1996; Muzellec and Lambkin 2006). However, one of the cornerstones in brand management is to make changes to the brand over time to maintain and increase brand equity (e.g., Keller 2008). Whether rebranding results in increases or decreases in brand equity, there is general agreement that at least some part of the original brand needs to remain after rebranding (e.g., Kaikati 2003; Keller 2008; Merrilees and Miller 2008).

Furthermore, previous rebranding work has researched the repositioning of the brand concept. A rebrand that involves the brand concept would include a change to the embedded meaning of one of the following: functional, symbolic, or experiential (Park, Jaworski, and MacInnis 1986). As brand repositioning will influence consumers’ perceptions, there will likely be downstream effects on brand awareness and the relationships that consumers have with brands (Keller 2008). Work by Merrilees (2005) also considers the repositioning of the brand when firms determine the new direction from rebranding. Muzellec and Lambkin (2006) provide
another perspective on brand position subsequent to a rebrand. In their case study, a firm focused its rebranding efforts on changing the brand name, with the goal of a new brand concept being accepted by its customers. These researchers learned that after the rebranding, customers’ perceptions were highly dependent on their interactions with firm employees. Thus, Muzellec and Lambkin’s (2006) research suggests that internal stakeholders are important for successful rebranding efforts. Additional research conducted by Bendapudi and Bendapudi (2005) contends that firms need to include their employees in the rebranding efforts. According to Mitchell (2002), employee support for rebranding is crucial since these stakeholders represent the brand to its customers. Further, multiple case studies support employee involvement in rebranding (e.g., Gotsi, Andriopoulos, and Wilson 2008; Kaikati 2003; Merrilees and Miller 2008). Kaikati’s (2003) case study examined Accenture’s rebrand that began in 2000 and found that the rebrand not only relied upon senior management, but that employees were also involved with the rebrand. Similarly, work by Gotsi, Andriopoulos, and Wilson (2008) showed that firms need to gain support from employees with the new brand or face resistance to the rebranding.

Prior work has also involved the development of rebranding frameworks. For instance, Kaikati (2003) suggested various strategies that could be implemented for a rebrand such as phasing-in changes to the brand and then phasing-out parts that are no longer wanted. Merrilees (2005) took a different approach by contending that three constructs need to be included in rebranding and coordinated with one another - brand vision, brand orientation, and brand strategy. Brand vision is how the brand is positioned and focuses on how the brand is perceived. The other two constructs are tactical: brand orientation is the extent that a firm's entire marketing strategy involves the brand, while brand strategy is the implementation of the new brand through marketing activities. The framework conceptualized by Merrilees (2005) is grounded in the idea
that rebranding is necessary for future brand equity growth. In addition, Merrilees (2005) argues that theories explaining rebranding are scant and that the guidance for firms in designing and implementing rebranding is not well developed. Muzellec and Lambkin (2006) develop a model that consists of three major components: (1) factors driving changes to the brand, (2) goals from rebranding, and (3) the process that a firm will undergo during rebranding. Lastly, Merrilees and Miller (2008) take a varied approach by developing six principles of rebranding that can be summed with three major themes – maintaining aspects of the current brand, considering needs of any new target segments, and communicating the rebrand to all stakeholders. Their principles address the awareness of the benefits and costs associated with rebranding and the inclusion of internal stakeholders. Moreover, from Merrilees and Miller’s (2008) perspective, alignment of all brand elements and promotion of efforts are necessary for rebranding.

Based on the extant branding literature, I define rebranding as a continuum of change to dimensions relevant to the brand ranging from the brand element (e.g., name, logo) to aspects of the firm (e.g., culture, goals). Changes to the brand need to impact consumers’ brand knowledge (awareness and image associations; Keller 1993) in order to be considered rebranding. For example, if a firm suddenly changes its culture of when to take a lunch break, the brand knowledge for employees or consumers is not impacted; thus, this change would not be rebranding. However, if Nordstrom’s customer centric culture was eliminated, our associations for the Nordstrom brand would be effected.
Although scholarly work has been conducted with regard to rebranding (e.g., Gotsi, Andriopoulos, and Wilson 2008; Kaikati 2003; Merrilees and Miller 2008), several pivotal gaps in this line of work still remain. First, consumers’ responses to rebranding have not been given adequate attention. This is somewhat surprising given what has been reported in the popular press regarding consumers’ responses (both positive and negative) to rebranding. Since consumers are the final judges of rebranding, their perceptions of the new brand image and resultant changes to brand outcomes (such as attitudes and loyalty) are critical to the success of a rebrand. As such, it is imperative that we understand how consumers might respond to changes during the rebrand. Essay 1 addresses these issues with experiments and draws upon the associative network memory model, consumers’ brand identification, and conceptual fluency in developing a framework for consumer responses to a brand logo change.

Second, there is also a gap that exists regarding how employees respond to rebranding. In this research, I focus on sales employees given the boundary-spanning role of these personnel and recent research showing that these employees support of the brand they represent can have a positive influence on customers (Sirianni, Bitner, Brown, and Mandel 2013). There is a potential downside on employees as rebranding as established brand associations will likely need to be relearned. Additionally, rebranding may also require a salesperson to learn new sales approaches for the brand. Previous work has demonstrated that sales employees may not respond positively to strategic change from having to learn new aspects in their positions (Sarin, Challagalla, and Kohli 2012). Given the potential negative ramifications, firms would benefit by understanding how their sales employees will react to rebranding. In Essay 2, I examine sales employees’
responses to rebranding using survey methodology with technical sales personnel from a Fortune 100 company in the telecommunications industry. I extend recent work on sales employees and brands into rebranding by developing and testing a model that theoretically links perceived rebranding intensity (i.e., degree) to sales employees’ challenge-oriented motivation and performance (i.e., sales generated and outcome performance).
REFERENCES


CHAPTER TWO

ESSAY 1

I DON’T KNOW YOU ANYMORE: THE DARK SIDE OF BRAND LOGO CHANGE
AND MITIGATING ITS NEGATIVE EFFECTS
ABSTRACT

Brand knowledge (i.e., brand associations and awareness) gained from the marketplace is often anchored in the brand logo. Indeed, many people hold brand associations and awareness in their memories, which are strong and hard to change. This research builds on the difficulty of changing consumers’ brand associations and awareness by examining consumer responses to brand logo change. Even though changing a brand logo is relatively common, insight into how consumers respond to such a change is lacking. While extant research has explored consumer reactions to changes in brand logo design, researchers have yet to delineate a theory for the change itself. The present research addresses this gap by focusing on brand logo change, in general, rather than on changes in design. Building on the associative network memory model, consumers’ brand identification, and conceptual fluency, I develop a framework for consumer responses to brand logo change. Overall, my experimental studies demonstrate a strong and persistent unfavorable response by consumers to brand logo change, especially for those with high brand identification. I also establish state brand identification as a mediator for the impact of brand logo change on consumer responses. Lastly, I show that the negative effects of a logo change can be reduced by exposing consumers to previous changes to the brand logos due to an increase in the ease of processing the meaning of the change.
INTRODUCTION

Brand management strategy suggests firms should maintain a contemporary brand logo (Keller 2008), however, many firms have experienced negative reactions from consumers after a brand logo change. For instance, in January 2009 Tropicana simplified the logo design on its orange juice carton and then watched revenues decline approximately 20% after six weeks. Due to the rapid drop in sales, Tropicana abandoned the brand logo change (Dailey 2010). Similarly, The Gap, in 2010, unveiled a new brand logo noticeably different from the familiar navy blue square with white text. After approximately one week The Gap reverted back to its better-known brand logo due to many of its customers feeling betrayed, as expressed on social media (Goldwert 2010). Interestingly, many of the reactions on social media were personal, such as “How dare you?” and “You have such little respect for your customers” (Halliday 2010).

Clearly, consumer responses to brand logo change extend far beyond an aesthetic reaction to design aspects of the logo. Given consumers’ strong reactions to brand logo change that may contradict normative brand management, research is needed to understand the underlying factors driving consumers’ responses to brand logo change.

Recent research, yet limited, has explored consumer responses to changes in brand logo design. For example, participants report stronger perceptions of modernity when exposed to an existing (vs. previous) brand logo (Müller, Kocher, and Crettaz 2013). Other research has manipulated specific design aspects of the logo. In particular, Walsh, Winterich, and Mittal (2010) examine participants’ reactions to the logo shape changing from angular to round in varying degrees (i.e., none, moderate, and high). Although some research has briefly addressed consumer responses, the existing studies have primarily examined reactions to changes in visual traits related to the logo, rather than to changes in underlying brand associations related to a
brand and its logo. In other words, previous research, to the best of my knowledge, has overlooked consumer responses to the change, in general, and its effect on brand attitude. Importantly, I am able to focus on the change itself by not presenting any particular logo design adjustments in my experimental studies.

My basic premise is that consumers should find changes to a brand’s logo change to be unfavorable since strongly held brand associations and awareness are tied to brand logos which prove hard to change (Keller 1993, 2008). I also posit that consumers with higher brand identification will respond more unfavorably due to their greater integration of the brand in their identities. Moreover, I expect that a brand logo change will impact brand attitudes through consumers’ state brand identification. Supporting my expectation is previous research having established that context can activate any of the identities consumers hold (Aaker 1999; Oyserman 2009).

I also explore a potential moderator that can attenuate consumers’ unfavorable responses to brand logo change. Specifically, I examine whether a reminder of past brand logos buffers negative reactions to brand logo change since previous research has demonstrated past information helps inform the present (Belk 1991; Gilovich 1981). When presented with a reminder of past brand logos, consumers should draw brand associations related to the past (e.g., change is natural) that will help enable them to process the reasoning for the change. Lastly, I test conceptual fluency as the psychological mechanism for the reminder of past brand logos.

In order to develop my framework regarding how consumers respond to a brand logo change, I first review brand research that links brand associations and awareness to brand logos. Next, I consider the brand identification literature to enhance our understanding of consumer responses to brand logo change as a function of the extent to which brand meaning is used to
define consumers’ identities. I then draw from relevant information processing and conceptual fluency literature to theoretically explain the positive impact of a reminder of past brand logos on consumer responses to brand logo change. Finally, I present my experimental studies that test my hypotheses and yield theoretical and practical insights.

THEORETICAL BACKGROUND

Brands and Brand Logos

Brands represent one of the most valuable assets for firms (Keller 2002), and it is commonly accepted that a brand is a combination of elements (e.g., logo, name, slogan) firms use to differentiate themselves from competitors (Kotler 1991). Notably, prior research has shown beneficial outcomes of a brand such as consumers’ willingness to pay more (e.g., Agrawal 1996) and perceptions of higher quality for a branded product or service (e.g., Brucks, Zeithaml, and Naylor 2000; Jacoby, Olson, and Haddock 1971). The days when products and services served solely functional purposes have long since passed and now many consumption decisions are based on the symbolism behind a brand (Belk 1988; Levy 1959). From a consumers’ standpoint, brands can take on special meaning driven at least in part by supportive marketing activities (Keller 1993, 2002, 2008; Park, Jaworski, and MacInnis 1986). Once formed, the brand’s position allows consumers to form brand associations (i.e., knowledge of brand in memory) that are self-relevant (Reed et al. 2012; Sprott, Czellar, Spangenberg 2009).

Keller’s (1993) customer-based brand equity framework (CBBE) has been an influential model in understanding how brand knowledge impacts consumers’ responses to the marketing of a brand. The brand associations and awareness are the components of brand knowledge, and
brand knowledge can be measured by brand equity. According to Keller and Lehmann (2006), brand equity is the additional value in a firm’s product or service that would not exist if no investments were made to the brand (e.g., logo, position). From a consumer perspective, brand equity is a consumer’s brand knowledge from a firm’s marketing efforts in comparison to the same product or service without a brand (Keller 1993, 2002, 2008). In addition, brand knowledge varies in strength for each consumer (Keller 2003), and the differing strength impacts how consumers respond to brand contexts that trigger brand associations and awareness in memory. Despite the variability in strength of brand knowledge, consumers’ brand associations and awareness are difficult to change once established in memory (Keller 1993, 2008). Keller’s (1993) model is based on the associative network model of memory, such that brand knowledge consists of nodes that store brand knowledge (connected by links of varying strength (Anderson 1976; Collins and Loftus 1975; Keller 1993) that results in both brand awareness and images associated with a particular brand. Within the organized schema of brand knowledge, activation from one node to another can occur when a consumer is exposed to a brand cue in the environment (Anderson 1983; Keller 1993).

Brand elements, such as the logo, name, and slogan, are tangible aspects of the brand that are integral to the formation of brand associations and awareness (Aaker 1996; Keller 2008) and can activate brand knowledge structures. Of these elements, brand logos are critical in the marketplace since often times the logo is not only the first point of contact for a brand (Banerjee 2008), but also the brand element consumers repeatedly see as they continue to experience the brand. Regardless of the presentation context of brand logos (e.g., advertising, brand-user, brand-usage), the meanings consumers form from brand experiences become associated with the logo, and these brand associations are strongly held by consumers (Keller 1993, 2008). Given the
strong brand associations tied to brand logos and that exposure to logos can readily activate brand knowledge, understanding consumers’ responses to a brand logo change has both theoretical and practical implications.

Previous research on brand logos has primarily explored consumer reactions to various logo characteristics. For example, recent research has shown that participants prefer a bounded (vs. unbounded) brand logo due to feeling in control after writing about an accomplishment (Cutright 2012). Likewise, consumers perceive logos with complete shapes to be more innovative and trustworthy (Hagtvedt 2011). Other related work explores perceptions of dynamic imagery in brand logos and demonstrates more favorable brand attitudes for logos that embody motion (Cian, Krishna, and Elder 2014). Lastly, exposure to a brand logo (e.g., Apple) via priming has been shown to lead to goal driven behavior related to the underlying brand trait (e.g., being creative; Fitzsimons, Chartrand, and Fitzsimons 2008).

Another area of brand logo research, though limited, examines the effectiveness in visual design. For instance, elaborate logos have been shown to be more effective at maintaining interest, and logos with familiar shapes and objects are more favorable among consumers (Henderson and Cote 1998). Colors have also been considered in brand logo design. In particular, prior research suggests that consumers form perceptions of a brand based on the inherent meaning of a color, such that a blue logo will lead to beliefs that the brand is dependable and stable (Kaikati and Kaikati 2003). Recent studies have extended the meaning of logo colors to brand personality (e.g., a brand logo with black, purple, or pink is associated with sophistication; Labrecque and Milne 2012).
Brand Logo Change

Prior brand research has only briefly considered consumer responses to logo change with the majority of this work focusing on consumer reactions to adjustments in visual traits (rather than underlying brand associations) related to brand logos. For example, a previous study reveals higher perceived modernity for a current brand logo after exposing participants to a brand’s previous and most recent logo (Müller, Kocher, and Crettaz 2013), however, this effect was only demonstrated for logos evaluated as similar (i.e., the old vs. new Apple logos were perceived similar, while that was not the case for Microsoft). Work by Walsh and colleagues more directly addresses change related to brand logos. Their study, using both Adidas and New Balance brands, investigates consumer responses to changing an angular logo shape to round (Walsh, Winterich, and Mittal 2010). Results demonstrate that a higher degree of change leads to lower brand attitudes for participants with greater brand commitment, while those with less brand commitment demonstrate a positive effect of logo change on brand attitude. Interestingly, the measure for brand commitment (Beatty, Homer, and Kahle 1988) used by Walsh and colleagues is focused on availability of the brand rather than a pledge to remain in a relationship. Importantly, Walsh and colleagues acknowledge their work does not provide a theoretical account for the effectiveness of a logo’s shape (angular vs. round).

The existing studies that consider consumer responses to brand logo change primarily explore adjustment in design. As such, one could raise the question of whether participants were responding to the logo design after the change or the logo change, in general. My objective in this present research is to theoretically explain the reasoning behind consumer responses to the notion of brand logo change rather than a new logo design. By focusing on change, as a whole, I can connect consumer responses to their existing brand associations and awareness in memory.
My intent is not to manipulate specific characteristics of a brand logo, but instead, I will inform study participants the brand logo is changing without any description of the change.

Consumers will necessarily rely on their existing brand associations when responding to a brand logo change if no aspects in design are specified. As discussed, brand associations in memory consist of brand information gained from consumers’ previous experiences with a brand (Keller 1993, 2008). Once formed, brand associations are strong and hard to change (Keller 1993). Given that brand associations are anchored in brand logos, consumers will have to learn and incorporate new brand associations into memory after a brand logo change. Therefore, it is reasonable to assume consumers will respond negatively to brand logo change since they prefer the status quo rather than learn new information that accompanies change (Kanter 1985; Kim and Gupta 2012). Additionally, changing a brand logo may signal to consumers the brand is taking on a new identity and leave consumers wondering what other aspects of the brand may also be changing. From a brand awareness perspective, brand logos enable consumers to quickly recognize products and services in their search and in making selections (Morrow 1992). As such, if consumers are presented with a brand logo change, then they might react negatively since the logo will no longer be familiar. Considering the impact on both brand associations and awareness, a brand logo change will lead to unfavorable responses from consumers. Thus, I hypothesize:

**H1:** Consumers will have more unfavorable brand attitudes after a brand logo change compared to no change.

**Brand Identification**

A brand logo serves as more than just a differentiating element for brands (Keller 2002, 2005, 2008), as logos carry and activate consumers’ brand associations (Aaker 1996; Keller
Indeed, previous research has linked brand associations to brand identification (Keller 2003), which suggests brand identification, as a trait, is an important moderator for consumer responses to brand logo change. In addition to the trait, I consider state brand identification immediately after a brand logo change.

Consumer identification has been described as “any category label to which a consumer self-associates either by choice or endowment” (Reed et al. 2012, 312). When consumers adopt an identification, they also adopt the norms, values, and goals that reflect the identification (Oyserman 2009). Various identifications within consumption research have been studied such as brands (Reed 2004), race (Forehand, Deshpande, and Reed 2002), and gender (Maldonado, Tansuhaj, and Muehling 2003), to name a few. An individual’s identification is often conceptualized as multi-level with two primary classifications; namely, social and personal identification (Swann and Bosson 2010). A social identification represents identification as a member of a group, whereas a personal identification does not include the group dynamic component (Tajfel 1978). Regardless of which identification, both social and personal identification similarly impact how consumers see themselves and present to others (Kleine, Kleine, Kernan 1993). For this reason, I follow Reed et al.’s (2012) approach and do not differentiate between the identifications in my framework.

Consumers form various identifications after organizing and interpreting all of the incoming environmental information, with these identifications impacting consumption responses (Markus 1977). For example, previous research reveals more favorable evaluations for a product that is consistent with a consumer’s in-group identification (Escalas and Bettman 2003, 2005). Other research explores products related to undesirable identifications, which has been shown to lead to unfavorable evaluations of and lower likelihood to choose such products (White
and Dahl 2006, 2007). Research has theorized that the environment consumers face in the marketplace can activate one of their identifications and subsequently impact their evaluations (Aaker 1999; Oyserman 2009). For instance, more favorable evaluations result from an advertisement with a spokesperson of the same race and when a consumer’s racial identification is activated (i.e., minority in a small town; Deshpande’ and Stayman 1994).

Brand identification in consumption research continues to grow in importance (Reed et al. 2012) and refers to the degree to which a specific brand, as a function of its meaning, is part of the consumer (Bhattacharya and Sen 2003; Reed et al. 2012). The brands which consumers identify with aide in defining, reinforcing and expressing the self (Belk 1988; Chernev, Hamilton, and Gal 2011). Importantly, research has established relevant marketing implications for consumers’ brand identification. In particular, higher brand identification has been shown to positively impact satisfaction (He, Li, and Harris 2012) and word-of-mouth (Tuškej, Golob, Podnar 2013).

A key component of brand identification is the congruency established between a consumer’s brand associations and a brand’s meaning (Kirmani 2009). Indeed, the positive impact of a consumer’s brand identification on evaluations and behavior is dependent on the continuation of the congruency (Shavitt, Torelli, and Wong 2009). When the congruency between the consumer’s brand associations and the brand’s meaning is disturbed, consumers perceive their brand identification as not intact (Kleine, Kleine, and Allen 1995) resulting in unfavorable consumer responses. This notion is supported by previous research suggesting brand identification can provide security to consumers (Swaminathan, Page, and Gürhan-Canli 2007) and can elicit positive responses when a message reinforces the congruency between a consumer and a brand (Reed et al. 2012).
Given that much brand meaning is carried by a brand’s logo, I apply a consumer’s desire for congruency from brand identification (i.e., a consumer’s brand associations and a brand’s meaning) to a brand logo and its change. Specifically, I argue that after a brand logo change, consumers perceive brand meaning as having changed, and as a result, the congruency from brand identification is disrupted. Also, since a brand logo facilitates formation of brand identification by providing a visible representation of the congruency between the consumer and the brand, consumers will interpret a brand logo change as a loss in brand meaning. The perceived magnitude of the loss in brand meaning will vary based on the degree of a consumer’s level of identification with the brand. Based on the preceding, I expect consumers with higher (vs. lower) brand identification to have stronger unfavorable responses to a changed brand logo. Consumers with lower brand identification will also evaluate the brand unfavorably after a logo change, but not as negatively as those who identify with the brand. Thus, I hypothesize the following:

**H2:** The negative effect of brand logo change on brand attitudes is stronger for consumers with higher brand identification, compared to consumers who have lower brand identification.

While brand identification is most often considered as an enduring trait (Bhattacharya and Sen 2003; Sprott, Czellar, and Spangenberg 2009), previous research has established that various identifications can also be activated by a context thereby impacting consumers’ evaluations and behavior (Aaker 1999; Oyserman 2009). In this research, therefore, I also examine a consumer’s state brand identification after a brand logo change; state brand identification is defined as the momentary variation of identification with a brand. If a brand changes its logo, then I propose that state brand identification will be activated since consumers
will be forced to learn and incorporate new brand associations. The brand associations impacted by a brand logo change range from symbolic representations to those that allow recognition in the marketplace. Considering the impact on brand associations, the effect of a brand logo change on consumers’ responses will be mediated by state brand identification. Thus, I hypothesize the following:

**H3:** State brand identification will mediate the impact of brand logo change on brand attitude and subsequently purchase intention.

**Reminder of Past Brand Logos and Conceptual Fluency**

My work to this point has primarily focused on understanding why a changed brand logo results in unfavorable consumers’ responses. A practical issue of importance to marketers is whether there is anything to be done to improve (or at least ameliorate) consumers’ unfavorable responses to a changed brand logo. To answer this question, I next consider whether reminding consumers of past rebrands can attenuate the negative impact of brand logo change on brand attitudes.

Interestingly, previous research has suggested an existing brand logo should not represent the past (Aaker 1996; Keller 2008). Consumers’ perception of a brand logo looking outdated is likely to suggest an update is needed. As such, by presenting consumers with a reminder of past brand logos, brand associations related to previous brand logos should trigger information that such a change is natural and a brand, at times, needs to be refreshed. Once the brand associations related to past brand logos are activated, consumers will have the ability to mitigate the uncertainty from a brand logo change. Specifically, a reminder of past brand logos will enable brand associations to form between the current situation (i.e., brand logo change) and the associations related to the previous brand logos (e.g., change is natural). Hence, the reminder of
past brand logos and, in particular, the brand associations related to previous logos should both have a positive influence on consumer responses to brand logo change. The aforementioned connection between the past and the present is consistent with previous research demonstrating the past is able to inform the present if consumers are provided with historical information (Gilovich 1981). On the other hand, if consumers are not reminded of past brand logos, then they will not draw brand associations from the past. Based on the previous line of reasoning, consumers should be more receptive to a brand logo change if they are reminded of past brand logos. Thus, I hypothesize the following:

**H4:** The negative effect of brand logo change on brand attitudes will be attenuated for consumers who are reminded of previous logos of the changed brand, compared to consumers who are not reminded.

To further our theoretical insight into a reminder of past brand logos as a buffer for consumers’ unfavorable responses to brand logo change, I explore the underlying process of the preceding hypothesis (i.e., conceptual fluency).

Processing fluency represents the ease of processing stimuli (Reber, Schwarz, and Winkielman 2004), with research finding that easier stimulus processing leads to more favorable evaluations towards the target (e.g., Lee and Aaker 2004; Phillips, McQuarrie, and Griffin 2014; Sirianni et al. 2013). Two types of processing fluency have been explored by previous researchers; perceptual and conceptual fluency (the focus of this research). First, perceptual fluency is the ease in processing visual features (Schwarz 2004). For example, recent research has shown that participants find it easier to process fonts that are easy (vs. challenging) to read (e.g., Arial vs. Mistral; Huang, Song, Bargh 2011), and text which is symmetrically (vs. asymmetrically) displayed (Middlewood and Gasper 2014). In contrast, conceptual fluency is the
ease in processing associated with the meaning of a stimulus (Shapiro 1999). Previous work in this realm has demonstrated a positive impact from participants’ ability to more easily interpret stimuli on product evaluations (e.g., Lee and Labroo 2004; Van Rompay and Pruyn 2011) and familiarity (e.g., Whittlesea and Williams 2001).

A sense of ease in interpreting stimuli meaning occurs in various ways. For instance, repeated exposures to a stimulus (e.g., brand logo) have been shown to aide in understanding meaning (e.g., Chang 2009; Lee and Labroo 2004; Shapiro 1999). Lee and Labroo (2004) propose that conceptual fluency occurs from multiple exposures to a stimulus and results from the ease in retrieving information stored in memory about the stimulus. Specifically, after familiar information, via repeated exposures to stimuli, is accessible and activated from memory, processing a target becomes easier and in turn, positively impacts evaluations (Pandelaere, Millet, and Van den Bergh 2010; Whittlesea and Williams 2001).

In addition to repeated exposures to a stimulus, a congruency between a stimulus and a target enables consumers to experience ease in processing meaning (Reber, Schwarz, and Winkielman 2004; Schwarz 2004). The positive impact of congruency between presented information (i.e., stimuli) and a context (i.e., target) on conceptual fluency and important marketing contexts, such as advertising and brands, has been demonstrated in prior studies. For example, consumers report a more favorable attitude, after an increase in ease of processing meaning, towards an advertisement when the message frame (i.e., promotion vs. prevention) is consistent with their mindset (Lee and Aaker 2004). From a brand perspective, Sirianni et al. (2013) establish conceptual fluency as the underlying mechanism for the congruency between a brand’s positioning and perceptions of frontline employees’ behavior and its positive impact on brand evaluations.
As previously hypothesized, a reminder of past brand logos (vs. present only) will attenuate consumers’ negative responses to a brand logo change. When a reminder of past brand logos is presented to consumers, the reminder serves as a subsequent exposure to previously seen brand logos (i.e., brand awareness) and allows relevant brand associations to be more easily drawn from memory due to previous exposure. The brand associations that are tied to the past brand logos will center on the change over time. As mentioned earlier, brand associations related to previous brand logos will enable consumers to understand and process that the past brand logo changes are natural and make sense. In contrast, exposing consumers to only the present brand logo will activate brand associations with nothing related to the past or to change being beneficial. As such, a reminder of past brand logos should increase the ease in processing the meaning (i.e., conceptual fluency) of a brand logo change.

Similar to repeated exposures of stimuli, a congruency between a reminder of past brand logos (i.e., stimuli) and a brand logo change (i.e., context) contributes to participants experiencing conceptual fluency. Due to the uncertainty that typically accompanies change (i.e., brand logo change; Kim and Gupta 2012), presenting past brand logos with a brand logo change provides clarity by allowing consumers to more easily process the future after a change. In other words, the predictive nature associated with a reminder of past brand logos conceptually aligns with a brand logo change after the initial unpredictability becomes predictable from simultaneously presenting a logo change and past brand logos. Supporting my assertion is previous conceptual fluency research suggesting congruency will arise from a stimulus’ intrinsic predictive trait that facilitates the process of the context becoming clear (Huang, Song, and Bargh 2011). Other related work has suggested participants’ ease of processing meaning increases from the congruency of stimuli presented in a progressive manner with a target bearing
the same attribute (Hong and Sternthal 2010). Consequently, I expect a reminder of past brand logos to assist consumers in understanding the reasoning for the brand logo change. However, if the present brand logo is only shown with a brand logo change, then the stimulus (i.e., only existing logo) and the environment (i.e., brand logo change) will be incongruent. In this instance, consumers will not process and comprehend the progressive nature of brand logos when presented with a brand logo change. Taking into consideration the subsequent exposure to a stimulus and the congruency of a stimulus and context, I posit conceptual fluency as the underlying mechanism for the interactive effect of a brand logo change and a reminder of past brand logos on brand attitude. Thus, I hypothesize the following:

**H5:** Conceptual fluency will mediate the hypothesized brand logo change x reminder of past brand logos interaction on brand attitudes.

Overview of Studies

I conduct a series of studies to examine consumer responses to brand logo change and to test my hypotheses. First, I explore consumers’ brand evaluations after a logo change (vs. no change) with four different brands in a variety of product categories and the moderating effect of brand identification (Studies 1 A-D; hypotheses 1 and 2). Next, I test for state brand identification as the underlying mechanism regarding the impact of brand logo change on brand attitudes and subsequent purchase intentions (Study 2; hypothesis 3). In my last set of studies (Study 3 A-C), I investigate whether a reminder of brand’s past logos can attenuate consumers’ negative responses to a changed logo (hypothesis 4). Additionally, these experiments test for conceptual fluency as a mediator for the interactive effect between brand logo change and a reminder of past brand logos on brand attitudes (hypothesis 5).
PILOT STUDY: BRAND ELEMENTS CLOSELY ASSOCIATED WITH BRANDS

The literature suggests the most important brand elements to be the name, logo, slogan, font, and color (e.g., Keller 1993, 2002, 2008). However, to the best of my knowledge, no research has explored which of the brand elements consumers consider to best represent brands. The purpose of this pilot study is to determine empirically the brand element(s) most closely associated with brands. Findings from this study will also provide insight into the degree of relevance my subsequent experimental studies, which focus on the brand logo, will have on branding practice.

Design and Procedure

Participants consisted of undergraduates from a large Northwestern university who were provided course credit for completing the study. This study was conducted in multiple upper division Marketing classes, and participants did not overlap amongst the classes (\( N = 110; 45.5\% \) female; mean age = 21.3 years). I used a within-subjects study design and asked each participant to evaluate how closely associated brand elements (i.e., logo, name, slogan, font, and color) are to a brand. A seven-point Likert type measure was used (“For most brands that you are aware of, how closely associated is the [\textit{brand element}] to the brand”; anchored by 1 = “Not at all closely associated” and 7 = “Closely associated”). To avoid any order effects, the brand elements were randomly presented.

Results and Discussion

A one-way repeated-measures ANOVA was performed with all five brand elements’ association with a brand. Mauchly’s test of sphericity was violated; thus, degrees of freedom were corrected using Huynh-Feldt’s estimate of sphericity (Field 2013). After accounting for the
sphericity violation, my one-way repeated-measures ANOVA indicated participants closely (but differently) associated brand elements with a brand ($F(3, 339) = 78.60, p < .001$; logo: $M = 6.57, SD = 0.74$; name: $M = 6.50, SD = 0.70$; slogan: $M = 5.59, SD = 0.96$; font: $M = 4.93, SD = 1.38$; color: $M = 4.88, SD = 1.35$; see Figure 1.1). For my follow-up simple contrasts, I designated the brand logo as the reference category. Simple contrasts revealed the brand logo was more closely associated with a brand than any other brand element ($p$-values < .001) except for the name ($p > .10$).

Previous brand research asserts the brand name, in large part, represents much of the brand to consumers (Aaker 1991; Keller 1993, 2008). Interestingly, my pilot study results show the brand logo also carries great importance to consumers in the makeup of a brand. Due to how closely associated logos are to brands, my findings support the following studies’ focus on brand logo change.

**STUDY 1 (A-D): BRAND LOGO CHANGE AND BRAND IDENTIFICATION**

In Study 1, I examine consumer responses to a brand changing its logo utilizing four different brands in a variety of product categories (Study 1A: a university brand; Study 1B: Nike; Study 1C: The North Face; and Study 1D: Starbucks). In particular, Study 1 (A-D) has two objectives. First, I test my prediction (hypothesis 1) that consumers will respond unfavorably to brand logo change by randomly presenting participants with a scenario of a brand either keeping or changing its current logo. Second, I examine whether consumers with higher brand identification will have stronger unfavorable responses (i.e., brand attitudes) to the brand logo change than those with lower identification with the brand (hypothesis 2). Since the procedures
and analyses in Study 1 (A-D) are consistent, I report appropriate results in tables and figures to keep my summary succinct.

Method

Participants and Design. Participants for Study 1A, 1C, and 1D were undergraduate business students from a large Northwestern university, while participants in Study 1B were recruited online from Amazon’s Mechanical Turk (M-turk). The undergraduates received course credit, and M-turk participants were compensated $0.50 for completing the study. Sample sizes and characteristics can be found in Table 1.1. Study 1 (A-D) all used a two-level between-subjects design (no logo change vs. logo change) with a continuous, self-reported moderator (brand identification).

Procedure and Measures. The procedures and measures used in Study 1 (A-D) were consistent. Participants were randomly assigned to a scenario that informed them the brand was conducting marketing research related to either keeping or changing its logo (Study 1A) or asked them to imagine the brand was planning on either keeping or changing its logo (Study 1B, 1C, and 1D). In Study 1A, the authors’ university brand was used, and participants completed this study in the business school behavioral lab that has previously collaborated with partners within and outside of the university. Therefore, the context of Study 1A was realistic for the sample. The scenarios used for Study 1 (A-D) can be found in Appendix 1.A. In all studies, no images of the logo were provided to participants thereby focusing participants’ attention on the basic notion of the brand keeping or changing its brand logo. Next, participants completed a three-item, seven-point semantic differential scale assessing their attitude toward the brand (“bad/good”; “unfavorable/favorable”; “negative/positive”). The average of these items served as the dependent variable. Participants then completed a two-item, seven-point Likert type measure for
brand identification adapted from White and Dahl (2007) (“The brand is important to how I view myself.”; “I strongly identify with the brand.”; 1 = “Strongly disagree” to 7 = “Strongly agree”). Descriptive statistics for the measures appear in Table 1.1.

Results

To test hypothesis 1 and hypothesis 2, I conducted a two-step multiple linear regression analysis on brand attitude following Aiken and West (1991) for Study 1 (A-D). On step 1, I entered the contrast-coded experimental conditions variable (no logo change, -1; and logo change, 1) and continuous brand identification (mean-deviated). On step 2, I entered the interaction term between the experimental variable and brand identification. In support of hypothesis 1, a significant main effect for the experimental variable emerged for each of the brands, such that participants informed of the brand’s decision to change the logo reported less favorable brand attitude than participants in the condition without change. Additionally, I found a significant main effect for brand identification only for the Nike brand (Study 1B), such that participants higher in Nike brand identification reported more favorable brand attitudes. Lastly, in all fours brands (Study 1 A-D), a significant interaction between the experimental variable and brand identification emerged as expected. Regression results are presented in Table 1.2, while the interactions are depicted in Figure 1.2.

To explore further the two-way interactions in Study 1 (A-D), I conducted two spotlight follow-up analyses examining the effect of rebranding at low and high brand identification. Following conventional procedures (Aiken and West 1991), two regression slopes were estimated at low (one SD below the mean) and high (one SD above the mean) levels of brand identification. Both regression slopes (i.e., low and high brand identification) yielded significant and consistent results across all four brands. Specifically, participants with higher brand
identification evaluated the brand more unfavorably after the brand logo change than those with lower brand identification (who also negatively evaluated the brand after the brand logo change). In sum, the effects followed the expected direction, and hypothesis 2 was supported. Simple slope analyses can be found in Table 1.2.

Discussion

My goal in Study 1 (A-D) was to discern consumers’ responses to a brand changing its logo. The goal of these studies was to assess reactions to change at a general level, rather than to any specific adjustments to the design of the brand logo. By not supplying images of the potential new logo or suggesting which design aspects would change, participants relied on their existing brand associations when evaluating the brand after a logo change.

The results for all four brands provide support for my theorizing that consumers will respond unfavorably to a brand logo change (hypothesis 1). In addition, my findings demonstrate that those unfavorable responses were stronger for participants with higher brand identification (hypothesis 2). Interestingly, participants with lower brand identification also responded unfavorably to the brand logo change, just less so than those with higher levels of identification. This particular finding further supported my framework that the brand was well established in consumers’ memories, even for consumers who did not highly identify with the brand, and any change to a source (e.g., brand logo) that can activate the associative memory network of brands will lead to negative reactions. In sum, hypotheses 1 and 2 are supported with multiple brands from various product categories.

In Study 2, I extend the findings of Studies 1A – 1D by further examining brand identification as the initial studies did not provide insight into the underlying mechanism. Hence, in Study 2, I explore the underlying process of a brand logo change on brand attitudes by turning
my attention to state brand identification. Moreover, I test the effect of brand logo change on further downstream consumer responses (i.e., purchase intention) in Study 2.

**STUDY 2: STATE BRAND IDENTIFICATION**

This study extends Study 1 (A-D) by examining state brand identification as the psychological mechanism for the impact of brand logo change on brand attitude. My theoretical reasoning relies on a situation’s ability to activate a relevant identity (Aaker 1999; Oyserman 2009). Accordingly, a brand logo change will negatively impact consumers’ state brand identification due to the change signaling to consumers that new brand associations will need to be incorporated into memory. In Study 2, I follow procedures similar to Study 1A, including the use of a university brand and the effect of changing the brand on university students.

**Method**

*Participants and Design.* A sample of business undergraduates from a large Northwestern university participated in exchange for course credit ($N = 320$; 41.9% female; mean age = 21.0 years). Participants were randomly assigned to a two-level between-subjects design (no logo change vs. logo change).

*Procedure and Measures.* Participants first read the scenario used in Study 1A (see Appendix 1.A) in which their university was going to keep or change the brand logo. Once again, no images of the brand logo were provided to participants. Next, participants completed measures assessing brand attitudes as detailed in Study 1 ($\alpha = .98; M = 6.15; SD = 1.27$) and intentions to purchase university branded clothing from the campus bookstore (one-item seven-point Likert type item; “Assuming you are shopping for clothes right now, how likely is it that...
you would purchase university branded clothing at the campus bookstore?”; 1 = “Very unlikely” to 7 = “Very likely”; \( M = 4.92; \) \( SD = 1.95 \).

Participants also completed a four-item scale, adapted from Heatherton and Polivy (1991), designed to assess state brand identification (\( \alpha = .86; \) \( M = 5.91; \) \( SD = 1.19 \)). Specifically, participants indicated on a seven-point Likert type scale (1 = “Strongly disagree” to 7 = “Strongly agree”) the extent to which they agreed or disagreed with four statements that read: (1) I feel self-conscious about my university identity; (2) I feel displeased with my university identity; (3) I am worried about how others will think of my university identity; and (4) I feel concerned about the impression I am making with my university identity. All items were reverse-coded such that higher scores represented stronger state brand identification. Lastly, in order to test whether mood served as an alternative explanation, participants completed the twenty-item Positive and Negative Affect Schedule (PANAS) mood scale (Watson, Clark, and Tellegen 1988).

Measurement Model

Prior to my main analyses, I evaluated the measurement model using confirmatory factor analysis to ensure the items reflected their appropriate latent constructs (i.e., brand attitudes and state brand identification). Because I assessed purchase intentions using a one-item measure, I did not include it in the measurement model or test for convergent and discriminant validity (Kline 2011). Also, I did not include the categorical brand logo conditions variable in the measurement model and construct validity tests since I treated it as a manifest variable. The two-factor model fit the data well (\( \chi^2 (17) = 62.85, p < .001; \) CFI = 0.98; SRMR = 0.04; RMSEA = 0.09) and all factor loadings were substantial and significant (\( p\)-values < .001).
Next, following the recommendations of Fornell and Larcker (1981), I tested for convergent and discriminant validity. Analyses supported convergent and discriminant validity of my constructs: (a) the AVE extracted for brand attitude (.94) and state brand identification (.50) met or exceeded the suggested value of .50; (b) the AVEs exceeded the squared correlation between constructs (Brand attitude-State brand identification, \( r = .45, p < .001 \); and (c) the composite reliabilities for the two constructs were adequate (> .82).

Results

The primary goal of the present study was to test whether the effect of a brand logo change on a consumer’s brand attitudes and further downstream on purchase intentions was mediated by state brand identification. I tested this model’s hypothesized links and mediational path using a two-pronged approach. First, I used structural equation modeling to test the fit of the overall model. Second, I complemented the global model by testing the indirect effect using bootstrapped samples with PROCESS (Model 6; Hayes 2013).

The fit of the model using structural equation modeling resulted in good fit indices \( (\chi^2(32) = 94.15, p < .001; \ CFI = 0.97; \ SRMR = 0.05; \ RMSEA = 0.08; \) see Figure 1.3), with all path coefficients in the expected direction and statistically significant \( (p-values < .001) \). Consistent with my prediction, a change to a brand logo negatively impacted state brand identification which, in turn, affected brand attitudes and downstream purchase intentions. In addition, I tested the indirect effect of brand logo change on purchase intentions through state brand identification and brand attitudes using 5,000 bootstrapped samples. My analysis, using PROCESS, revealed a 95% bias-corrected confidence interval that was statistically different from zero (-.053 to -.004) for the negative indirect effect (-.02). In sum, results supported hypothesis 3.
Lastly, I ruled out mood as an alternative explanation for brand logo change having a negative impact on state brand identification. In particular, positive ($\alpha = .81; M_{\text{No Change}} = 2.87; SD_{\text{No Change}} = .92; M_{\text{Change}} = 2.71; SD_{\text{Change}} = 1.01$) and negative ($\alpha = .84; M_{\text{No Change}} = 1.43; SD_{\text{No Change}} = .53; M_{\text{Change}} = 1.55; SD_{\text{Change}} = .71$) PANAS did not differ significantly between the no logo change and change conditions ($p$-values $>.05$).

Discussion

In Study 2, I established state brand identification as the underlying process for consumers’ responses to a brand logo change. Both my structural model and testing of the indirect effect supported my expectation that brand logo change leads to lower state brand identification. Theoretically, lower levels of state brand identification, after a brand logo change, suggested that consumers’ brand identification and its congruency with a brand is reduced from consumers having to relearn brand associations. My line of reasoning was supported by previous research maintaining consumers’ desire for congruency between their brand identification and brand consumption (Kirmani 2009) and consumers not feeling complete when the brand is no longer the same (Kleine, Kleine, and Allen 1995).

Practically speaking, the downstream effect of brand logo change on not only brand attitudes, but also purchase intentions provides implications for marketers that changing the logo may also negatively impact sales for a firm. The possibility of fewer purchases for branded goods after a logo change reinforces the importance of marketers having clear reasons for making a change to its brand.

Overall, results from both Study 1 (A-D) and 2 suggested changing the brand logo leads to unfavorable responses from consumers. Identifying what might attenuate the negative reactions would be important for marketers who are considering a change to a brand’s logo and
also provide further theoretical insight into the reported phenomenon. In the next study, I investigate a moderator that could potentially buffer consumers’ negative responses to brand logo change and the underlying process.

**STUDY 3 (A-C): REMINDER OF PAST BRAND LOGOS AND CONCEPTUAL FLUENCY**

Study 3 (A-C) builds upon my previous studies by examining a moderator that can potentially mitigate consumers’ negative responses to a brand logo change. Specifically, I explore whether the ability of past brand logo information can facilitate greater acceptance of future logo changes. By providing visual stimuli of present and past brand logos (vs. present only), I examine whether a reminder of past brand logos can improve consumer responses to the change to a brand logo (hypothesis 4). Additionally, I examine whether the interactive effect of brand logo change and a reminder of past brand logos on brand attitudes is mediated by conceptual fluency (hypothesis 5). Study 3 consists of three studies that follow the same procedures and analyses with different brands (3A: McDonald’s; 3B: Apple; and 3C: Starbucks).

**Method**

*Participants and Design.* Participants for Study 3A and 3C were recruited online from MTurk, and participants for Study 3B were undergraduates from a large Northwestern university. Online participants were paid $0.50 after completing my study, and undergraduates received course credit for participating. Please refer to Table 1.3 for sample sizes and demographics. Participants for Study 3 (A-C) were randomly assigned to identical 2 (no logo change vs. logo change) x 2 (no reminder of past logos vs. reminder of past logos) between-subjects designs.
Procedure and Measures. The procedures used in Study 3 (A-C) were similar to earlier studies. As in previous studies, participants first read a scenario of a brand keeping or changing its brand logo. Since Study 3A and 3C were conducted online, participants were asked to imagine that the brand (i.e., McDonald’s or Starbucks, respectively) were either keeping or changing its current logo. Undergraduates completed Study 3B in a behavioral laboratory under the pretense that Apple was conducting marketing research for its brand logo with various universities across the U.S. This cover story is realistic given that all undergraduate participants were informed at the beginning of the semester of the industry partnerships associated with the behavioral laboratory. Please refer to Appendix 1.B for the scenarios used in Study 3 (A-C).

In addition to the brand logo change manipulation, participants were concurrently exposed to either the present brand logo only or the present and previous three brand logos for the focal brand. Inclusion of images represented the reminder of past brand logos manipulation, and is a difference from Studies 1 and 2. The visual stimuli used in these studies can be found in Appendix 1.B. Next, participants completed two measures. First, participants completed the brand attitude measure used in previous studies. Second, participants completed a three-item, seven-point semantic differential scale indicating how they processed the brand keeping or changing its logo (“Difficult to process/Easy to process”; “Difficult to understand/Easy to understand”; “Difficult to comprehend/Easy to comprehend”). I adapted my measure from Labroo and Lee (2006) with the intent to measure conceptual (vs. perceptual) fluency. Finally, as in Study 2, participants completed PANAS (Watson, Clark, and Tellegen 1988). Table 1.3 displays the descriptive statistics for the measures.
Pretests

To verify the manipulation for the reminder of past brand logos, I conducted independent pre-tests for the brands used in Study 3 (A-C). Participants did not overlap in the pre-tests and were separate from the main studies. Specifically, participants for McDonald’s and Apple’s pre-tests were business undergraduates at a large Northwestern university and were granted course credit. The pre-test for Starbucks was conducted online with participants from M-turk. Online participants received $0.25 for their time. For each pre-test, participants were randomly assigned to an image with either the current brand logo or the current and previous three brand logos (see Appendix 1.B). After exposure to the assigned visual stimulus, participants evaluated, using a Likert type measure, the extent (1 = “Strongly disagree” to 7 = “Strongly agree”) to which their assigned brand logo(s) image “reminded them of the past.” For all three pre-tests, participants exposed to both present and past brand logos reported a greater extent that the visual stimulus reminded them of the past compared to those participants who were shown only the present brand logo. As such, the manipulation for the reminder of past brand logos was successful. Table 1.4 provides a summary of the samples and analyses conducted for the pre-tests.

Results

*Brand Attitude.* I tested brand attitude with a 2 x 2 ANOVA using the brand logo and reminder of past brand logos experimental conditions as the two independent variables. Main effects for the brand logo change manipulation in Study 3 (A-C) provides further support for hypothesis 1, but with the brand logo image being present. Similar to earlier studies, participants reported less favorable brand attitudes for the brand undergoing a logo change. McDonald’s (Study 3A) was the only brand to reveal a main effect for the reminder of past brand logos. Importantly, the main effects were qualified by a significant brand logo experimental variable x
reminder of past brand logos interaction for all three brands (Study 3 A-C). ANOVA results can be found in Table 1.6, and Figure 1.4 delineates the interactions.

In the logo change condition, a reminder of past brand logos resulted in more favorable brand attitudes compared to when only the present logo was shown. This pattern of effect emerged for all three brands (Study 3 A-C); thus, support was found for hypothesis 4 (see Table 1.7 for planned comparison analyses). Although brand attitude was positively impacted from the reminder of past brand logos in the logo change condition, brand attitude after the logo change was still, overall, unfavorable compared to the no logo change condition. In other words, the reminder of past brand logos did not fully attenuate consumers’ unfavorable responses to brand logo change. In the no logo change condition, planned contrasts revealed less favorable brand attitudes for McDonald’s (Study 3A) and Starbucks (Study 3C) when participants were exposed to both the present and past logos. This unexpected finding could be attributed to participants’ confusion with the brand’s intent from the pairing of keeping the logo and exposing simultaneously the present and past brand logos.

Process Analysis. I tested whether the interactive effect of the brand logo experimental variable and a reminder of past brand logos on brand attitude was mediated by conceptual fluency. Specifically, I used PROCESS (Model 7; Hayes 2013) to conduct my mediation moderation analyses for all three brands (Study 3 A-C). Each of my analyses included the brand logo experimental variable as the independent variable, reminder of past brand logos as the moderator, the interaction between the two manipulated variables, conceptual fluency as the mediator, and brand attitudes as the dependent variable. Refer to Figures 1.5-1.7 for model depiction and results.
All three brands (Study 3 A-C) showed a significant effect for the brand logo experimental variable on conceptual fluency and brand attitude. In addition, each brand (Study 3 A-C) revealed a significant effect for the brand logo experimental variable x the reminder of past brand logos interaction on conceptual fluency and a significant path from conceptual fluency to brand attitude. When conceptual fluency was in the model, the influence of the interactive effect for the brand logo experimental variable and the reminder of past brand logos decreased for McDonald’s and Starbucks (Study 3A and 3C), whereas for Apple (Study 3B), the influence of the interactive effect became non-significant. Finally, a 95% bias-corrected confidence interval, using 5,000 bootstrapped samples, demonstrated that the interaction between the brand logo experimental variable and the reminder of past brand logos had an indirect effect on brand attitude through conceptual fluency. This effect emerged for all three brands (Study 3A-C) as predicted in hypothesis 5.

Other results. I ruled out mood as an alternative explanation. For Study 3 (A-C), the positive and negative PANAS scales did not differ significantly between the no logo change and change conditions (p-values > .05). As such, results for Study 3 (A-C) were not confounded by mood. Summary for PANAS analyses can be found in Table 1.5.

Discussion

Study 3 revealed a potential moderator that attenuates consumer’s unfavorable responses to a brand logo change. When participants in Study 3(A-C) were provided with both the present and previous logos of a brand, they reported more favorable brand attitudes, in the logo change condition, than for those who were exposed to only the present brand logo. This pattern of effects was shown for all three brands (Study 3A-C); thus, hypothesis 4 was supported. Moreover, conceptual fluency was shown to be the underlying mechanism for the indirect effect of the
interaction between brand logo change and a reminder of past brand logos on brand attitude for all three brands (hypothesis 5; Study 3 A-C). My results suggested exposure to past brand logos allows consumers to rationalize the brand changing its logo and subsequently integrate new brand associations in their memory. Despite the ameliorating effect of a past brand logos reminder, consumers’ responses to a brand logo change were still, overall, unfavorable for brand attitudes. In other words, negative responses to a brand logo change were not fully attenuated by the reminder of past brand logos.

GENERAL DISCUSSION

Once established, a brand logo not only allows consumers to recognize a brand while making purchases (Morrow 1992), but also holds meaning that can extend beyond functionality (Levy 1959). In particular, the symbolism tied to a brand facilitates the formation of consumer brand relationships (Fournier 1998) and individuals defining their identities with brands (Escalas and Bettman 2003, 2005; Sprott, Czellar, and Spangenberg 2009). The ability of a brand logo (and other brand elements) to carry meaning is attributed to brand associations that consumers form and store in memory (Aaker 1996; Keller 1993, 2001). Regardless of the purpose and extent, brand associations are hard to change which leads to the question of how will consumers respond to brand logo change.

Much of the prior research on brand logo change has focused on brand evaluations after an adjustment in design has been made to a logo (e.g., angular to round; Walsh, Winterich, and Mittal 2010) and perceptions of modernity after exposing participants to an old and new logo (Müller, Kocher, and Crettaz 2013). To advance existing research, I examine the notion of brand
logo change rather than specific aspects of that change. Because of my approach, I am able to explore the theoretical rationale behind consumer responses to brand logo change, in general. Specifically, I draw from three different theoretical lenses to explain consumer responses to brand logo change; namely, the associative network memory model, consumer brand identification, and conceptual fluency. Overall, my studies demonstrate a consistent and strong effect that consumers evaluate a brand unfavorably after a brand logo change. In addition, my findings indicate that participants with higher brand identification have stronger unfavorable responses to brand logo change, compared to those who have lower brand identification. The role of identification is further reinforced by my finding that state brand identification serves as the underlying process regarding consumers’ negative responses to brand logo change. Finally, I show that a reminder of a brand’s past logos can improve consumers’ negative responses to brand logo change due to increased ease of processing the meaning of the change (i.e., conceptual fluency). However, even with the reminder of past brand logos, consumer responses to brand logo change are still, overall, unfavorable. In the following subsections, I discuss the contributions from my work to extant research, implications for marketers, and directions for future work.

Theoretical Contributions

I advance consumption research in brand logos by exploring responses to brand logo change, and I differentiate my work from others by focusing on change, in general, rather than design traits that change. By focusing on the notion of change, I can connect my findings to theoretical rationale associated with an individual’s reactions to change. Specifically, consumers’ unfavorable responses to brand logo change, across my studies, suggest the stress that typically emerges from change also applies to consumers who experience a logo change (Ashforth and
Lee 1990; Judge et al. 1999). Any stress arising from a brand logo change is attributed to consumers having to learn new brand knowledge and replacing strongly held brand associations and awareness that are linked to the brand logo. Similar to stress derived from change, consumers’ negative reactions to a changed brand logo pertain to an individual’s preference for status quo (vs. change; Pardo de Val and Fuentes 2003).

Additionally, my research substantiates a brand logo not only triggers consumers’ brand associations in memory (Keller 2002, 2005, 2008), but also acts as an anchor for brand associations. Consumers’ negative reactions to brand logo change in my studies solidify a brand logo serves as more than just an identifier. In particular, a brand logo can hold brand associations comprised of brand-user and -usage images that positively impact customer-based brand equity. Results of the current work suggest that adjusting a brand logo to maintain a contemporary design, as suggested by some (Keller 2008), may very well decrease brand equity rather than increase it since the established brand associations are tied to the brand logo before the change. As such, my framework and experimental results differ with existing brand literature addressing the management of brand logos.

I also extend the limited research that has examined brand logo change. As mentioned earlier, previous work has only examined the perceptions of modernity and brand evaluations for old (vs. present) logos (Müller, Kocher, and Crettaz 2013) and the impact of changing from an angular to rounded logo on brand attitude (Walsh, Winterich, and Mittal 2010). Interestingly, in both previous studies, no main effects for brand logo change emerge on brand attitudes, whereas my series of studies reveal a consistent, and strongly negative main effect of logo change on attitudes. I attribute the differences in results to my approach of eliciting participants’ reactions to the idea of a logo change rather than to specific design adjustments to the logo. While
effective design of logos is important in drawing consumers’ attention (Henderson and Cote 1998), examining responses to brand logo design changes neglect to reveal consumers’ sentiment toward the notion of change in itself. By focusing on change, at a general level, I am able to link my results to theory (i.e., associative network memory model, consumer brand identification, and conceptual fluency), and gain further insight into a brand logo and the brand associations and awareness assigned to it by consumers.

My work further illustrates the importance of consumers’ identification with brands (Reed et al. 2012) by extending this latent construct to a new realm (i.e., brand logo change). The joint effect of a changed brand logo and brand identification solidifies the notion that consumers’ self-relevant brand associations can be tied to the brand logo. Given the meaning imbued into brands by marketers (Keller 2008; Park, Jaworski, and MacInnis 1986) and then subsequently used by consumers to define their identity (Fournier 1998; Sprott, Czellar, and Spangenberg 2009), a brand logo change signals to consumers, particularly those with higher brand identification, their meaning-laden brand associations may no longer be relevant. Without directly manipulating visual elements of the logo, my results suggest participants with higher brand identification are focused on what the brand will represent to them after a brand logo change. Most likely, high brand identification participants evaluate the brand unfavorably due to the difficulty of the brand’s meaning after a brand logo change. Similarly, participants with lower brand identification report unfavorable brand attitude after a brand logo change. Conversely, low brand identification consumers do not heavily rely on the brand meaning when defining their identities. Hence, consumers with lower brand identification may place greater importance in the awareness and familiarity of brands, which suggests their responses to brand
logo change are related to beliefs that recognizing the brand in the marketplace will become difficult.

A reminder of a brand’s past logos shows promise in attenuating unfavorable responses to a changed brand logo. One might assume that after a brand logo change and ensuing new brand associations are formed and tied to the new logo, the nodes with past brand logos will cease to have significant links emanating from them in a consumer’s associative memory. My studies, however, contradict this notion and suggest consumers’ memory of past brand information (i.e., previous brand logos), when activated, influences their interpretation of a situational context (i.e., brand logo change) and their subsequent brand evaluation. By doing so, I extend previous research demonstrating an individual’s preference for past information when making sense of a new situation (Gilovich 1981). Due to history informing the present, as well as the future (Belk 1991), individuals will have more confidence to assess their current circumstances and accept what may happen in the future when past information is available. Indeed, when my participants are given a reminder of past brand logos, a positive impact is seen in consumers’ responses to brand logo change, although still, overall, unfavorable. Results from my studies suggest consumers interpret change as natural after exposure to past brand logos. Hence, consumers’ ability to draw information from past brand logos aides in their understanding of why a brand logo change is occurring. In other words, a reminder of past brand logos allows participants to more easily process the conceptual meaning of a brand logo change.

By establishing conceptual fluency as the underlying mechanism for the positive impact of a reminder of past brand logos on consumers’ responses to brand logo change, I further contribute to information processing research in processing fluency. Prior studies have shown repeatedly exposing participants to a stimulus (e.g., brand logo) will lead to favorable
evaluations of the target (e.g., brand; Schwarz 2004; Whittlesea and Williams 2001). Each time a consumer is exposed to the same stimuli, processing of stored memories related to the stimuli becomes easier (Pandelaere, Millet, and Van den Bergh 2010). Traditionally, this type of processing is associated with perceptual fluency – ease in processing visual features (Schwarz 2004). My work extends processing fluency of brand logos in two ways. First, by presenting a reminder of past brand logos, I further expose participants to logos they have seen in the past, but the subsequent exposure of logos is associated with conceptual – ease in processing meaning (Shapiro 1999) - (vs. perceptual) fluency. Specifically, the brand logos participants have previously experienced enable them to understand the reasoning for the brand logo change. My participants do not rely on the perceptual features of past brand logos to understand the brand logo change, but rather rely on the meaning conveyed from the exposure of the present and three previous logos. Second, the reminder of past brand logos (i.e., stimulus) allows participants to comprehend the brand logo change (i.e., context). My results suggest a congruency is established between the stimulus and context that increases the ease in processing meaning (i.e., conceptual fluency). Conceptual fluency from a congruency effect has been previously demonstrated between an advertising message and a consumer’s frame of mind (Lee and Aaker 2004) and between a frontline employee’s personality and a brand position (Sirianni et al. 2013). In my case, when participants are reminded of past brand logos, they draw from memory brand knowledge related to the previous logos (e.g., change is natural) to process the meaning of why brand logo change is necessary. On the other hand, participants not exposed to a brand’s past logos find it difficult to understand the reasoning for a brand logo change since they are drawing from current brand knowledge that comprises of strong associations and awareness of the existing brand.
Practical Contributions

Prior brand management literature provides guidance for logo change such as refreshing them in order to remain relevant to their target audience (Aaker 1996), whereas others recommend that traits of the existing logo are kept to maintain the current identity (Merrilees and Miller 2008; Muzellec and Lambkin 2006). In addition, some suggest to incrementally change the brand logo over time (Keller 2008), while others support making evolutionary changes to the logo in one occasion (Merrilees 2005). My research yields new insights for marketers on how consumers respond to brand logo change. Across all my studies that use different brands from various product categories, I demonstrate consumers find the overall concept of a brand logo change to be considerably unfavorable. Furthermore, these unfavorable brand evaluations are for not only those with high brand identification, but also consumers with low brand identification. In other words, everyone responded negatively to the logo change in my studies. All things considered, marketers need to exercise extreme caution when making changes to a brand’s logo. It seems senseless to make a cosmetic change (i.e., refreshing) to the brand logo just for the sake of doing so. In the same way, a brand logo change works against the ideals of maintaining and increasing brand equity (Aaker 1991, 1996; Keller 2002). Once a brand logo change occurs, existing brand equity will likely decrease due to new brand associations that need to be learned and awareness that needs to be re-established.

The present research suggests reminding consumers of a brand’s past logos may buffer responses to a future brand logo change. Importantly, my findings do not reveal full attenuation of consumers’ unfavorable brand evaluations via a reminder of past brand logos, but the results do demonstrate a positive impact compared to when only the current logo is presented to consumers. Be that as it may, a reminder of past brand logos is feasible to incorporate in a firm’s
communication efforts. Moreover, utilizing past brand logos in advertisements with the new logo would not incur additional expenses to what is normally allocated to promoting a new logo.

Limitations and Future Research

The current research has limitations that suggest avenues for future research. In order to more fully establish external validity, quasi-experimental studies with a logo change could be conducted in a market setting and would be a nice complement to the reported lab studies in this research. For example, future studies might include exposing participants to a changed brand logo in an actual consumption setting amidst the marketing efforts (e.g., press releases, advertising, price promotions, and support from frontline employees) that are intended to support the change. With this in mind, firm-controlled activities surrounding a brand logo change could have the potential to buffer the strong unfavorable responses demonstrated within my studies (which focus attention on the broader concept of change). I suspect the various marketing activities related to a brand logo change would distract participants from primarily focusing on the negative aspects (e.g., learning new brand associations) associated with change. Future studies examining the joint effect of a brand logo change along with supportive marketing strategies would provide further insight into how brand managers can improve consumer responses to the logo change.

The present studies raise additional questions for future research. One direction would be to investigate the emotional responses by consumers after a brand logo change. Previous research has established consumption responses can be influenced just as much from emotions as from cognitive resources (Shiv and Fedorikhin 1999). The current research has focused on various cognitive aspects related to brands (i.e., brand knowledge, brand identification, reminder of past brand logos, and conceptual fluency) and associated consumer responses to the brand logo.
change. Investigating the emotions involved would extend our understanding of consumer responses to brand logo change. Consumers’ strong unfavorable responses to brand logo change, across my studies, suggest emotional reactions would likely be negative. Furthermore, previous work exploring failed consumer brand relationships resulting in participants experiencing self-conscious emotions such as shame and anger supports my expectation that brand logo change would lead to negative affect (Johnson, Matear, and Thomson 2011). With such strong negative responses, brand logo change may even lead to emotional reactions tied to the self. Indeed, my work indicates the importance of brand identification. Consequently, the strength of negative emotional responses to brand logo change might vary depending on the level of consumer brand identification.

Another interesting direction to explore is repeatedly exposing consumers to the brand logo after the change. My studies measure participants’ brand evaluation immediately after introducing them to the brand logo change. Prior research has demonstrated multiple exposures to the same stimulus will increase the likelihood of acceptance from consumers (Zajonc 1968). Given that a consumer’s brand knowledge is comprised of associations and awareness from their previous experiences with the brand and marketing efforts by a firm (Keller 1993, 2008), initial negative responses to brand logo change are logical since the change requires consumers to learn new brand associations. Thus, future studies could examine consumer responses to brand logo change over time with a repeated-measures design (e.g., immediately after, one month later, and three months later) to determine whether multiple exposures to the new logo might positively impact responses. As time passes, consumers may begin to incorporate new brand associations into memory as they are further exposed to the brand logo after the change.
Lastly, future research could investigate whether customer participation might improve responses to a brand logo change. Prior studies have shown positive outcomes from customer participation such as higher acceptance of newly developed products (e.g., Dellaert and Stremersch 2005; Franke, Keinz, and Steger 2009) and more satisfaction in service recovery (e.g., Dong, Evans, and Zou 2008). For these reasons, including consumers in the efforts to change a brand logo may lead to more favorable brand evaluations and a higher likelihood of consumers accepting the new logo. However, given that many brands have a large number of customers, incorporating all of the differing consumer feedback for the brand logo change will be difficult. Considering the symbolism behind a brand can carry different meanings for each person (Escalas and Bettman 2005; Levy 1959), the input provided by consumers for the brand logo change may vary from one another. Indeed, previous research has demonstrated customer participation can lead to negative reactions if consumers are dissatisfied with the outcome (Gebauer, Füller, and Pezzei 2013). Taken together, customer participation in brand logo change may potentially backfire.
APPENDIX ONE

ESSAY ONE MATERIALS
APPENDIX 1.A

STIMULI (STUDY 1 AND 2)

Scenarios for Study 1A and 2 (University Brand)

No Brand Logo Change

To All University Students:

We are interested in your reaction to the University’s current brand logo. The purpose of our inquiry is to help conduct market research for the university. Please answer the questions on the following pages regarding the University’s current brand logo.

Brand Logo Change

To All University Students:

We are interested in your reaction to the University’s intention to change the brand logo. The purpose of our inquiry is to help conduct market research for the university. Please answer the questions on the following pages regarding the University’s intention to change the brand logo.

Scenarios for Study 1 (B: Nike, C: The North Face, and D: Starbucks)

No Brand Logo Change

Imagine that the brand is planning to keep its brand logo for the foreseeable future. We are interested in your reaction to the brand keeping its brand logo. Please answer the questions on the following pages regarding the brand keeping its brand logo.

Brand Logo Change

Imagine that the brand is planning to change its brand logo in the foreseeable future. We are interested in your reaction to the brand changing its brand logo. Please answer the questions on the following pages regarding the brand changing its brand logo.
APPENDIX 1.B

STIMULI (STUDY 3: A-C)

Scenarios for Study 3 (A: McDonald’s and C: Starbucks)

No Brand Logo Change

Imagine that the brand is currently conducting market research on its brand logo with its customers from all over the US.
Assume that the brand plans to keep its current brand logo and that the company is interested in your thoughts.

Brand Logo Change

Imagine that the brand is currently conducting market research on its brand logo with its customers from all over the US.
Assume that the brand plans to change its current brand logo and that the company is interested in your thoughts.

Scenario for Study 3 (B: Apple)

No Brand Logo Change

Apple thanks you in advance for your participation in this research study.

Apple is currently conducting market research on its brand logo with undergraduates from various universities in the US.
Apple is planning to keep its current brand logo. The company is interested in your thoughts.

Brand Logo Change

Apple thanks you in advance for your participation in this research study.

Apple is currently conducting market research on its brand logo with undergraduates from various universities in the US.
Apple is planning to change its current brand logo. The company is interested in your thoughts.
Stimuli for Reminder of Past Brand Logos

McDonald’s (Study 3A)

No Reminder:

Reminder:

Apple (Study 3B)

No Reminder:

Reminder:

Starbucks (Study 3C)

No Reminder:

Reminder:
REFERENCES


TABLE 1.1  
SUMMARY OF SAMPLES AND MEASURES (STUDY 1: A-D)

<table>
<thead>
<tr>
<th>Sample</th>
<th>N</th>
<th>% Female</th>
<th>M Age</th>
<th>Brand Identification</th>
<th>Brand Attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>α  M SD</td>
<td>α  M(SD)All</td>
</tr>
<tr>
<td>Study 1A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University Brand</td>
<td>191</td>
<td>51.0%</td>
<td>21.4</td>
<td>.89 5.45 1.27</td>
<td>.99 4.50(2.43)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study 1B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nike</td>
<td>160</td>
<td>38.0%</td>
<td>33.07</td>
<td>.93 3.03 1.75</td>
<td>.97 4.50(1.60)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study 1C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Face</td>
<td>264</td>
<td>36.9%</td>
<td>21.4</td>
<td>.87 2.96 1.48</td>
<td>.96 4.92(1.57)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study 1D</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starbucks</td>
<td>269</td>
<td>41.2%</td>
<td>21.9</td>
<td>.84 2.33 1.42</td>
<td>.95 4.81(1.43)</td>
</tr>
</tbody>
</table>

Notes. - M(SD)All is for all participants. M(SD)NoChange is for participants in the No Brand Logo Change condition. M(SD)Change is for participants in the Brand Logo Change condition.
### TABLE 1.2
BRAND LOGO CHANGE BY BRAND IDENTIFICATION INTERACTION ON BRAND ATTITUDE
AND SIMPLE SLOPES FOR BRAND IDENTIFICATION (STUDY 1: A-D)

<table>
<thead>
<tr>
<th>Analysis</th>
<th>University (1A)</th>
<th>Nike (1B)</th>
<th>North Face (1C)</th>
<th>Starbucks (1D)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td>t</td>
<td>p</td>
<td>β</td>
</tr>
<tr>
<td><strong>Step 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Logo Change</td>
<td>-.87</td>
<td>-24.67</td>
<td>.01</td>
<td>-.60</td>
</tr>
<tr>
<td>Brand Identification</td>
<td>-.01</td>
<td>-.23</td>
<td>.82</td>
<td>.28</td>
</tr>
<tr>
<td><strong>Step 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Logo Change x Brand Identification</td>
<td>-.19</td>
<td>-5.61</td>
<td>.01</td>
<td>-.15</td>
</tr>
<tr>
<td><strong>Brand Identification (BI) Simple Slopes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High BI (+1SD)</td>
<td>-1.06</td>
<td>-22.65</td>
<td>.01</td>
<td>-.75</td>
</tr>
<tr>
<td>Low BI (-1SD)</td>
<td>-.69</td>
<td>-14.87</td>
<td>.01</td>
<td>-.45</td>
</tr>
</tbody>
</table>

Notes.-Brand Logo Change (-1 = No change, 1 = Change). Brand Identification (Mean-centered). Figure 1.2 depicts the interactions.
<table>
<thead>
<tr>
<th>Sample</th>
<th>N</th>
<th>% Female</th>
<th>M Age</th>
<th>Conceptual Fluency</th>
<th>Brand Attitude</th>
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</thead>
<tbody>
<tr>
<td>Study 3A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McDonald’s</td>
<td>508</td>
<td>47%</td>
<td>33.16</td>
<td>.91</td>
<td>.98</td>
</tr>
<tr>
<td>Study 3B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apple</td>
<td>409</td>
<td>49.4%</td>
<td>21.28</td>
<td>.94</td>
<td>.98</td>
</tr>
<tr>
<td>Study 3C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starbucks</td>
<td>495</td>
<td>46.9%</td>
<td>33.48</td>
<td>.91</td>
<td>.99</td>
</tr>
</tbody>
</table>
**TABLE 1.4**

SUMMARY OF PRE-TESTS (STUDY 3: A-C)

<table>
<thead>
<tr>
<th>Sample</th>
<th>N</th>
<th>% Female</th>
<th>M Age</th>
<th>No Reminder M</th>
<th>SD</th>
<th>Reminder M</th>
<th>SD</th>
<th>t-test</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>McDonald’s</td>
<td>172</td>
<td>61%</td>
<td>21.07</td>
<td>5.14</td>
<td>1.56</td>
<td>5.70</td>
<td>1.20</td>
<td>2.58</td>
<td>.01</td>
</tr>
<tr>
<td>Apple</td>
<td>64</td>
<td>50%</td>
<td>20.9</td>
<td>3.72</td>
<td>1.76</td>
<td>4.78</td>
<td>1.74</td>
<td>2.43</td>
<td>.02</td>
</tr>
<tr>
<td>Starbucks</td>
<td>73</td>
<td>40%</td>
<td>31.62</td>
<td>3.81</td>
<td>1.65</td>
<td>4.75</td>
<td>1.63</td>
<td>2.45</td>
<td>.02</td>
</tr>
</tbody>
</table>

Notes.- Participants did not overlap in the pre-tests and were separate from the main studies. Participants assigned to the “No Reminder” condition were exposed to only the present brand logo, while participants in the “Reminder” condition were shown the present and three prior brand logos. Participants evaluated the extent to which their assigned condition reminded them of the past. The measure used was a one-item Likert type scale (1 = “Strongly disagree” to 7 = “Strongly agree”).
TABLE 1.5
SUMMARY OF PANAS ANALYSES (STUDY 3: A-C)

<table>
<thead>
<tr>
<th></th>
<th>Negative Scale</th>
<th></th>
<th>Positive Scale</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>α</td>
<td>M(SD)\text{NoChange}</td>
<td>M(SD)\text{Change}</td>
<td>t</td>
</tr>
<tr>
<td>Study 3A</td>
<td>McDonald’s</td>
<td>.94</td>
<td>1.26(.53)</td>
<td>1.33(.59)</td>
</tr>
<tr>
<td>Study 3B</td>
<td>Apple</td>
<td>.88</td>
<td>1.45(.57)</td>
<td>1.44(.56)</td>
</tr>
<tr>
<td>Study 3C</td>
<td>Starbucks</td>
<td>.91</td>
<td>1.20(.39)</td>
<td>1.27(.56)</td>
</tr>
</tbody>
</table>

Notes. -$M(SD)_{\text{NoChange}}$ is for participants in the No Brand Logo Change condition. $M(SD)_{\text{Change}}$ is for participants in the Brand Logo Change condition.
### TABLE 1.6

SUMMARY OF RESULTS: ANOVA ON BRAND ATTITUDE (STUDY 3: A-C)

<table>
<thead>
<tr>
<th></th>
<th>Brand Logo Change</th>
<th>Reminder of Past Brand Logos</th>
<th>Interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(M(SD)_{\text{NoChange}})</td>
<td>(M(SD)_{\text{Change}})</td>
<td>(F)</td>
</tr>
<tr>
<td><strong>Study 3A</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McDonald’s</td>
<td>5.37(1.40)</td>
<td>3.93(1.46)</td>
<td>138.83</td>
</tr>
<tr>
<td><strong>Study 3B</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apple</td>
<td>6.22(1.09)</td>
<td>4.25(1.45)</td>
<td>243.44</td>
</tr>
<tr>
<td><strong>Study 3C</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starbucks</td>
<td>5.81(1.27)</td>
<td>4.15(1.36)</td>
<td>197.04</td>
</tr>
</tbody>
</table>

**Notes.** Interaction (Brand Logo Change x Reminder of Past Brand Logos). Summary of follow-up comparisons in Table 1.7.
### TABLE 1.7

**SUMMARY OF PLANNED COMPARISONS: REMINDER OF PAST BRAND LOGOS IN EACH BRAND LOGO CHANGE CONDITION ON BRAND ATTITUDE (STUDY 3: A-C)**

<table>
<thead>
<tr>
<th>Study</th>
<th>Brand</th>
<th>No Brand Logo Change</th>
<th>Brand Logo Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$M(SD)_{No Reminder}$</td>
<td>$M(SD)_{Reminder}$</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study 3A</td>
<td>McDonald's</td>
<td>5.57(1.27)</td>
<td>5.18(1.49)</td>
</tr>
<tr>
<td>Study 3B</td>
<td>Apple</td>
<td>6.25(1.02)</td>
<td>6.17(1.17)</td>
</tr>
<tr>
<td>Study 3C</td>
<td>Starbucks</td>
<td>5.95(1.18)</td>
<td>5.65(1.35)</td>
</tr>
</tbody>
</table>
FIGURE 1.1
EVALUATION OF BRAND ELEMENTS’ ASSOCIATION TO THE BRAND (PILOT STUDY)
FIGURE 1.2
BRAND LOGO CHANGE AND BRAND IDENTIFICATION INTERACTION ON BRAND ATTITUDE (STUDY 1: A-D)
FIGURE 1.3

STRUCTURAL MODEL CONNECTING BRAND LOGO CHANGE TO BRAND ATTITUDE AND PURCHASE INTENTION VIA STATE BRAND IDENTIFICATION (STUDY 2; UNIVERSITY BRAND)

Brand Logo Change → -.20*** → State Brand Identification → .46*** → Brand Attitude → .21*** → Purchase Intention

*** p < .001

Fit Indices:
χ² (32) = 94.15 (p < .001)
CFI = 0.97
SRMR = 0.05
RMSEA = 0.08
FIGURE 1.4
BRAND LOGO CHANGE AND REMINDER OF PAST BRAND LOGOS INTERACTION ON BRAND ATTITUDE (STUDY 3: A-C)

McDonald’s (Study 3A)

Apple (Study 3B)

Starbucks (Study 3C)
FIGURE 1.5
PROCESS ANALYSIS (STUDY 3A; MCDONALD’S)
FIGURE 1.6
PROCESS ANALYSIS (STUDY 3B; APPLE)
FIGURE 1.7

PROCESS ANALYSIS (STUDY 3C; STARBUCKS)
CHAPTER THREE

ESSAY 2

THE INFLUENCE OF BRAND AND ORGANIZATIONAL IDENTIFICATION ON
SALES EMPLOYEES’ RESPONSES TO REBRANDING:
IMPLICATIONS FOR SALES EMPLOYEES’ MOTIVATION AND PERFORMANCE
ABSTRACT

The present research examines sales employees’ responses to rebranding using a survey methodology with telecommunications sales personnel. Specifically, I extend recent research on sales employees and brands by developing a model that theoretically links perceived rebranding intensity to sales employees’ challenge-oriented motivation and performance. Due to the benefits and drawbacks of rebranding from a sales employee’s perspective, I find that perceived rebranding intensity does not impact challenge-oriented motivation. Hence, I posit that the effect of perceived rebranding intensity depends upon different types of a sales employee’s identification. Brand and organizational identification within sales research has drawn recent attention due to the differences between the constructs. Results indicate that sales employees with higher (vs. lower) brand identification have lower (vs. higher) challenge-oriented motivation as perceived rebranding intensity increases, whereas organizational identification reveals an opposite moderating effect. My findings can be attributed to the differing nature between how sales employees define their identity with a brand and the perceived overlap sales employees have with their firm. Implications for theory and practice are provided.
INTRODUCTION

Although research has demonstrated that customers can form perceptions of a brand based on their interactions with sales employees (Morhart, Herzog, and Tomczak 2009), extant research on sales employees and the brands they represent is limited (Hughes and Ahearne 2010). Recent work has identified the importance of sales employees’ support of a brand for having a positive influence on customers (Sirianni, Bitner, Brown, and Mandel 2013). However, existing research has not addressed whether sales employees’ support for a brand is impacted when the brand changes. Interestingly, the rising occurrences of rebranding raise the question of whether sales employees will still provide the same support after changes are made to the brand. A rebranding will likely require sales employees to learn and integrate new brand associations into their sales approaches. On the surface, it is not apparent how sales employees will respond to a rebranding. Hence, examining sales employees’ responses to rebranding is relevant since they are an important source of brand information for customers (Matta and Folkes 2005).

Given the importance of sales employees’ support for the brands they sell, I extend existing work in sales personnel and brands into rebranding. To the best of my knowledge, no empirical research has yet explored sales employees’ responses to rebranding of the brand they represent. Rebranding is a continuum of change to dimensions relevant to the brand ranging from the brand element (e.g., name or logo) to aspects of the firm (e.g., culture and goals) that impacts brand knowledge. While limited in nature, previous research on rebranding has revealed the importance of including internal stakeholders and considering a firm’s culture in increasing acceptance of the rebranding efforts (Banerjee 2008; Gotsi, Andriopoulos, and Wilson 2008; Kaikati and Kaikati 2003). Due to a firm’s decision to rebrand having an impact on sales employees’ brand knowledge and their sales approaches to customers, understanding sales
employees’ responses to rebranding is important for their continued support of the brand, their motivation, and their sales performance (Mitchell 2002).

The present work addresses sales employees’ responses to rebranding by first examining the effect of their perceptions of the degree of rebranding (i.e., rebranding intensity) on motivation and downstream sales performance. Rebranding is not necessarily a stand-alone brand trait that changes. A continuum of brand changes may occur when a firm elects to rebrand such as just a brand logo change or the brand slogan and positioning changing simultaneously. After a rebranding occurs, sales employees will likely have to learn and incorporate new sales approaches that support the new brand traits. Indeed, prior research has revealed that sales employees do not respond positively to strategic changes due to the required learning of new tasks (Sarin, Challagalla, and Kohli 2012). In contrast, sales employees may interpret their firm’s decision to rebrand as a strategic change for their benefit in the marketplace. If that were the case, sales employees would likely have a desire to learn and integrate new brand aspects into their job tasks. My central premise is that effects of sales employees’ perceived rebranding intensity could be either positive or negative on their willingness to learn new sales approaches after a rebrand; thus, competing hypotheses are developed and tested for perceived rebranding intensity’s impact on motivation. In this research, I focus on challenge-oriented motivation as previous research has linked this type motivation to sales employees’ desire to improve and change their sales strategies (Ames and Archer 1988; Dweck and Leggett 1988); a clearly relevant activity in the wake of a rebrand.

Despite my expectations of varied responses by sales employees’ to rebranding, the nature of the effect will likely depend on sales employees’ brand and organizational identification. I explore two moderators which may interact with sales employees’ perceived
rebranding intensity; namely, brand and organizational identification. Research investigating the influence of brand and organizational identification on sales personnel is rising given the differences between the constructs (e.g., Hughes 2013; Hughes and Ahearne 2010). Specifically, *brand identification* is the inclusion of brand meaning in a person’s identity (Bhattacharya and Sen 2003), whereas *organizational identification* represents the perceived overlap (e.g., objectives, goals, and values) a person has with an organization (Ashforth, Harrison, and Corley 2008). Sales employees play a unique role by viewing their firm’s brand as a marketplace brand from their personal experiences and as a strategic asset when they carry out their sales duties (Hughes and Ahearne 2010). Recent research has demonstrated that the theoretical differences between brand and organizational identification can lead to varying effects on sales employees’ effort and performance. Specifically, work by Hughes and Ahearne (2010) revealed that when sales personnel control systems were not supportive of a brand, sales employees with high *brand identification* did not follow the control systems, while those with high *organizational identification* did follow the control systems. As such, we expect that brand and organizational identification differentially impact the relationship between sales employees’ perceived rebranding intensity and challenge-oriented motivation and downstream performance.

To develop my conceptual framework, I first review existing rebranding literature. Next, I consider the theoretical links of rebranding to sales personnel research involving motivation and brands. I then draw from relevant literature on brand and organizational identification to theoretically explain each of their interactive relationships with sales employees’ perceived rebranding intensity. Lastly, I test my model and hypotheses from a survey conducted with technical sales employees at a Fortune 100 company in the telecommunications industry.
CONCEPTUAL FRAMEWORK AND HYPOTHESES

Rebranding

Brand management research and practice suggests that rebranding needs to occur on occasion (Keller 2008). A firm can undergo rebranding in various ways such as making changes to one of the brand elements (e.g., name, logo, or slogan) or the brand position, to name a few. The reasons for rebranding can vary as well. For example, firms have rebranded due to the economic landscape evolving, negative public relations, and the passage of time (Stuart and Muzellec 2004).

Prior research has not developed a unified definition of rebranding. A number of scholars have closely associated rebranding with changes to brand elements (e.g., Stuart and Muzellec 2004), while others have described rebranding as a continuum of change (Merrilees and Miller 2008; Muzellec and Lambkin 2006). Furthermore, previous rebranding work has considered brand positioning (e.g., Merrilees 2005), which would involve a change to the embedded meaning of one of the following: functional, symbolic, or experiential (Park, Jaworski, and MacInnis 1986). Moreover, recent research has suggested rebranding is linked to every aspect of an organization’s strategy and operations (Merrilees and Miller 2008). In sum, I believe any changes made to the brand will affect the current brand knowledge. Based on the preceding, the following definition for rebranding is offered as: a continuum of change to dimensions relevant to the brand ranging from the brand element (e.g., name or logo) to aspects of the firm (e.g., culture and goals) that impacts brand knowledge. Additionally, I conceptualize the perception of the degree of rebranding, per my rebranding definition, as rebranding intensity.
Much of the limited research conducted on rebranding has been from the firm’s perspective. Researchers have utilized qualitative methods such as case studies and semi-structured interviews to develop strategies and frameworks for rebranding (cf., Kaikati and Kaikati 2003; Merrilees and Miller 2008; Muzellec and Lambkin 2006). For example, several researchers have recommended that firm managers include employees and consider the current culture of the firm when rebranding (Banerjee 2008; Gotsi, Andriopoulos, and Wilson 2008; Kaikati and Kaikati 2003). Inclusion of firm employees during rebranding is supported by brand management having transitioned from solely focusing on customers to balancing the interests of all stakeholders (Hatch and Schultz 2001; Mitchell 2002). In particular, work by Gotsi, Andriopoulos, and Wilson (2008) indicates that firms need to strive for buy-in for the new brand from employees or face resistance to the rebranding.

Sales Employees’ Motivation

In the marketplace, sales employees are an extension of their firm (Bartel 2001), and as a representative of a firm, they have a direct influence on a customer’s perceptions of the firm (Darby and Daniel 1999). Even though many functions of a firm contribute to its performance, no other area has such a direct influence on customers. Indeed, sales employees’ relationships with customers can contribute to the success or failure of a firm since customers may have more loyalty to sales personnel than to a firm (Palmatier, Scheer, and Steenkamp 2007). Importantly, sales employees hold more responsibility than many other employees. In particular, a salesperson is expected to know current market conditions, communicate offerings to customers, generate sales, and maintain loyalty amongst his/her customers (Jaworski and Kohli 1993; Narver and Slater 1990). Although sales employees are given numerous tasks to balance, they typically operate independently and without close supervision in their day-to-day activities (Spiro, Rich,
and Stanton 2007). Given the autonomy sales employees have in their positions, firms often structure controls and compensation to encourage commitment, which is positively associated with sales performance (Anderson and Robertson 1995).

Motivation is an established antecedent of sales performance that has drawn considerable attention in sales management research. The motivation literature differentiates between extrinsic and intrinsic motivation (Tyagi 1985). Extrinsic motivation represents a drive to accomplish tasks for the value received from the action (Ingram, Lee, and Skinner 1989), while intrinsic motivation represents the desire to participate in an activity from the pleasure or value it offers (Brown and Peterson 1994). Sales employees’ research has examined the role of intrinsic motivation. For example, previous work has demonstrated that sales employees with higher intrinsic motivation will approach events with an open mind and practice more adaptive selling (Pullins 2001).

Since rebranding potentially requires sales employees to learn new skills and to place more effort in their jobs, the present study focuses on intrinsic motivation with particular attention given to challenge-oriented motivation. Motivation with a challenge orientation is associated with learning and variety-seeking (Strauss 1974). Similar to intrinsic motivation, challenge-oriented motivation has been investigated in sales research. In particular, motivation with a challenge orientation has been linked to sales employees’ desire to improve their sales strategies and willingness to change their sales strategies (Ames and Archer 1988; Dweck and Leggett 1988). It is likely that after a rebranding, sales employees will need to change their sales approaches in order to demonstrate support of their brand to customers. Importantly, sales employees with higher challenge-oriented motivation have stronger outcome performance (Miao, Evans, and Zou 2007).
Sales Employees and Brands

Research that simultaneously examines sales employees and the brands they represent has been limited (Hughes and Ahearne 2010). Despite this lack of attention, past research has suggested that sales employees are an important source of brand information for customers (Morhart, Herzog, and Tomczak 2009). Since sales employees are a customer’s main point of contact with a brand, an alignment between a sales employee and a brand needs to exist (Hughes 2013). If sales employees are aligned with their brands, then they better understand the meaning of their brands (Baker, Rapp, Meyer, and Mullins 2014). Further, the alignment between sales personnel and brands makes it more likely that sales employees will behave in a manner consistent with their brands allowing customers to form accurate perceptions of brands.

In order to achieve an alignment between sales employees and brands, firms have started to place greater emphasis on including sales employees in branding efforts (Bendapudi and Bendapudi 2005; Mitchell 2002). Indeed, firms have begun to include sales employees in internal branding to increase the likelihood of achieving an alignment between a sales employee and a brand (Baumgarth and Schmidt 2010). Including sales employees in internal branding initiatives represents a logical strategy to gain their support of brands (Mitchell 2002) and increase motivation for achieving higher sales performance (Di Benedetto 1999).

Sales Employees and Rebranding

When sales employees experience rebranding, their interactions with customers may change in order for them to communicate consistently with the new brand. Additionally, rebranding will likely disrupt the existing alignment of a sales employee and the brand he/she represents. Indeed, sales employees do not automatically respond positively to strategic change (e.g., rebranding) due to the extra effort needed to learn new tasks and sales approaches in their
jobs (Sarin, Challagalla, and Kohli 2012). Hence, it is reasonable to assume sales employees should demonstrate less challenge-oriented motivation as rebranding intensity increases. Sales employees who perceive greater rebranding intensity will likely associate this with a greater requirement of learning in their jobs. Therefore, I hypothesize the following:

**H1a:** The greater the perceived rebranding intensity, the lower is sales employees’ challenge-oriented motivation.

However, when a firm invests in a strategic asset (e.g., a brand), sales employees could interpret the firm’s investment as positive benefits that allow them to improve their performance in the sales field (Srivastava, Shervani, and Fahey 1998). In the case of a heavy investment towards rebranding, sales employees will be more likely to notice their firms’ efforts and apt to reciprocate their firms’ investment with higher challenge-oriented motivation. As such, sales employees should have more challenge-oriented motivation to learn and integrate new sales approaches from the rebranding that has the potential to improve their performance. Due to the reasoning that supports both a positive and negative impact of sales employees’ perceived rebranding intensity on challenge-oriented motivation, I offer the following competing hypothesis:

**H1b:** The greater the perceived rebranding intensity, the higher is sales employees’ challenge-oriented motivation.

Brand and Organizational Identification

Although sales employees’ perceived rebranding intensity could have a negative or positive effect on their challenge-oriented motivation, the nature of the effect may also depend on different types of a salesperson’s identification, namely, brand and organizational identification (Hughes and Ahearne 2010).
The various identifications possessed by a person are defined as “any category label to which a person self-associates either by choice or endowment” (Reed, Forehand, Puntoni, and Warlop 2012, p. 312). When a person forms an identification, that individual’s norms, values, and goals reflect the identification (Oyserman 2009; Tajfel and Turner 1979). Moreover, the responses driven from one’s identification reflect the person’s psychological attachment to the target (e.g., brand and/or organization; Ashforth and Mael 1989; Pratt 1998; Smidts, Pruyn, and Van Riel 2001). Importantly, a continuum exists for the degree of identification an individual holds with a target, and the identification-driven response is a function of where the identification falls on the continuum (Van Knippenberg and Sleebos 2006).

I propose that a sales employee’s level of brand and organizational identification to have differential effects on his/her response to rebranding. Recent research has shown that when sales-personnel control systems are not supportive of a brand, sales employees with high organizational identification followed the control systems. However, sales employees with high brand identification elected to not follow the control systems (Hughes and Ahearne 2010). The varying effects of brand and organizational identification can be attributed to fundamental differences in the nature of the constructs. Brand identification is the extent to which an individual defines his/her identity with a brand (Bhattacharya and Sen 2003), while organizational identification represents an individual’s perceived overlap with a firm (Ashforth, Harrison, and Corley 2008). A sales employee’s brand identification will be heavily influenced by brand associations formed from previous experiences with a brand (Reed, Forehand, Puntoni, and Warlop 2012). On the other hand, a sales employee’s organizational identification will be influenced by a firm’s interests and motives (Romzek 1989).
**Brand Identification.** Sales employees’ responses to rebranding will likely depend on their level of brand identification. Indeed, sales employees are no different than others who form brand associations from experiences with a brand (Hughes and Ahearne 2010). An individual relies on brand associations to form an identification with a brand (Shavitt, Torelli, and Wong 2009). When a rebranding occurs, an individual is forced to learn and incorporate new brand associations into his/her memory. However, brand associations are strongly embedded into an individual’s memory and can be hard to change (Keller 1993); this is especially the case when a person strongly identifies with a brand and the meaning behind it. Since an individual is hesitant to change brand associations, a higher perceived degree of change from rebranding will likely be associated with a greater requirement of learning new brand associations. Taken together, as perceived rebranding intensity increases, sales employees with higher brand identification will have lower challenge-oriented motivation to learn and incorporate new brand associations.

Conversely, sales employees with lower brand identification do not incorporate the meaning of the brand into their identities as extensively. That being said, sales employees with lower brand identification should be more willing to incorporate new brand associations after rebranding. From the perspective of a sales employee with low brand identification, the benefits of rebranding should be more apparent as perceived rebranding intensity increases. Hence, as perceived rebranding intensity increases, sales employees with lower brand identification will be more motivated to learn and incorporate new brand associations. Finally, previous research has demonstrated a positive association between challenge-oriented motivation and sales performance (e.g., Miao and Evans 2007). As such, I expect the suggested joint relationship of sales employees’ perceived rebranding intensity and brand identification to have a negative indirect effect on the amount of sales generated and outcome performance through challenge-
oriented motivation. Outcome performance is a quantitative representation of a sale employee’s effort (Baldauf, Cravens, and Piercy 2005). Therefore, I hypothesize the following:

**H2:** Perceived rebranding intensity interacts with sales employees’ brand identification such that as perceived rebranding intensity increases, challenge-oriented motivation decreases for sales employees with high brand identification, whereas challenge-oriented motivation increases for sales employees with low brand identification.

**H3:** Brand identification moderates the indirect effect of perceived rebranding intensity on (a) amount of sales generated and (b) outcome performance such that the higher the salesperson’s brand identification, the greater the effect of their perceived rebranding intensity on both performance measures through decreased challenge motivation.

**Organizational Identification.** Similar to brand identification, sales employees’ responses to rebranding will likely vary based on their levels of organizational identification. I also expect the moderating effect of organizational identification on sales employees’ responses to rebranding to differ from that of brand identification.

When sales employees perceive an overlap with their organization, they believe their firm behaves, to some degree, in their interests (Romzek 1989). Likewise, the perceived overlap with a firm influences sales employees to believe their firm carries out strategic initiatives to aide in their effectiveness in the sales field (Buchanan 1974). Rebranding is a strategic decision that requires a firm’s investment of its resources, and the amount a firm invests in rebranding will depend on the degree of changes it intends to make. Indeed, sales employees will likely consider the rebranding strategic decision from an organization level. Specifically, sales employees with
higher organizational identification will recognize the impact of the rebranding degree on their future interactions with customers and sales performance, and therefore consider higher rebranding intensity as a greater investment in them. Accordingly, sales personnel with high organizational identification will be highly motivated to learn and incorporate new aspects of the brand into their sales approaches as their perceived rebranding intensity increases.

In contrast, sales employees with low organizational identification are not as tied to their firm. This assertion is supported from prior work revealing that sales employees with lower organizational identification were less supportive of the objectives and goals of their organization (Buchanan 1974; Hrebiniak and Alutto 1972), and the brands of their firm (Drumwright 1996; Hughes and Ahearne 2010). Due to less cooperative behavior (Riketta 2005), sales employees with low organizational identification will not likely have much desire to learn and incorporate new aspects into their sales approaches from a rebranding. In addition, sales employees with low organizational identification may show even less of a desire to incorporate aspects of a rebranding into their jobs as the degree of rebranding increases. These particular sales employees likely prefer that the investment be made directly towards them rather than the brand. As such, sales employees with low organizational identification will have lower challenge-oriented motivation as perceived rebranding intensity increases. Finally, as mentioned previously, a positive association between challenge-oriented motivation and sales performance has been established in prior work (e.g., Miao and Evans 2007). Therefore, I hypothesize the following:

**H4:** Perceived rebranding intensity interacts with sales employees’ organizational identification such that as perceived rebranding intensity increases, challenge-oriented motivation increases for sales employees with high organizational
identification, whereas challenge-oriented motivation decreases for sales employees with low organizational identification.

**H5:** Organizational identification moderates the indirect effect of perceived rebranding intensity on (a) amount of sales generated and (b) outcome performance such that the higher the salesperson’s organizational identification, the greater the effect of their perceived rebranding intensity on both performance measures through increased challenge motivation.

**METHODOLOGY**

**Design and Sample**

I administered a survey at a U.S.-based *Fortune* 100 company in the telecommunications industry, and I collected data from its technical sales force. The technical sales employees invited to participate target large-enterprise customers from various industries with revenues ranging from $2 to $450 billion. Sales employees’ compensation depends on their sales performance and is heavily commission-based. Typically, the telecommunications firm trains its sales employees to have expertise in only certain products. However, after the most recent rebranding, the firm began to shift toward a technical sales force of generalists with familiarity in all products. That being said, all sales employees invited to participate in my survey experienced the most recent rebranding at the telecommunications firm. During the rebranding, the firm changed its brand elements (e.g., name and logo), culture (i.e., shifting from a consumer-oriented business to leading experts in telecommunication technology), and goals (i.e., placing heavy emphasis on targeting businesses as opposed to consumers). In sum, according to the firm contact that assisted
in the administration of my survey, firm employees experienced an overhaul of the brand during the most recent rebranding.

I distributed a web link for my survey to all 1,500 U.S.-based technical sales employees in the firm. A total of 151 technical sales employees completed my survey (10.1% response rate). The technical sales employees in my sample had an average tenure of 15.5 years at the firm and 18.4 years of experience in sales.

Measures

Unless otherwise noted, I used and adapted measures from previous research, and survey items were assessed with a seven-point Likert-type scale (1 = “Strongly disagree”; 7 = “Strongly agree”). Please see Appendix 2.A for a detailed list of all measures along with item loadings and composite reliabilities.

Rebranding Intensity. I developed a one-item measure for sales employees’ perceptions of the degree of change from the most recent rebranding that occurred at the telecommunications firm. Participants indicated the extent of change from the rebranding using a seven-point semantic differential measure (“Very little change/Very extreme change”).

Brand and Organizational Identification. Brand identification was measured with a seven-point item that visually depicted the perceived overlap of a salesperson’s identity and a brand. I adapted an identification measure developed by Bergami and Bagozzi (2000) for my brand identification measure. To measure organizational identification, I adapted a six-item scale from Mael and Ashworth (1992). Items for the organizational identification measure captured the extent to which a salesperson’s identity was defined by the organization.
Challenge-oriented Motivation. Challenge-oriented motivation was measured with a four-item scale from Miao and Evans (2007). The motivation measure reflected a salesperson’s intrinsic motivation (i.e., challenge orientation).

Sales Employee Performance. I measured sales employees’ performance in two ways. First, each salesperson completed a one-item, self-reported measure of sales generated during fiscal year 2013. Second, each salesperson completed a four-item scale for outcome performance from Miao and Evans (2007). The outcome performance measure focused on sales employees’ perceptions of their quantitative results in generating sales.

Control Variables. For the endogenous variables, I included control variables for brand attitude (post-rebranding), number of rebrands experienced by the sales employee at the telecommunications firm, age of the sales employee, years of experience in sales, and job satisfaction. Brand attitude (post-rebranding) was measured with a three-item seven-point semantic differential scale (“Bad/Good”; “Unfavorable/Favorable”; “Negative/Positive”). Sales employees self-reported the number of rebrands they had experienced at the telecommunications firm, their age, and their years of experience in sales with one-item measures. Finally, I measured job satisfaction with a three-item scale from Hackman and Oldham (1975).

Measurement Model

Prior to my main analyses, I evaluated the measurement model using confirmatory factor analysis to ensure the items reflected their appropriate latent constructs (i.e., organizational identification, challenge-oriented motivation, outcome performance, brand attitude (post-rebranding), and job satisfaction). Because I assessed rebranding intensity, brand identification, sales, age, number of rebrands, and sales experience using a one-item measure for each, I did not include the aforementioned variables in the measurement model or tests for convergent and
discriminant validity (Kline 2011). The five-factor model fit the data well ($\chi^2 (160) = 257.71, p < .001; \text{CFI} = 0.97; \text{SRMR} = 0.05; \text{RMSEA} = 0.06$) and all factor loadings were substantial ($> .64$) and significant ($p$-values $< .001$).

Next, following the recommendations of Fornell and Larcker (1981), I tested for convergent and discriminant validity. Analyses supported convergent and discriminant validity of my constructs: (a) the AVE extracted for all constructs exceeded the suggested value of .50; (b) the AVEs exceeded the squared correlation between constructs; and (c) the composite reliabilities for all constructs were adequate ($> .83$). Refer to Table 2.1 for the correlation matrix.

Analysis Approach

Figure 2.1 depicts my conceptual model. To assess my model, I utilized a regression-based path analysis approach (Kline 2011) and maximum likelihood estimation in Stata 13. Logical follow-up analyses consisted of simple slope tests for significant moderating relationships (Aiken and West 1991) and bootstrapped samples for hypothesized indirect effects (Hayes 2013).

RESULTS

Check for Common Method Variance

To rule out the significant influence of common method variance, I conducted two tests. First, I ran a Harman’s one-factor test (Korsgaard and Roberson 1995; Mossholder, Bennett, Kemery, and Wesolowski, 1998). All items from my latent variables were loaded on one-factor in a confirmatory factor analysis. The one-factor model did not fit the data well ($\chi^2 (170) = 2600.83, p < .001; \text{CFI} = 0.30; \text{SRMR} = 0.21; \text{RMSEA} = 0.27$). Second, I introduced a common-
method factor to my five-factor measurement model (Podsakoff, MacKenzie, Lee, and Podsakoff 2003). The confirmatory factor analysis with the common-method factor revealed that the additional factor accounted for less than 4% of the variance in the indicator variables. In sum, my ex-post analyses did not demonstrate a significant influence of common method variance.

Path Model Estimation

I estimated a path model with only the main effects and the control variables on the endogenous variables (Table 2.2, Model 1). Next, I estimated a subsequent model with the two hypothesized interaction effects (i.e., both rebranding intensity x brand identification and rebranding intensity x organizational identification on challenge-oriented motivation; Table 2.2, Model 2; Figure 2.2). As shown in Table 2.2, the path model with the two interactions showed improvement in model fit. In order to determine whether the difference in model fit was significant, I conducted a log-likelihood difference test (-2 x difference in log-likelihoods between the two models; Muthén and Muthén 2008). My log-likelihood test demonstrated the additional hypothesized interactions significantly improved model fit (Δ χ² (2) = 571.13, p < .001).

Hypotheses Testing

I predicted for H1a that sales employees with higher perceived rebranding intensity would have less challenge-oriented motivation. In addition, I predicted the competing hypothesis (H1b) that perceived rebranding intensity is positively associated with challenge-oriented motivation. From my path model estimation (Table 2.2, Model 1), I found no evidence for a main effect of rebranding intensity on challenge-oriented motivation (β = .03, p > .10). H1a and H1b were not supported.
For H2, I predicted that brand identification would moderate the effect of sales employees’ perceived rebranding intensity on challenge-oriented motivation. In particular, a salesperson with high brand identification would have less challenge-oriented motivation as perceived rebranding intensity increased, while a salesperson with low brand identification would have more challenge-oriented motivation as perceived rebranding intensity increased. My path model (Table 2.2, Model 2) revealed that the interaction term for rebranding intensity x brand identification on challenge-oriented motivation was significant and negative ($\beta = -.20$, $p < .05$). Both independent variables were mean-deviated. Next, I performed two spotlight analyses examining the effect of rebranding intensity on challenge-oriented motivation at low and high brand identification. Specifically, two regression slopes were estimated at low (one $SD$ below the mean) and high (one $SD$ above the mean) levels of brand identification. The regression slopes indicated significant results for low brand identification ($\beta = .23$, $p < .05$) and marginally significant results for high brand identification ($\beta = -.18$, $p < .10$). Similar to previous analyses, all other model variables were included in the analyses as control variables. In sum, the effects followed the expected direction, and H2 was partially supported. See Figure 2.3 for interaction graph.

I also predicted that the indirect effects of the interaction between rebranding intensity and brand identification on sales (H3a) and outcome performance (H3b) through challenge-oriented motivation would be significant and negative. Once again, I used PROCESS (Model 7; Hayes 2013) to test my hypotheses (H3a and H3b). My analyses, using 5,000 bootstrapped samples, revealed 95% bias-corrected confidence intervals that were statistically different from zero (H3a: -.150 to -.007; H3b: -.082 to -.002) for the negative indirect effects (H3a : -.050; H3b: .
-.028). Similar to previous indirect effect tests, I conducted these analyses with all other model variables. In sum, results supported H3a and H3b.

H4 predicted that organizational identification would moderate the effect of sales employees’ perceived rebranding intensity on their challenge-oriented motivation. Specifically, sales employees with high organizational identification would have more challenge-oriented motivation as perceived rebranding intensity increased, whereas sales employees with low organizational identification would have less challenge-oriented motivation as perceived rebranding intensity increased. From my path model estimation (Table 2.2, Model 2), the interaction term for rebranding intensity x organizational identification on challenge-oriented motivation was significant and positive ($\beta = .26, p < .01$). Both rebranding intensity and organizational identification were mean-deviated. To further explore the two-way interaction between rebranding intensity and organizational identification, I conducted two spotlight follow-up analyses examining the effect of rebranding intensity on challenge-oriented motivation at low and high organizational identification. To probe this interaction, two regression slopes were estimated at low (one SD below the mean) and high (one SD above the mean) levels of organizational identification. Both regression slopes yielded significant results (low organizational identification: $\beta = -.24, p < .05$; high organizational identification: $\beta = .29, p < .05$). All other model variables were included as control variables in the regression analyses. In sum, the effects followed the expected direction, and H4 was supported.

I turn my attention to the hypotheses that pertain to the indirect effects of the interaction between rebranding intensity and organization identification on sales (H5a) and outcome performance (H5b) through challenge-oriented motivation. Specifically, I used PROCESS (Model 7; Hayes 2013) to conduct my analyses for both H5a and H5b. My analyses, using 5,000
bootstrapped samples, revealed 95% bias-corrected confidence intervals that were statistically different from zero (H5a: .012 to .194; H5b: .011 to .119) for the positive indirect effects (H5a: .076; H5b: .049). As before, I included all other model variables in the indirect effect tests. In sum, results supported H5a and H5b. See Table 2.3 for a summary of all indirect effect tests.

Control Variables

Control variables with significant effects were consistent with previous studies. The positive relationship between sales experience and motivation was in line with Kohli, Shervani and Challagalla (1998). Additionally, the positive association between job satisfaction and motivation has been established in prior research (e.g., Grant, Cravens, Low, and Moncrief 2001; Miao and Evans 2014).

DISCUSSION

To the best of my knowledge, this is the first study that examines rebranding and its impact on sales employees’ motivation and performance. I develop and test a conceptual model that includes these relationships and the moderating impact of brand and organizational identification. My results have theoretical and managerial implications that are discussed in the following sections.

Theoretical Implications

My model provides further insight into rebranding and its impact on internal stakeholders (i.e., firm employees). Previous research has examined the components along the rebranding continuum (e.g., brand elements, culture, and goals) from an employee perspective (Gotsi, Andriopoulos, and Wilson 2008; Kaikati 2003; Merrilees and Miller 2008). Much of this work
utilized the qualitative case study method, and the firms participating in the research rebranded only certain aspects of the brand. The present research extends extant rebrand literature by conducting a survey in a firm that recently experienced rebranding across the entire continuum. In addition, my work focuses on a particular type of employee (i.e., salespeople) and their responses to rebranding. Given customers’ strong loyalty to sales employees (vs. firms; Palmatier, Scheer, and Steenkamp 2007) and customers’ reliance on sales employees in forming brand perceptions (Morhart, Herzog, and Tomczak 2009), understanding the impact of rebranding on sales employees’ motivation and performance is imperative for a firm’s internal branding efforts to be successful.

Attention to internal branding and the inclusion of sales employees in a firm’s branding efforts is rising (Baumgarth and Schmidt 2010). Since salespeople represent the brand to their customers, an alignment between the firm’s brand identity and sales employees should be established (Sirianni, Bitner, Brown, and Mandel 2013). However, after a rebranding, the alignment between the firm’s brand identity and sales employees will likely be disrupted. In addition, the strategic brand changes could cause stress among sales employees from having to target new customers and change their sales approaches (Sarin, Challagalla, and Kohli 2012). Despite the main effect of rebranding intensity not having a significant impact on sales employees’ challenge-oriented motivation, the findings from my overall model still suggest that the broad theoretical perspective for internal branding applies to rebranding.

My work also extends the limited literature that examines sales employees’ brand identification. Specifically, sales employees with high brand identification report lower challenge-oriented motivation as rebranding intensity increases, whereas those with low brand identification have higher challenge-oriented motivation as rebranding intensity increases.
Interestingly, brand identification as a moderator of the impact of rebranding intensity on sales employees’ challenge-oriented motivation reveals an opposite pattern of effects in comparison to organizational identification as a moderator. I attribute my findings to a fundamental theoretical difference between brand and organizational identification. In particular, brand identification for sales employees is related to defining the self with a brand from a personal level, while organizational identification for sales personnel is related to defining the self with a brand (i.e., a firm) from an organizational level. Despite sales employees’ roles as ambassadors of the brand for their customers, salespeople are also exposed to the brand as consumers and have formed strong brand associations from their experiences with the brand outside of the firm environment (Keller 1993, 2008). Once formed, brand associations are hard to change (Keller 1993), which suggests that an individual will not have the motivation to learn new brand associations.

Finally, I contribute to sales employee organizational identification literature. Extant research has established that sales employees with higher levels of organizational identification have greater job satisfaction and cooperative behavior as well as more effective customer service (Riketta 2005). Indeed, my present work indicates that sales employees’ organizational identification moderates the impact of rebranding intensity on sales employees’ challenge-oriented motivation. Specifically, sales employees with high organizational identification report higher challenge-oriented motivation as rebranding intensity increases, whereas those with low organizational identification have lower challenge-oriented motivation as rebranding intensity increases. My framework and findings are in line with previous research demonstrating that sales employees with higher organizational identification behave in the best interest of the firm (Dukerich, Golden, and Shortell 2002) and have a strong desire to support the firm’s brand (Drumwright 1996). I extend existing literature by linking sales employees’ organizational
identification to rebranding and change in general. When a firm elects to undergo a rebranding, sales employees with higher organizational identification will approach the rebranding with greater appreciation since they interpret the brand changes as a firm initiative to aide their job performance. Based on my theoretical reasoning and results, I would expect sales employees with higher organizational identification to respond positively to most strategic change since they have an outlook of belonging to the company and sharing defining attributes. However, sales employees with lower organizational identification did not report high challenge-oriented motivation as rebranding intensity increased due to having less interest in learning new aspects of their jobs and not sharing the same views as their firm management. Sales employees with low organizational identification are more likely driven by extrinsic rewards (e.g., higher compensation) and would have rather seen the investment made in the rebranding go towards their paycheck.

Managerial Implications

Firm managers that elect to rebrand need to realize this strategic decision not only impacts their customers, but also their employees. Previous research has established that internal branding must occur and should include sales employees (Mitchell 2002) since they represent the brand to customers. Similarly, a firm would achieve greater acceptance of the new brand identity from sales employees after the rebrand if they were included in the rebranding efforts. Sales employees that fully support the brand will likely have customers that feel the same way about the brand (Di Benedetto 1999).

Rebranding represents a strategic initiative that requires much planning. This notion is supported by my conceptualization of rebranding that comprises various components beyond a brand element change (e.g., name, logo, and slogan). Other brand aspects that could undergo
rebranding include, for example, the firm’s culture and positioning. When a firm decides to change the culture and positioning linked to a brand, an alignment should exist between the new brand aspects and the firm employees. By including key employees (e.g., sales personnel) in the rebranding, alignment of the new brand with employees after rebranding is more likely to occur. That being said, firm managers should make sure sales employees fully support the new brand after rebranding since salespeople represent the brand to its customers. Nevertheless, prior work has demonstrated that strategic change (e.g., rebranding) is a source of stress for sales employees from having to learn new skills and target new customers (Sarin, Challagalla, and Kohli 2012).

As such, a high degree of rebranding intensity may pose as a risk for a firm, and if rebranding is not handled properly, the efforts for the rebrand might end in failure. As previously mentioned, firms are more likely to fail than succeed in rebranding (Stuart and Muzellec 2004).

Two pivotal aspects that firm managers have to keep in mind and address during a rebrand are their sales employees’ levels of brand and organizational identification. Both forms of identification play important roles in sales employees’ motivation and performance when strategic decisions for the brand are made. Brands have an added dimension when internal stakeholders are involved. In particular, the brand not only represents an organizational strategic asset for sales employees in the field, but also allows sales employees to form strong brand associations from their personal experiences with the brand. My findings reveal that both brand and organizational identification do not lead to the same outcomes in their interactive effect with rebranding intensity. Importantly, the impact of both interactions (i.e., rebranding intensity x brand identification and rebranding intensity x organizational identification) on challenge-oriented motivation and sales performance further downstream poses distinct challenges with varying methods that firm managers will have to utilize during and after the rebranding. Overall,
firm managers will have to balance the desires of sales employees with high and low brand identification, as well as those with high and low organizational identification, when undergoing a rebrand. Clearly, senior management will need to provide training to ensure that all sales employees are representing the brand consistently to customers. Ultimately, firm managers may have to consider replacing their sales personnel if they are unable to gain support for the rebranding.

Limitations and Directions for Further Research

My current research has limitations that provide directions for future work. First, my study design allows us to isolate the effect of rebranding intensity on sales employees’ motivation and performance downstream. By conducting my survey at one firm, I control for firm-related variables such as size and industry. However, future studies extending my research with multiple firms and industries would provide valuable insight and generalizability to my present work. Second, only 151 employees completed my survey instrument. My findings would gain robustness if future work includes more participants. Third, replicating my research with other employees besides those in sales would further my understanding of the importance of the brand to internal stakeholders and their responses to rebranding. Sales employees have a unique relationship with the brand they represent. Many customers form their perceptions of a brand from an encounter with a sales employee (Baumgarth and Schmidt 2010). Given that many employees in a firm do not interact with customers, will perceptions of rebranding intensity impact work motivation and performance similarly for non-sales employees? Finally, my study uses a cross-sectional design. Although my ex-post tests for common method variance do not reveal any significant influences, my findings would be strengthened if my database included variables besides those self-reported from sales employees. Specifically, future rebranding
studies in sales management should include multi-source data (e.g., from employees and their managers). Another limitation of cross-sectional study designs is the inability to deduce causality. As such, I suggest future studies include experimental work with sales employees.

The present work also raises broader issues for future research to investigate. For example, my results indicate that the main effect of rebranding intensity did not significantly impact sales employees’ challenge-oriented motivation. I use a subjective rebranding intensity measure. Thus, sales employees who completed my survey may have had varying interpretations of the rebranding degree at the telecommunications firm. In this case, an objective measure for rebranding intensity may have proven valuable. Defining the specific aspects of the rebranding intensity continuum based on my conceptualization would mitigate the varying interpretations of the rebranding degree.

Despite the rich findings from the testing of my conceptual model, exploring antecedents and further outcomes of rebranding intensity would provide additional insight. As discussed, a firm may choose to rebrand for many reasons (e.g., change in the competitive landscape or a new target market). In my study, the telecommunications firm did not have one particular reason for undergoing the rebrand. However, future investigations may benefit by examining whether the reasoning for a rebrand can impact perceptions of rebranding intensity. For instance, my belief is that a reactive (vs. proactive) motivation to rebrand will lead to stronger perceptions of rebranding intensity since sales employees will have a sense that the firm and their position in the sales field is seemingly at a disadvantage. In regards to the outcome variables in my model, I focus on sales performance measures, which are more theoretically aligned with organizational identification. Recent research conducted by Hughes and Ahearne (2010) examines the role of brand identification for reseller salespeople, and their model includes brand outcome variables.
tied to brand identification (i.e., salesperson brand effort and brand extra-role behavior). My model would benefit from including these additional brand outcome variables associated with the personal aspect of brands and sales employees’ brand identification.

Lastly, cross-cultural research examining the impact of rebranding intensity on sales employees’ motivation would yield interesting insight. Cross-cultural studies aimed at sales employees’ motivation have been largely ignored (Miao and Evans 2007) and sales employees’ responses to rebranding have not yet been examined. Future work in this realm might consider examining the interdependent (vs. independent) self (self-construal theory; Singelis 1994) as a moderator for the effect of sales employees’ perception of rebranding intensity on their motivation. I would expect interdependent (vs. independent) sales employees from Eastern Asian countries (vs. the U.S.) to have lower motivation as perceptions of rebranding intensity increases given their stronger attachment to the current brand.
APPENDIX TWO

ESSAY TWO MATERIALS
APPENDIX 2.A

MEASURES, FACTOR LOADINGS, AVE, & COMPOSITE RELIABILITIES

<table>
<thead>
<tr>
<th>Measurement Items</th>
<th>Standardized Loadings</th>
<th>AVE</th>
<th>Composite Reliabilities</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rebranding Intensity</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Bergami and Bagozzi (2000)</td>
</tr>
<tr>
<td>1. Please indicate the degree of change that occurred when my firm rebranded to the current brand (seven-point; “Very little change/Very extreme change”).</td>
<td>n/a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Identification</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Please indicate which diagram (A, B, C, D, E, F, or G) best represents the level of overlap between your own identity and my firm’s brand.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><img src="image" alt="Diagram" /></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Identification</td>
<td>.59</td>
<td>.89</td>
<td></td>
<td>Mael and Ashworth (1992)</td>
</tr>
<tr>
<td>1. When someone criticizes my firm, it feels like a personal insult.</td>
<td>.75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. I am very interested in what others think about my firm.</td>
<td>.70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. When I talk about my firm, I usually say “we” rather than “they”.</td>
<td>.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. My firm’s successes are my successes.</td>
<td>.85</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. When someone praises my firm, it feels like a personal compliment.</td>
<td>.89</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX 2.A

Continued

MEASURES, FACTOR LOADINGS, AVE, & COMPOSITE RELIABILITIES

<table>
<thead>
<tr>
<th>Measurement Items</th>
<th>Standardized Loadings</th>
<th>AVE</th>
<th>Composite Reliabilities</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Challenge-oriented Motivation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. If a story in the media criticized my firm, I would feel embarrassed.</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. How much sales did you generate in 2013 (in dollars)?</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td><strong>Outcome Performance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. I am very effective in contributing to my firm's market share.</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. I am very effective in generating a high level of dollar sales.</td>
<td>96</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. I am very effective in selling to major accounts.</td>
<td>91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. I am very effective in exceeding annual sales targets and objectives.</td>
<td>84</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand Attitude (Post-Rebranding)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. What are your impressions of the brand after the rebranding? (seven-point semantic differential scale).</td>
<td>96</td>
<td>99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Bad/Good”</td>
<td>98</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Unfavorable/Favorable”</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Negative/Positive”</td>
<td>98</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## MEASURES, FACTOR LOADINGS, AVE, & COMPOSITE RELIABILITIES

<table>
<thead>
<tr>
<th>Measurement Items</th>
<th>Standardized Loadings</th>
<th>AVE</th>
<th>Composite Reliabilities</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Rebrands</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>1. Rebranding occurs when firms change brand elements (e.g., name, logo) and/or aspects of the firm (e.g., culture, goals) related to the brand. Considering the definition of rebranding presented above, how many rebrandings have occurred while you have been with your current employer?</td>
<td>n/a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>1. Please indicate your age.</td>
<td></td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Experience</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>1. Please indicate the number of years of experience you have in sales.</td>
<td></td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.62</td>
<td>.83</td>
<td></td>
<td>Hackman and Oldham (1975)</td>
</tr>
<tr>
<td>1. Generally speaking, I am very satisfied with my job.</td>
<td></td>
<td>.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. I am generally satisfied with the kind of work I do in my job.</td>
<td></td>
<td>.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. I frequently think of quitting my job (reverse-scored).</td>
<td></td>
<td>.67</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes.-Average variance extracted (AVE). Seven-point scales were used (1 = “Strongly disagree”; 7 = “Strongly agree”) unless otherwise noted above. Sales were transformed (natural logarithm). Items with “n/a” for standardized loadings, AVE, and composite reliabilities are one-item measures. Measures with “n/a” for source were developed by authors.
REFERENCES


## TABLE 2.1

CORRELATION MATRIX AND DESCRIPTIVE STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Rebranding intensity</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Brand identification</td>
<td>-.002</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Organizational identification</td>
<td>.139*</td>
<td>.588**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Motivation</td>
<td>.026</td>
<td>.333**</td>
<td>.359**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. In Sales</td>
<td>-.128</td>
<td>.122</td>
<td>.117</td>
<td>.265**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Outcome performance</td>
<td>.098</td>
<td>.138*</td>
<td>.193**</td>
<td>.482**</td>
<td>.095</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Rebranding attitude</td>
<td>.016</td>
<td>.350**</td>
<td>.422**</td>
<td>.162*</td>
<td>.044</td>
<td>.087</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Number of rebrands</td>
<td>-.056</td>
<td>.072</td>
<td>.040</td>
<td>.083</td>
<td>.096</td>
<td>.027</td>
<td>-.052</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Age</td>
<td>.024</td>
<td>.098</td>
<td>.060</td>
<td>.067</td>
<td>.075</td>
<td>-.011</td>
<td>.064</td>
<td>.096</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Sales experience</td>
<td>.098</td>
<td>.023</td>
<td>-.035</td>
<td>.233**</td>
<td>.016</td>
<td>.170*</td>
<td>-.105</td>
<td>.102</td>
<td>.547**</td>
<td>1.000</td>
<td></td>
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<tr>
<td>11. Job satisfaction</td>
<td>.023</td>
<td>.405**</td>
<td>.421**</td>
<td>.335**</td>
<td>.128</td>
<td>.275**</td>
<td>.454**</td>
<td>.102</td>
<td>-.019</td>
<td>-.010</td>
<td>1.000</td>
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</tbody>
</table>

*p < .05; **p < .01 (two-tailed).

Notes.-Motivation = Challenge-oriented motivation. Sales were for fiscal year 2013 and transformed (natural logarithm).
<table>
<thead>
<tr>
<th>Model Paths</th>
<th>Model 1 (Baseline)</th>
<th>Model 2 (with Interactions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivation</td>
<td>.238 (.088)**</td>
<td>.238 (.088)**</td>
</tr>
<tr>
<td>Control variables:</td>
<td></td>
<td></td>
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<tr>
<td>Rebranding attitude</td>
<td>-.014 (.094)</td>
<td>-.014 (.094)</td>
</tr>
<tr>
<td>Number of rebrands</td>
<td>-.054 (.081)</td>
<td>-.054 (.081)</td>
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<tr>
<td>Age</td>
<td>.141 (.097)</td>
<td>.141 (.097)</td>
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<tr>
<td>Sales experience</td>
<td>-.137 (.102)</td>
<td>-.137 (.102)</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>.065 (.101)</td>
<td>.065 (.101)</td>
</tr>
<tr>
<td>Outcome Performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivation</td>
<td>.298 (.082)**</td>
<td>.298 (.082)**</td>
</tr>
<tr>
<td>Control variables:</td>
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<td></td>
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<tr>
<td>Rebranding attitude</td>
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<td>-.059 (.089)</td>
</tr>
<tr>
<td>Number of rebrands</td>
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<td>-.022 (.077)</td>
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<tr>
<td>Age</td>
<td>-.087 (.092)</td>
<td>-.087 (.092)</td>
</tr>
<tr>
<td>Sales experience</td>
<td>.099 (.097)</td>
<td>.099 (.097)</td>
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<tr>
<td>Job satisfaction</td>
<td>.178 (.095)</td>
<td>.178 (.095)</td>
</tr>
<tr>
<td>Motivation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebranding intensity (RI)</td>
<td>.025 (.070)</td>
<td>.041 (.068)</td>
</tr>
<tr>
<td>Brand identification (BI)</td>
<td>.042 (.099)</td>
<td>.083 (.098)</td>
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<tr>
<td>Organizational identification (OI)</td>
<td>.222 (.089)*</td>
<td>.229 (.088)*</td>
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<tr>
<td>RI x BI</td>
<td>—</td>
<td>-.198 (.089)*</td>
</tr>
<tr>
<td>RI x OI</td>
<td>—</td>
<td>.262 (.089)**</td>
</tr>
<tr>
<td>Control variables:</td>
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<td></td>
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<tr>
<td>Rebranding attitude</td>
<td>-.052 (.086)</td>
<td>-.016 (.085)</td>
</tr>
<tr>
<td>Number of rebrands</td>
<td>-.004 (.072)</td>
<td>-.019 (.070)</td>
</tr>
<tr>
<td>Age</td>
<td>-.106 (.085)</td>
<td>-.136 (.083)</td>
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<tr>
<td>Sales experience</td>
<td>.276 (.085)**</td>
<td>.284 (.082)**</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>.358 (.082)**</td>
<td>.321 (.082)**</td>
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</tbody>
</table>

**Model Characteristics**

<table>
<thead>
<tr>
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<th>Model 1</th>
<th>Model 2</th>
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<tr>
<td>Log-likelihood</td>
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<td>-3791.01</td>
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<tr>
<td>CFI</td>
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<td>.95</td>
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<tr>
<td>SRMR</td>
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<td>.03</td>
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<tr>
<td>RMSEA</td>
<td>.07</td>
<td>.05</td>
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</table>

* p < .05; ** p < .01; *** p < .001 (two-tailed).

Notes.-Standard errors are in parentheses. Motivation = Challenge-oriented motivation. Rebranding intensity, brand identification, and organizational identification were mean-centered. Sales were for fiscal year 2013 and transformed (natural logarithm).
TABLE 2.3

BOOTSTRAPPED ESTIMATES OF HYPOTHESIZED INDIRECT EFFECTS

<table>
<thead>
<tr>
<th>Indirect Effect</th>
<th>Estimate</th>
<th>Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>RI x BI → Motivation → ln Sales</td>
<td>-.050</td>
<td>(-.150, -.007)</td>
</tr>
<tr>
<td>RI x BI → Motivation → Outcome performance</td>
<td>-.028</td>
<td>(-.082, -.002)</td>
</tr>
<tr>
<td>RI x OI → Motivation → ln Sales</td>
<td>.076</td>
<td>(.012, .194)</td>
</tr>
<tr>
<td>RI x OI → Motivation → Outcome performance</td>
<td>.049</td>
<td>(.011, .119)</td>
</tr>
</tbody>
</table>

Notes.-Rebranding intensity (RI); Brand identification (BI); Organizational identification (OI). Motivation = Challenge-oriented motivation. Sales were for fiscal year 2013 and transformed (natural logarithm). Confidence intervals not including zero are significant at $p < .05$ (2-tailed). Bootstrapping based on 5000 samples.
FIGURE 2.1
CONCEPTUAL MODEL

Notes.-Motivation = Challenge-oriented motivation. Dashed arrows indicate relationships established in literature (e.g., Miao and Evans 2007). Control variables for endogenous variables include rebranding attitude, number of rebrands, age, sales experience, and job satisfaction.
FIGURE 2.2
PATH MODEL ESTIMATION RESULTS FOR MODEL 2

Notes.
- Rebranding variable in interactions = Rebranding intensity. Brand identification (Brand Id). Organizational identification (Org Id). Motivation = Challenge-oriented motivation. Rebranding intensity, brand identification, and organizational identification were mean-centered. Sales were for fiscal year 2013 and transformed (natural logarithm). Control variables for endogenous variables include rebranding attitude, number of rebrands, age, sales experience, and job satisfaction. Fit indices: $\chi^2 (11) = 15.64 \ (p > .15)$; CFI = 0.95; SRMR = 0.03; RMSEA = 0.05.
FIGURE 2.3
REBRANDING INTENSITY BY BRAND AND ORGANIZATIONAL IDENTIFICATION INTERACTIONS ON CHALLENGE-ORIENTED MOTIVATION

A: Rebranding Intensity x Brand Identification

B: Rebranding Intensity x Organizational Identification

Notes.- Motivation = Challenge-oriented motivation. Low and high rebranding = Low and high rebranding intensity.
This dissertation focused on furthering our understanding of rebranding by exploring this brand management strategy from two different perspectives. In Essay 1, I investigate consumers’ responses to a brand logo change, whereas in Essay 2, I examine how sales employees respond to a recent rebranding in their firm.

Changing a brand logo has implications beyond the cost and implementation. In Essay 1, my framework and series of studies reveal consumers are not receptive to brand logo change due to their strong brand associations and awareness that are tied to the logo. That being said, I also find consumers with higher brand identification react with stronger unfavorable responses to a brand logo change. Hence, changing the brand logo that anchors much of the brand associations held by consumers suggests a dark side for brand logo change. Contrary to normative brand management literature suggesting a brand logo should appear contemporary to consumers and distance itself from the past, it is the reminder of past brand logos that demonstrates promise in positively impacting consumer responses to brand logo change. The ability for consumers to more easily process the meaning (i.e., conceptual fluency) of the change after exposure to past brand logos might remedy the brand resembling a stranger after a logo change.

Essay 2 is an initial investigation of a strategic brand decision for sales personnel, namely, the impact of rebranding on sales employees’ motivation and performance. My work focuses on the interactive effect of rebranding intensity with both brand and organizational identification on sales employees’ motivation and performance. Both my theoretical framework and findings indicate the varying impact of brand and organizational identification given the nature of each construct. In sum, my work examines a largely ignored brand decision (i.e., rebranding) in salespeople research and extends recent work that establishes the relevancy of brand and organizational identification for sales employees.
REBRANDING DISSERTATION THEORETICAL CONTRIBUTIONS

My dissertation makes several theoretical contributions to existing rebranding research. First, I extend our understanding of rebranding by examining consumers’ and firm employees’ responses to rebranding using quantitative methods. Previous rebranding research has primarily utilized the qualitative case study method (e.g., Merrilees and Miller 2008). In addition, past work has focused on developing managerial rebranding frameworks to aide firms (e.g., Muzellec and Lambkin 2006). Despite the usefulness of rebranding frameworks in a firm setting, our knowledge of key stakeholders’ responses to rebranding is lacking. In Essay 1, I examine consumer responses to rebranding by utilizing experiments. My set of experimental studies in Essay 1 demonstrates unfavorable consumer responses to a brand logo change. Importantly, the theoretical framework for Essay 1 relies on the associative network memory model, consumer brand identification, and conceptual fluency. In Essay 2, I focus on sales employees’ responses to rebranding. This essay utilizes a survey methodology in a Fortune 100 telecommunications firm. I theorize and find that the nature of the impact of sales employees’ perception of rebranding intensity on their motivation and performance depends on their level of brand and organizational identification. Interestingly, my findings reveal varying moderating impacts of brand and organizational identification.

This dissertation also reveals the relevancy of brand identification to rebranding research. Both of my essays in this dissertation include brand identification as a moderator for responses to rebranding. Essays 1 and 2 demonstrate that consumers and sales employees with high brand identification do not respond positively to rebranding. My findings suggest that responses to rebranding depend on the extent that the brand is included in an individual’s identity. An
individual with high brand identification will not be as inclined to incorporate new brand associations in his/her memory. In contrast, an individual with lower brand identification will be more willing to learn new brand associations since this person has not formed their identity with a particular brand that has undergone rebranding. Rebranding will likely be more accepted when an individual has not formed his/her identity with a brand making changes.

Lastly, my dissertation provides further support for the strength of brand associations carried by an individual. Previous research has established that an individual’s brand associations are strongly held in memory and hard to change (Keller 1993). In both dissertation essays, my findings suggest that the unfavorable responses to rebranding can be attributed to the strength of brand associations in an individual’s memory. In Essay 1, consumers do not respond favorably to a brand logo change. My theoretical framework links an individual’s brand associations to brand logos. Brand logos carry much of the meaning that consumers assign to a brand. When a brand logo changes, a consumer is forced to relearn his/her existing brand associations. That being said, consumers’ unfavorable responses to a brand logo change are likely due to learning new brand associations. Much of the reasoning in Essay 1 regarding strongly established brand associations can be applied to Essay 2. However, in Essay 2, the nature of sales employees’ responses to rebranding and their strongly held brand associations will depend on the moderating impact of brand identification. Sales employees with high brand identification rely on their brand associations formed from their personal experiences with the brand in the marketplace. Hence, sales employees with high brand identification will not respond as favorably to rebranding because they have to relearn strongly held brand associations.
REBRANDING DISSERTATION MANAGERIAL CONTRIBUTIONS

My dissertation essays provide insight to firm managers on the type of individuals that do not fully appreciate rebranding. I find in both dissertation essays that consumers and sales employees with high brand identification do not respond favorably to rebranding. This finding in both dissertation essays suggests to firm managers that an individual who uses a brand to form his/her identity will not be as willing to incorporate new brand associations after a rebranding. As such, a firm that has key stakeholders with high brand identification should approach a rebranding with caution. High brand identification individuals will have to change the brand associations they have used to form their identity after a rebranding. It is likely a degree of resistance to the rebranding may arise amongst those stakeholders who have included the brand in their identities.

Another managerial implication from my rebranding dissertation is not only the decision to rebrand, but also to what extent rebranding should occur. In Essay 2, I find that rebranding intensity has an impact on sales employees’ motivation and performance based on their level of brand and organizational identification. Although I did not test the degree of brand logo change on consumer responses in Essay 1, it is not a stretch to assume that consumers would respond more unfavorably to a higher degree of a brand logo change. A higher degree of a brand logo change will likely have a greater amount of new brand associations that need to be incorporated into an individual’s memory. Overall, firms should be aware that a higher degree of rebranding may lead to stronger unfavorable responses. Firms need to be conscientious of not only the decision to rebrand, but also the degree of rebranding to undertake.
FUTURE REBRANDING RESEARCH

One avenue for expanding on consumer responses to rebranding is to examine the impact of customer participation. Customer participation has shown to improve firm performance and can lead to a competitive advantage (e.g., Rayport and Jaworski 2005). The benefits of customer participation come in various forms. For example, customer participation can emulate marketing research without the large consulting fees, which can lead to productivity and efficiency gains (Evans and Wolf 2005; Hull 2004). Additionally, a firm’s interaction with its customers can provide the firm knowledge on the tastes and preferences of its customers (Srinivasan, Anderson, and Ponnavolu 2002). Customers have a lot to offer, and they are the best source to inform firms of their needs and wants which mitigates the lack of acceptance in the marketplace (Hoyer, Chandy, Dorotic, Krafft, and Singh 2010). Furthermore, consumers are creative and want to participate (Ramaswamy and Gouillart 2010). Allowing customers to be co-creators can lead to a better appreciation of the new product (Joshi and Sharma 2004).

Research has shown that careful selection of participating consumers is imperative. According to Rayport and Jaworski (2005), in order for a firm to achieve a competitive advantage when utilizing customer participation, the interactions need to be effective and efficient. Consumers that are more involved with the firm are both informed and active (Prahalad and Ramaswamy 2004). Those that are not, negatively impact firm performance. Furthermore, Franke, Keinz, and Steger (2009) have found that the customization of products from customer preferences is only beneficial when customers are able to clearly communicate their preferences. Likewise, inviting a disengaged customer to participate might lead to minimal benefits (Franke, Keinz, and Steger 2009). Based on the aforementioned, one could argue that Gap’s rebranding
debacle could have been avoided if its customers were involved with the rebranding. Due to the large outpour of opinions, feelings, and disgust on social media towards the new brand logo (Goldwert 2010), it is clear that Gap’s customers wanted to be involved with the rebranding.

Another direction for future rebranding research would be to conduct an event study to examine investor responses to rebranding. Prior work has demonstrated an association between brands and stock returns. For example, stock returns have shown to be related to brand quality and attitude (Aaker and Jacobson 1994). Moreover, Barth, Beaver, and Landsman (1998) showed that brand values correlate with increasing share prices, net income, and book value (equity). Despite the relationship between brands and stock returns in previous research, some still question whether rational investors truly consider the brand when buying and selling stock. Investors have shown an inclination towards familiar brand names when determining their stock portfolio (Frieder and Subrahmanyam 2005), demonstrating their awareness of brands as intangible assets that provide value to the stock price (Mizik and Jacobson 2009). When the resource-based view framework is considered, investors recognize brands as market-based assets that can enhance future cash flows. Thus, any investments made towards the brand (e.g., rebranding) can be construed as information that investors will incorporate into the stock price.
REFERENCES


