

CONSUMER PERCEPTIONS OF REBRANDING:
THE CASE OF LOGO CHANGES

by

SALEH ABDULAZIZ ALSHEBIL

Presented to the Faculty of the Graduate School of
The University of Texas at Arlington in Partial Fulfillment
of the Requirements
for the Degree of

DOCTOR OF PHILOSOPHY

THE UNIVERSITY OF TEXAS AT ARLINGTON

ABSTRACT

CONSUMER PERCEPTIONS OF REBRANDING: THE CASE OF LOGO CHANGES

Saleh Abdulaziz AlShebil, PhD.

The University of Texas at Arlington, 2007

Supervising Professor: Mark Peterson

This dissertation explores the topic of rebranding, an important topic that has mostly been covered by practitioner journals and the business press. The focus of this research is on a specific type of rebranding – logo changes. The objective was to get a better understanding of consumer perceptions of logo changes by investigating what goes on in the consumer’s mind when exposed to a brand logo change in terms of “coping” with this change.

After an extensive qualitative investigation, a model was developed that focused on how exposure to a logo change puts the consumer into a coping process through expressions of curiosity, skepticism and resistance toward the logo change. In this model, two elements were proposed to govern the coping processes of rebranding: 1) the degree of logo change, and 2) the valence (i.e. favorability) of logo change. The model also examined how these coping mechanisms related to each other and ultimately

affected the brand attitude after the logo change. The results supported 13 of 16 hypotheses related to the proposed model. In sum, the study has made a valuable contribution to the scholarly understanding of coping as an important process of consumer response to logo changes.

PREFACE

Rebranding refers to the repositioning, revitalizing, or rejuvenating of a brand. Research on rebranding seems to have concentrated more on the financial performance aspect and with a specific emphasis on name changes. However, the consumer side of rebranding and more specifically, logo changes, have received less attention. What this research hopes to add is a better understanding of consumer perceptions of logo changes by investigating what goes on in the consumer's mind when exposed to a brand logo change in terms of "coping" with this change.

As part of this research study, a qualitative investigation was conducted through the use of twelve in-depth interviews. After analysis, several themes emerged: the perceived degree of logo change, curiosity, skepticism, and resistance toward the logo change. The perceived degree of logo change resembled the magnitude of change that participants saw between the old and new logos. The curiosity element involved the questioning that some participants raised especially on the reason(s) for the logo change. Skepticism was also evident in participants' expressions of suspicion, deceit, doubt and disbelief in the logo change and those behind it. As for resistance to change, it was evident through expressions of discomfort, uncertainty regarding the new logo, and the preference for sticking with the old one.

Based on the qualitative investigation and the themes that emerged from it, I developed the research hypotheses. I used a combination of the marketing literature on skepticism, the psychology literature on curiosity, and the management literature on

organizational change to develop the hypotheses. My premise became focused on how exposure to rebranding puts the consumer into a coping process through expressions of curiosity and skepticism about it which together seem to result in their general resistance to the logo change. In my model, two elements were proposed to govern the coping processes of rebranding: 1) the degree of the logo change, and 2) the valence of the logo change. My model also examined how these coping mechanisms would ultimately affect the brand attitude after the logo change.

An experimental survey methodology was used to test the hypotheses. There were two brands used and two types of changes for each brand, i.e. a minor change and a major change. The surveys were randomly assigned to students where each had an equal chance of getting one of the four conditions (i.e. brand 1 with a minor change, brand 1 with a major change, brand 2 with a minor change, brand 2 with a major change). The brands chosen were Baskin Robbins and Payless Shoe Source.

The results of the study supported 13 of the 16 hypothesized relationships of my model. Importantly, the results showed that companies deciding to change their logos should really think of their consumers and see their side of the picture. There are essentially two elements to think about in considering a logo change: 1) the degree of difference between the new and old logo, and 2) how favorable consumers would regard the new logo compared to the old logo.

In terms of the magnitude or degree of logo change, it was found that the bigger the logo change, the more likely it would raise questions by consumers regarding the necessity for such a change. Furthermore, consumers would begin to get skeptical,

distrustful and doubtful toward the logo change and likely resist it. Consumer skepticism was also found to directly affect brand attitude after the logo change which may be of great importance for brand managers to know and prepare for.

However, though the magnitude of logo change presents a challenging picture for companies thinking of drastically changing their logos, there is a positive side to it. The findings also showed that the more favorable consumers viewed the new logo compared to the old logo, the less questioning would be triggered about the necessity of the rebranding and more interest would be elicited about knowing more about what the rebranding represented. In addition, a more favorably seen new logo would likely generate less skepticism, less distrust and less doubt about it and may make consumers less resistant and more accepting of it. This means that companies thinking of changing their logos should definitely seek their customers' views on the proposed change and not just surprise them with a new logo design that perhaps only the graphic designers liked.

More importantly, though both the degree and valence of logo change matter, the findings also showed that the perceived valence of the logo change seemed to be the more critical criterion to judge a new logo. Together, these results suggest that a well done logo change can gain multiple benefits when consumers cope with this imposed change. In other words, if a logo change is done right and it is favorably viewed - even if it is a drastic change - consumers would likely be more interested in it, as well as less questioning of it. The lower level of questioning would contribute to less skepticism about it, and would contribute to the consumer's improved attitude toward the brand.

Of course, if a logo change is not done right and is unfavorably viewed, multiple penalties would accrue when consumers apply their coping processes to the change. In such a case, the consumers' attitude toward the brand would decline.

The following pages present a summary of all the hypotheses and schematic diagrams reflecting the model hypothesized.

No.	Hypotheses	S/N.S	Estimate	t-value
1a	The perceived degree of logo change will positively influence the deprivation curiosity toward the logo change. PDLC → CURD (+)	Supported	.11	2.00
1b	The perceived degree of logo change will positively influence the interest curiosity toward the logo change. PDLC → CURI (+)	Supported	.15	2.80
2	The perceived degree of logo change will positively influence the skepticism toward the logo change. PDLC → SKEP (+)	Supported	.12	2.70
3	The perceived degree of logo change will positively influence the resistance toward the logo change. PDLC → RESIS (+)	Supported	.09	2.29
4	Skepticism toward a logo change will positively influence the resistance toward the logo change. SKEP → RESIS (+)	Supported	.29	5.98
5a	Deprivation curiosity toward a logo change will positively influence the resistance toward the logo change. CURD → RESIS (+)	Supported	.21	5.08
5b	Interest curiosity toward a logo change will negatively influence the resistance toward the logo change. CURI → RESIS (-)	Not Supported	.03	0.75
6	Deprivation curiosity toward a logo change will positively influence the skepticism toward the logo change. CURD → SKEP (+)	Supported	.21	4.62
7a	The perceived valence of logo change will negatively influence the deprivation curiosity toward the logo change. PVLC → CURD (-)	Supported	-.24	-4.50
7b	The perceived valence of logo change will positively influence the interest curiosity toward the logo change. PVLC → CURI (+)	Supported	.20	3.77
8	The perceived valence of logo change will negatively influence the skepticism toward the logo change. PVLC → SKEP (-)	Supported	-.53	-11.32
9	The perceived valence of logo change will negatively influence the resistance toward the logo change PVLC → RESIS (-)	Supported	-.47	-9.46
10a	Deprivation curiosity toward a logo change will negatively influence the brand attitude after the logo change. CURD → NBATT (-)	Not Supported	.10	1.87
10b	Interest curiosity toward a logo change will positively influence the brand attitude after the logo change. CURI → NBATT (+)	Supported	.19	3.96
11	Skepticism toward a logo change will negatively influence the brand attitude after the logo change. SKEP → NBATT (-)	Supported	-.25	-3.86
12	Resistance toward a logo change will negatively influence the brand attitude after the logo change. RESIS → NBATT (-)	Not Supported	.12	1.85

