CONSUMER PERCEPTIONS OF REBRANDING:

THE CASE OF LOGO CHANGES

by

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DEDICATION

To my dear parents and my dear wife Hala.

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with his knowledge, experience and dynamism helped me make my first publication with him in the Wall Street Journal of all places. He was more than a teacher to me; he was a friend whose advice and guidance can never be forgotten.

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To my beloved and wonderful parents, Abdulaziz and Madawi…what can I say? My dear parents were role models to me that I always looked upon and lived by. Their prayers were with me all the time and their love, care, support and affection can never ever be measured in words. For them I am indebted forever. My sisters, Reem, Mona, and Noor, brothers Ali and Khalid, grandmother, aunts, uncles, cousins and my wife's family have all blessed me with their thoughts and prayers…. so thank you all.

Before I end this acknowledgment I would like to go back in time ten years. In the summer of 1997, my younger brother Tariq, who was eighteen at that time, passed away in a tragic car accident. He had just graduated from high school, gave the graduation speech, and was the top of his class. He was offered three scholarships from different US universities and was getting ready to continue his studies there. He was very much liked by everyone and was also voted by his school and friends as one of those "most likely to succeed in life." I add him here because he was a true role model in spite of him being younger than me. I looked upon him as a true example of success not just in school, but also in many aspects of life, despite his young age. Tariq was my inspiration…..May God have mercy on his soul…

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ABSTRACT

CONSUMER PERCEPTIONS OF REBRANDING:

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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.

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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

Diagram 1 (top): Conceptual model with hypotheses.

Boxes: Perceived Degree of Logo Change; Perceived Valence of Logo Change; Skepticism Toward Logo Change; Curiosity Toward Logo Change (Deprivation Curiosity, Interest Curiosity); Resistance Toward Logo Change; Brand Attitude After Logo Change.

Paths: H8, H2, H1a, H7a, H1b, H7b, H6, H4, H3, H9, H5a, H5b, H12, H11, H10a, H10b.

Diagram 2 (bottom): Results model with standardized coefficients.

Paths: .12**, .09*, .15**, -.53**, -.24**, .20**, .11*, .21**, .29**, -.47**, .21**, -.25**, .19**.

*< 0.05
**< 0.01
___ Significant
----- Not Significant

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CHAPTER 1

INTRODUCTION

Intel, Credit Suisse, Kodak, Baskin Robbins, Cisco, Payless Shoe Source, Vonage, and KFC…. What do the following have in common? These are just some of the many companies that have rebranded (or more specifically changed their logos) over the past year (2006). A Brand represents one of the most important assets to a company and it may be represented by its name, logo and slogan which characterize a means by which consumers recognize, remember and recall the brand. Over time and with growing competition, many companies decide to rebrand themselves for many reasons as a way of getting a makeover, revitalizing themselves or being totally "reborn" again.

1.1 Importance of the Topic

Many companies are rebranding today and in fact this year alone and just the first month into it, we had Saks Fifth Avenue announce a rebranded logo[1]. When talking about rebranding, "from a CEO's perspective, there are just two kinds of rebranding" "have to and want to." (Spaeth, 2005, p. 18). But whether, it seems to be a have to or a want to, a necessity or luxury, real or cosmetic, rebranding has been an increasing phenomenon worldwide (Kaikati and Kaikati, 2003).

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[1] http://money.cnn.com/news/newsfeeds/articles/newstex/VNU-0016-13046827.htm

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The rebranding topic is important not just because many companies are doing it but perhaps also because of the tremendous cost involved. The cost of rebranding includes hiring a branding consulting firm to work on the rebranding strategy and implementation costs that follow. The changes involved in rebranding a firm from its buildings to its business cards present a picture of the tremendous amount of work to be done and all the possible cost involved. This is not to mention the possible effects on the different stakeholders, the most important of which are the customers, shareholders and of course the employees.

Rebranding has been estimated to cost from thousands to millions of dollars especially for name changes. For instance, the cost of renaming to Exxon cost Esso some $200 million (McQuade 1984). To perhaps get an idea of the size of work needed and to forecast the possible costs involved, we can take a look at the new AT&T logo. The changes for the new AT&T logo include: "nearly 50,000 company vehicles, more than 6,000 company buildings, roughly 40,000 uniforms and hardhats worn by company service representatives, more than 30 million monthly customer bills, millions of business cards, customer information pamphlets, and phone and online directories and company Web sites.[2]" This does not include any ads and commercials announcing the change. KFC, in perhaps a very unique way of announcing their logo change, had the new logo painted on an 87,500 square-foot area in the Nevada Desert that can be viewed literally from space.[3]

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[2] http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=21908
[3] http://www.kfc.com/about/pressreleases/111406.asp

What makes rebranding even further important is that it's not only companies that are doing it. Sports Teams (e.g Mighty Ducks), Universities (e.g. Gonzaga University, Baylor University, and our own UTA), and even regions and countries (e.g. Georgetown-Texas, Croatia, and Slovenia) have rebranded. Many organizations have rebranded even more than once in their lifetime and continue to do so (e.g. Betty Crocker, Aunt Jemima).

The importance of rebranding is also evident by the creation of a forum called rebrand.com which holds a worldwide competition for the best rebrands every year. The website states that "ReBrand is a forum for case studies and programs focused on effective rebrands. Along with the Center for Design & Business at Rhode Island School of Design and partners, we organize ReBrand 100®, the first and only global awards to recognize the world's most effective rebrands: the repositioning, revitalizing, or redesign of existing brand assets to meet strategic goals."[4] The jury panel that decides on the most effective rebrands represents "a multidisciplinary mix of prominent, international, industry experts"[5].

<p style="text-align:center">1.2 Purpose of the Study</p>

In spite of the great importance of rebranding, it has received very little attention in the academic research and most research done is covered in practitioner journals and the business press (Muzellec, Doogan, and Lambkin 2003). Research on rebranding seems to have concentrated more on performance and the financial side

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[4] http://www.rebrand.com/page187.html
[5] http://www.rebrand.com/page342.html

through event studies and for name changes specifically (Howe, 1982; Horsky and Swyngedouw, 1987; Karbhari, Sori, and Mohamad, 2004; Bosch and Hirschey, 1989; Lee, 2001; Cooper, Dimitrov, and Rau, 2001).

The consumer side of rebranding has, however, received less attention. On logos specifically, several studies showed the importance of getting customers' feedback on logos and logo changes which may be overlooked sometimes (Kohli, Suri and Thakor, 2002; Hem & Iversen, 2004). In terms of logo changes more specifically, which is the focus of this research, little has been done so far. To my knowledge, only two studies (Pimentel and Heckler, 2000; Walsh, Page and Mittal, 2006) directly investigated logo changes. Pimentel and Heckler (2000)[6] found that consumers generally preferred no changes to logos but tolerated small changes. Walsh et al. (2006) found that highly brand committed people had more negative attitudes toward the brand[7] after the logo change whereas weakly committed people had more positive brand attitudes toward the logo change.

In this research, I propose to study what consumers think of brand logo changes, and what goes on in the consumers' minds when exposed to a brand logo change. Previous research has not examined consumers' thoughts and reactions to logo changes in detail.

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[6] Pimentel and Heckler (2000) is a working paper study that was later modified and published in a book section- see Pimentel and Heckler (2003).
[7] The authors measured brand attitude using a 4 item, semantic differential scale and the items used were: good/bad, beneficial/harmful, desirable/undesirable, and nice/awful.

CHAPTER 2

LITERATURE REVIEW

2.1 Rebranding: An Overview

2.1.1 What is Rebranding?

Rebranding has been sometimes referred to as the repositioning, revitalizing, or rejuvenating of a brand and in some cases as even having a brand being totally "reborn". Muzellec et al. (2003) presented their paper as "a first attempt to explore the marketing issues of relevance to the rebranding phenomenon" (p. 31). They defined rebranding as "the practice of building anew a name representative of a differentiated position in the mind frame of stakeholders and a distinctive identity from competitors" (p. 32). So in general, rebranding represents updating or changing the image of a brand in the minds of the different stakeholders involved.

2.1.2 Types of Rebranding

Muzellec et al. (2003) stated that rebranding in an organization can take place on the corporate level, the business unit level, and the product level, the most critical of which is the corporate level which represents a company's identity as a whole.

Daly and Moloney (2004) presented a rebranding continuum made up of three main categories: minor changes, intermediate changes, and complete change. Minor changes focus on aesthetics and "varies from a simple face left, to restyling, to

revitalizing the brand appearance or aesthetics which may have dated and be in need of change." Intermediate changes focus on repositioning and uses "marketing tactics especially communication and customer service techniques to favourably reposition an existing brand name, thus giving it a new image" (p. 31). Finally a complete change involves getting a new name and brand and all the necessary marketing communications involved to make all stakeholders aware of this change.

More specifically, rebranding has been categorized into different types based on name, logo and slogan change. There may be five types of rebranding: a new name and logo, a new name, a new logo and slogan, a new logo only, and a new slogan only (Stuart and Muzellec, 2004).

2.1.3 Drivers of Rebranding: Why Rebrand?

Muzellec et al. (2003) stated that "corporate rebranding aims to modify the image (the perceived-self) and/or to reflect a change in the identity (the core-self)" of a company (p. 33). They provided four general drivers of rebranding: a change in ownership structure, a change in corporate strategy, a change in competitive position, and a change in the external environment[8]. They also mentioned that the change in ownership structure "appears to be the most frequent cause of rebranding as well as the most compelling reason for it" (p. 34) with mergers and acquisitions at the top.

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[8] Change in ownership structure: mergers and acquisitions, spinoffs and demergers, and private to public ownership
Change in corporate strategy: diversification and divestment, and internationalization and localization
Change in competitive position: outdated image, erosion of market position, and reputation problems
Change in the external environment: legal regulation, crises/catastrophes

Likewise, in a study of small and medium sized French companies, Delattre (2002) presented a typology of the reasons for name changes which were: a change of corporate image, a change of management or shareholding, a change of activity, and a change of legal status or technical change. Similarly Osler (2004) addressed the reasons for name changes by posing some questions and criteria to determine the need for a new brand name. He presented the need for a name change in cases which include: mergers and acquisitions, changing business categories, an outdated name, changing brand perceptions, legal necessity or for other international language considerations.

In a somewhat different approach, Spaeth (2006) provided some anecdotal evidence from nine organizations[9] that have changed their identities because they wanted to change and reform their organization's *culture* through their strong leadership.

2.1.4 Rebranding & Performance

Much of the research done on rebranding is done by practitioners. Academic research seems to focus more on the performance side such as on stock market reactions to rebranding. Furthermore, the studies on name changes seem to dominate the research with only a single study (to my knowledge) on slogan changes (Mathur and Mathur, 1995[10]) and perhaps none on logo changes.

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[9] Pfizer, Eastman Chemical, Dow Jones, United States Postal Service, Aramark, Cargill, Boise, Cardinal Health and Engelhard.

[10] Mathur and Mathur (1995) studied the effect of advertising slogan changes announcements on the market value of announcing firms (87), which was found to be positive.

The research on name changes generally shows that firms that change their names would tend to "signal" to the market that something is underway rather than indicating a pure cosmetic change. The following studies discuss some of the research in this area.

Howe (1982) used an event study to analyze name changes for some 121 companies during 1962-1980 and found that there were no significant stock market reactions to such changes. Similarly, Horsky and Swyngedouw (1987) also used an event study methodology to study the effect of a company's name change announcement on the stock market using 58 firms. Their findings show an overall positive performance in terms of abnormal returns and a name change seemed to act more as a signal that serious change is underway. Furthermore, a name change seemed to have a greater effect on performance for industrial products (or industrial and consumer products) and for more risky firms and for those with previously poor performance. Moreover, there was no significant difference between radical and minor name changes. In another study of "failed" and "nonfailed" Malaysian firms between 1984 and 1996, Karbhari et al. (2004) found that name changes did not show any positive stock market reaction if it was not accompanied by other firm restructuring news. They also suggested that "the market cannot be fooled by just a mere name change and that such a change must be backed by serious efforts towards recovery" (p. 49).

On the other hand, Lee (2001) found that companies that changed their names to dot coms showed significantly positive increases in stock prices and trading activity and

with higher magnitudes for those name changes that were announced with other firm strategies. Likewise, Cooper et al. (2001) also found positive stock price reactions (reflecting significant positive abnormal stock returns[11]) to dot com name changes which were not transitory nor show any indication of a "post announcement negative drift." However, because both studies were done before the dot com bust, some of the results have been questioned by the authors themselves as more of an "investor mania" reaction than market efficiency performance.

Bosch and Hirschey (1989) also found an overall positive reaction to corporate name changes though they were "statistically weak-except for those firms having previously undergone major corporate restructuring" which were "large and positive" (p. 72). "However for all firms negative valuation effects in the post-announcement period largely cancel beneficial effects discovered during the announcement period" thus concluding "that the valuation effects of name changes are only modest and transitory" (p. 72).

Steering away from the event analysis methodology, Koku (1997) examined the effect of name changes on firm performance in the service industry using a trend analysis methodology (price earnings ratio for a five-year period before and after the announcement) using a sample of 28 companies. He found that companies that announced their name changes accompanied with other managerial decisions and frequently issued news on other activities did much better than those companies that changed their names only.

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[11] Abnormal returns in finance in general refers to the difference between a stock(s) performance (in this case for dot coms) and the average market performance in terms of stock price increases/decrease.

So generally speaking, stock market reactions to company name changes are positive when such name changes are accompanied by news of restructuring or other changes.

2.2 Logos & Logo Changes

"When products and services are difficult to differentiate, a *symbol* can be the central element of brand equity, the key differentiating characteristic of a brand"

Aaker (1991, p.197)

2.2.1 Logos and their Effectiveness

Perhaps one of the earliest studies (though somewhat preliminary) that looked at the importance of logos was that by Manville (1965). He reported on an experiment where two identical ads were tested for effectiveness through unaided recall and aided recall. Both ads were exactly identical except for the logo used, one was "the regular logotype Philips, the other, a 'dummy' logo, T.A.G" (p. 57). The ad with the well known brand name logo was more well-received than the other ad.

Does the presence of a logo (symbol) add any value to a brand name? Schechter (1993) provided a way of measuring the added value of a logo through its image contribution and recognition/association[12]. Subjects were divided into three main groups: the first was shown the company/brand name only in black, the next was shown the icon (symbol) only in color, and the third was shown both name and symbol

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[12] "Image contribution is the degree to which a logo design influences perception of a company or brand name as trustworthy and reputable, offering high quality, a product (or service) for today's lifestyles, and a product (or service) "I would use" (Schechter ,1983, p. 34).
"Recognition/Association is the degree to which the logo's visual elements are associated with the company or brand, and conversely, the degree to which mention of the name calls to mind the logo's visual elements" (Schechter, 1983, p. 34).

together in color. "The difference in scores between the "Full Logo" cell and the "Name Only" cell determined the image contribution of the logo design" (p. 35). Fifty five percent of the logos seemed to influence image perception whether positively or negatively, but at the same time 45% of the logos had a negligible effect. Furthermore, it was found that in terms of image contribution, pictorials and letter symbols seemed to have significantly higher scores than characters, abstracts, and wordmarks. On the other hand, in terms of recognition, characters and letter symbols scored better than pictorials and much better than abstracts.

Giberson and Hulland (1994) found that when a product category is cued in a logo, the logo is retrieved faster from memory. In another study, Fang and Mowen (2005) investigated factors that would influence the effectiveness of a logo design. Based on Henderson and Cote's (1998) logo design dimensions, the authors manipulated two logo design characteristics, namely: the representative/abstract and angular/rounded dimensions. The dependent variables used were: attitude toward the logo, attitude toward the ad, attitude toward the firm, and the perception of firms' modernness. The results showed that the effect of roundness of the logo on the different evaluations was moderated by the product category (i.e. an angular logo was preferred for the building and a round logo was preferred for the vase). Furthermore, the effect of logo representativeness and roundness on evaluations was also moderated by visual arts orientation (an individual difference factor).

In "creating effective logos," Kohli, Suri and Thakor (2002) provided their thoughts on the "two facets of logo design: content and style," where content referred to

the "elements contained in the logo, including text and graphic representation" and style referred to "how these elements are presented" (p. 60) in a graphical sense. The authors provided some guidelines to creating effective logos, and of the guidelines presented, they said that a logo design image should be carefully chosen, since "a strong image may take a long time to build but an even longer time to shed" (p. 62). Logos should also reflect the "big picture, and ensure consistency over time and between the various elements" (p. 62) of brand identity, i.e. the name, logo, and slogan. Companies were also advised not to run after fads in logos designs, and to keep focus on a brand's specific marketing objectives when designing logos. Finally, the authors advise managers that logos have to be market tested before launch and that feedback has to be obtained not only from designers but consumers as well.

2.2.2 Logo and Font Design Dimensions

In terms of logo design, Henderson and Cote (1998) provided the first known "guidelines for selecting or modifying logos." They identified several underlying design dimensions of logos which were as follows: natural (representative/abstract), harmony (balance/symmetric), elaborate (complexity/active/depth), parallel, repetition, proportion and round. Of these dimensions, natural, harmony and elaborate seemed to be the most important. The authors tested all these design dimensions with four dependent variables: correct recognition, false recognition, affect, and familiar meaning. They then presented "three different strategic objectives for logos: (1) High-recognition logos are those selected to create high correct recognition, low false recognition, and high positive affect; (2) Low-investment logos are those selected to create false

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recognition and positive affect; and (3) High-image logos are those selected to create strong positive affect without thought to recognition" (p. 24). Based on the results and these objectives, Henderson and Cote recommended that a logo be high in natural, moderately high in harmony and moderately high in elaborate if the objective is for a high recognition logo. For a low investment objective, the logo should be moderate in natural, high in harmony, moderately high in elaborate (and moderately high in parallel). Finally for a high image objective, the logo should be moderately high in natural, high in harmony and high in elaborate. They also stated that poorly designed logos have "too low naturalness and harmony and too low or too high elaborateness" (p. 26).

From an international perspective, the logo dimensions were also tested in Singapore and China. Henderson, Cote, Leong and Schmitt (2003) found three underlying design dimensions (elaborate, harmony and natural) for logos for both Singapore and China, which were similar to their US counterparts in Henderson and Cote's (1998) earlier study. Subjects in both countries also showed similar responses to the logo design dimensions, where those that were natural, elaborate and harmonious were significantly better received in terms of affect (positive), "perceptions of quality, recognition, consensus in meaning, and feng shui[13]" (p. 297).

In terms of font design, Henderson, Giese and Cote (2004) identified six underlying design dimensions for typeface or font. They were: elaborate, harmony,

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[13] "Feng shui, or geomancy, is the skill and art of design and placement of cities, buildings, and interior spaces used to achieve balance and harmony with nature (Schmitt & Pan, 1994)" (Henderson et al. 2003, p. 300).

natural, flourish, weight and compressed. These design dimensions were based on some twenty three design characteristics[14]. The authors used these dimensions to test their effect on four impression response constructs which were: pleasing, engaging, reassuring and prominent. Based on the results obtained and a cluster analysis, six general typeface profiles were presented as guidelines for managers on typeface selection depending on the main impressions required[15].

2.2.3 Logo and Font Appropriateness

There have been several studies that showed the importance of having an appropriate name and logo to a brand. Appropriateness seems to be generally equated with more meaningfulness and this makes stimuli better evaluated or received. Janiszewski & Meyvis (2001) stated that meaningful stimuli (e.g. logos) are expected to improve conceptual fluency which "occurs when exposure to a stimulus creates a meaning-based representation of a stimulus that facilitates encoding and processing of the stimulus when viewed at a later time" (p.20). Hem and Iversen (2004) found that logo representativeness and design were "important determinants of logo success[16]" (p. 96). Representativeness, here may be somewhat associated with appropriateness.

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[14] These design characteristics were: Ornate/plain, Special use/common use, Depth/flatness, Distinctive/not distinctive, Conveys meaning/does not convey meaning, Readable/not readable, Balanced/unbalanced
Smooth/rough, Symmetrical/asymmetrical, Uniform/not uniform, Organic/geometric, Looks typed/looks handwritten, Active/passive, Slanted/straight, Curved/angular, Heavy/light, Short and fat/tall and thin, Repeated/no repeated elements, Serif/sans serif, Ascenders are pronounced/not pronounced, Descenders are pronounced/not pronounced, Condensed/extended, x-Height: tall/short.
[15] The details of the six general profiles have not been provided here because of their length, for details refer to p. 68.
[16] Logo success here was meant to be represented as an overall evaluation of the logo.

If we were to begin with brand names' appropriateness, Keller, Heckler and Houston (1998) found that a brand name that indicates or suggests a product benefit (for example PicturePerfect television) leads to a higher recall of advertised benefit claims that are consistent in meaning with the brand name as compared to that of a brand name that's nonsuggestive or not indicative of a product benefit (for example, Emporium televisions). However, they found that "suggestive brand names will lead to lower recall of new, unrelated benefit claims than nonsuggestive brand names" (p. 50).

In terms of logos, van Riel, van den Ban and Heijmans (2001) tested the appropriateness of a new logo for a bank, where in the logo only (no name) case, a majority (around 50%) seemed to have positioned the logo in the "wrong category." Those shown the name and logo together thought it was an appropriate logo for the bank. The bank's desired values/intentions as compared with the consumers perceptions of these values of the new logo were found to be limited (before the launch) especially when not including the company name with the logo. However, these perceptions were better after the launch.

In another study, color appropriateness was investigated by Bottomley and Doyle (2006) who showed the "effects of colors and products on perceptions of brand logo appropriateness" (p. 63). In the first experiment, it was found that colors that were more meaningfully congruent with products were considered more appropriate. Functional colors were found to be "more appropriate for functional products," and sensory-social colors were "more appropriate for sensory-social products" (p. 79). In terms of actual color, it was found that blue color was more appropriate for functional

products (than red) and red was more appropriate for sensory-social products (than blue). The second experiment, extended the study from products to brands, where it was found that blue logos were more appropriate than red logos for brands promoting a functional image, and red logos were more appropriate for brands promoting a sensory-social image.

In terms of fonts, Doyle and Bottomley (2004) studied the effect of font appropriateness on brand choice. In the first experiment, it was found that "brands presented in appropriate fonts were chosen more often than brands presented in inappropriate fonts" (p. 879). Appropriate fonts are meant to mean appropriate for that brand product category and the brand names used were fictitious and non meaningful. In the second experiment, the brand names were changed to reflect meaningful names (e.g. temptation/indulgence for chocolates) and even then "appropriate fonts were still chosen more often than inappropriate ones" (p. 879). Finally in the third experiment, a behavioral effect of font appropriateness on brand choice was tested. Here "people were presented with an *actual* choice of chocolates from two chocolate boxes" with two different fonts (same name) and yet again "the box with the appropriate font was chosen more often" (p. 879).

In perhaps a different type of appropriateness, Klink (2003) investigated the relationship between the brand name and its mark with the use of sound symbolism[17]. In the first study, he found that brand names that contained vowels (i, e) or fricatives (f, s,

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[17] "Sound symbolism is defined as "the direct linkage between sound and meaning" (Hinton et al. 1994)" (Klink (2003), p. 143).

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v, z) were associated more with brand marks that were of lighter color, angular-shaped[18] and smaller displayed size than those that contained back vowels (o, u) or stops (p, t, b, g, d, k or hard c). In the second study, using dark beer as an example, it was found that a back vowel brand name with a rounded, dark and large sized mark was better liked than a front vowel name with an angular, light and smaller sized mark. This suggests that when the brand mark is consistent in design with the brand name, it better communicates and improves the intended brand meaning.

2.2.4 Beyond the Logo

Stafford, Tripp & Bienstock (2004) extended the logo beyond its evaluation to the evaluation of the organization. They investigated the relationship "between consumers' perceptions of a logo, the organization it represents and the organization's performance" (p. 37). The relationship between the perceived image of the logo and organization perceptions was found to be positively significant. In addition, the relationship between organization perceptions and performance perceptions was also found to be positively significant. Furthermore, a significant positive relationship was also found upon further analyses between logo attractiveness and recognizability and performance perceptions. However, the "relationship between logo image and performance perceptions appears to be mediated by organizational perceptions" (p. 43). Similarly, Fang and Mowen (2005) studied the effect of a logo design on attitude toward the firm and the perception of the firms' modernness. They found that the respondents had a better attitude toward the firm for a round logo versus an angular

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[18] The relationship for brand names with fricatives was *approaching* significance.

logo (but only for the vase logo stimuli and not the building logo). Furthermore, subjects who were high in visual orientation (an individual factor) perceived the firm as more modern than those with a low visual orientation (for the building logo). On the other hand, subjects who had low visual orientation perceived the firm as more modern when the logo was abstract versus realistic.

2.2.5 Logo Changes

Van Riel, van den Ban and Heijmans (2001) studied consumer evaluations of a new Dutch bank logo before and after the launch as compared to two competitor's logos. More associations (graphical and referential) were generated towards a highly familiar logo than that to a new logo (without the name). "The new logo did not only evoke more cluster of meanings" but "it also evoked a wider variety of interpretations" (p. 432). When the subjects were shown the name of the company with the new logo, the set of associations were further increased. "After the launch of the new logo, embedded within a nation-wide advertising campaign, the positive associations increased and the negative evaluations decreased" (p. 428).

Hem and Iversen (2004) presented a framework for developing destination logos (related to travel and tourism) and reflected the important stakeholders involved. They presented three partners that were involved in developing a destination logo: the logo owner (employees, stakeholders and cooperating sub-companies), the logo recipient (tourist segments, travel agencies, and tour operators), and the logo developer (consultants, designers, and printing agents). Good logos were considered those that were recognizable, meaningful and positively affective. Hem and Iversen (2004) used

the Fjord Norway destination organization logo in their study. The authors addressed the "vision of how the destination should be perceived" (p. 91) and conducted some qualitative interviews with the three partners involved to get their views on the current logo (which was thought to be in need of updating). A survey gathered input from the logo recipients about their logo familiarity, design evaluation, and representativeness thought between the logo and its destination (meaning how well the logo represents and fits the travel destination). This was then followed by a third study, where a number of destination logos were developed and the recipients were asked to choose the best. The choice reflected by most of the logo recipients did not seem to agree with that of the logo developers (designers). The authors finally presented a flow diagram for developing a destination logo which is based on two major phases (logo assessment and logo creation). In the logo assessment phase, the vision required from the logo is assessed and the feedback from the logo owner, developer and recipient about the current logo is considered. In the second phase, a series of logos are presented and the logo recipients' top choice is adopted.

In terms of a logo change, Kohli et al. (2002) provided some guidelines and stated that "if a logo is changed, the change should be made in (1) content, when it is warranted by a shift in brand strategy, or (2) style, when the need for an update is felt." (p. 63). However, the changes to the logo "should be kept to a minimum" (p. 63). They further say that "if logos are to be changed, they should be changed for content, not for style, and the change should be incremental" (p. 62).

Pimentel and Heckler (2000) were perhaps the first to study consumer's perceptions of a logo change. Through a number of studies, they found that consumers "preferred" no change to a logo[19] (logo characters were used) but small changes were well "tolerated." They stated that "changes will be tolerated by consumers as long as the changes are slight enough so that the new logo design falls within the consumers' latitude of acceptance" (p. 13). They concluded that social judgment theory helps explain consumer's preference to such logo changes rather than discrepancy theory. Under discrepancy theory (Haber 1958; Hansen 1972), when an "individual has become adapted to a stimulus, slightly altered versions of the stimulus (e.g., logo) would allow for novelty effects and would be *preferred* over the current version" (Pimentel and Heckler, 2000, p. 4). Discrepancy theory suggests slight changes to stimuli (and in this case logos) would be *preferred* whereas social judgment theory posits that slight changes would be *tolerated* but not preferred (no change is preferred). However, both theories seem to agree that extreme changes are generally not preferable.

More recently, Walsh, Page and Mittal (2006) also studied consumers' attitudes toward a logo change or redesign. They investigated the effect of different degrees of redesigned logos on consumers' brand attitude towards them, with the moderating effect of brand commitment. The logos used were for two product categories (athletic shoes and bottled water) and were modified from angular to more rounded logos. The authors found that highly brand committed consumers showed more negative attitudes toward the changed brand logo, with a higher negative brand attitude for a higher degree of

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[19] The current original logos were preferred based on multi-item scale ratings and also based on a rank order of cards with different logo versions.

logo change. The authors explained that the negative brand attitude toward the logo change implied that strongly committed consumers have a "connection" with the brand which gets changed when the logo is changed and thus, produces a negative attitude. On the other hand, consumers who were less brand committed had a more positive brand attitude when shown the modified logos as compared to the unchanged ones. Here, consumers are thought to perceive this change as a "novel" one leading to a more positive evaluation and more positive brand attitude. It was also found that logo evaluation partially mediated the relationship between brand commitment and brand attitude. Furthermore, participants' cognitive responses toward the changing logos showed more negative brand thoughts for more highly brand committed consumers and more positive brand thoughts for less committed consumers, which increased with a higher degree of logo change.

2.3 Consumer Skepticism

Skepticism has been studied in the context of advertising (Ford, Smith and Swasy, 1990; Feick and Gierl,1996; Obermiller and Spangenberg, 1998; Obermiller and Spangenberg, 2000; Obermiller, Spangenberg and MacLachlan, 2005; Cotte, Coulter, and Moore, 2005;; Hardesty, Carlson, and Bearden, 2002; Kukar-Kinney, 2006; Koslow and Beltramini, 2002; Koslow ,2000; Darke and Ritchie, 2007), corporate social responsibility (Mohr, Eroglu and Ellen, 1998; Webb and Mohr, 1998; Forehand and Grier, 2003; Swaen and Vanhamme, 2004; Becker-Olsen and Cudmore, 2004; Szykman, 2004; Cleveland, Kalamas, and Larouche, 2005), sales (DeCarlo, 2005), teaching (Snodgrass and Rosenthal, 1982), auditing (McMillan and White, 1993; Shaub

and Lawrence, 1996; Shaub, 1996; Duska, 2005; Guiral and Esteo, 2006; Taber and Lodge, 2006), and others (Mishler and Rose, 1997; Cook and Gronke, 2005). The literature on consumer skepticism as related to marketing may have been mostly dominated by that dealing with advertising, and then perhaps corporate social responsibility (sometimes known as cause related marketing).

The importance of consumer skepticism with regards to marketing led Gaski and Etzel (1986) to develop an index to measure consumer sentiment towards marketing through four dimensions: product quality, price, advertising, and retailing or selling[20]. The scale was validated and was intended as a way to continuously monitor "public perception of and satisfaction with the marketing establishment" (p. 86).

Hayward (1990) states that "consumer's new-found self-confidence and assertiveness" represent "the foundations of their skepticism" (p. 84). The extent and endurance of skepticism by people has been shown by Calfee and Ringold (1994) in a study of American public opinion polls over sixty years (1930-1992). They found that people were greatly skeptical of advertising and its claims and that attitudes have stayed relatively the same in spite of changes in advertising regulation. The authors also found that though consumers admit that advertising is considered an important information source, 70% characterize it as untruthful and believe it makes people buy things they do not want. Similarily, Kanter (1988) referred to a study by Diagnostic Research Inc. where subjects viewed 15 commercials for five product categories and which found that around 45% of them agreed with the statement that the advertiser thinks the consumer

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[20] The scale was adapted from Barksdale and Darden's (1972) scale on consumer attitudes toward marketing and consumerism.

watching this ad is dumb. The author adds with assurance that such cynical attitudes toward ads are related to the negative attitude towards the company itself.

Even children are becoming skeptical consumers at a young age. This has been shown by a longitudinal study of middle school students, where students were found to be more skeptical of advertising as the year progressed and such skepticism was greater when the students had a greater knowledge of advertiser tactics (Boush, Friestad and Rose 1994). In another study, it was found that perceived truthfulness of ads was negatively related to age, i.e. the older the child, the less the truthfulness perceived from ads (Chan, 2001). Furthermore, there was a positive relationship found between perceived truthfulness of the ads and liking and attention to the ads (Chan, 2001).

2.3.1 Cynicism and Skepticism

Cynicism and skepticism, though may be well related, are two different constructs that have been used interchangeably. Cynicism is a more long term personality trait that represents a social outcome of advertising (Pollay, 1986). Kanter (1988) differentiated between cynics and skeptics in that skeptics may disbelieve "but are open to proof" (p. 28) whereas cynics are not. Kanter and Mirvis (1989) stated that "skeptics doubt the substance of communications" but "cynics not only doubt what is said but the motives for saying it" (p. 301). In terms of their relationship, Mohr, Eroglu and Ellen (1998), through their nomological validity testing of their skepticism toward environmental marketing claims scale, found that "higher cynicism stimulates a more negative sentiment which, in turn, induces a higher degree of skepticism" (p. 45).

2.3.2 Advertising Skepticism

As has been mentioned previously, much of the skepticism literature in marketing is concentrated on advertising. Obermiller and Spangenberg (1998) defined consumer skepticism toward advertising as the "tendency toward disbelief of advertising claims" (p. 160). They developed a nine item scale which became widely known as the SKEP scale which measures consumer skepticism towards advertising.

Obermiller, Spangenberg and MacLachlan (2005) showed that skeptics liked advertising less, relied less on it, attended less to it, and had more positive responses to emotional rather than informational appeals. However, Cotte, Coulter, and Moore (2005) showed that when subjects perceived manipulative intent by the marketer they did not feel the guilty emotional response intended by the advertiser, and they also had negatives attitudes towards the advertisement and the sponsor. On the other hand, participants felt guilty and had positive attitudes towards the advertiser and sponsor when there was no manipulative intent.

Ford, Smith and Swasy (1990) tested the level of skepticism for three different types of advertising product attribute claims: search, experience and credence claims[21]. They found that there was higher skepticism on experience attribute claims than on search attribute claims and higher on subjective than on objective claims thus supporting Nelson's (1970) hypotheses. Similarly, Feick and Gierl (1996) reached the

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[21] Search claims are those "that can be evaluated before purchase by consumers using prior knowledge, direct product inspection, reasonable effort, and normal channels of information acquisition, such as consumer reports. Experience claims are "those that can be accurately evaluated only after the product has been purchased and used for a period of time that is relatively short in comparison to the product's total life. Credence claims are "those that cannot be accurately evaluated even after the product is used because of the consumer's lack of technical expertise or because the cost of obtaining sufficient accurate information to check the veracity of the claim is higher than the information's expected value" (p. 435).

same results for German consumers. However, the results on credence claims was not supported. More specifically, Feick and Gierl (1996) did not find support for Darby's and Karni's (1973) hypothesis that credence attribute claims would generate higher skepticism than experience attribute claims, as well as their hypothesis that experience claims for lower priced goods would generate less skepticism.

Consumer skepticism towards advertising was investigated as a moderator on the relationship between brand familiarity and advertising offers evaluations (offer fairness, acquisition value, and purchase intention) using different invoice price levels (Hardesty, Carlson, and Bearden, 2002). For weakly skeptical consumers, evaluations were more positively affected by a high invoice price (than a low invoice price) regardless of whether they were highly or weakly familiar with the brand. However, highly skeptical consumers were only positively affected by a high invoice price when they were highly familiar with the brand but not when they were weakly familiar with it. In another study, Kukar-Kinney (2006) investigated the effect of price-matching characteristics on store loyalty. She found that skepticism of marketing claims moderated the relationship between price-matching and store loyalty. More specifically, the effect of price matching in terms of refund scope[22] (but not refund depth[23]) on repeat store purchase was higher for more skeptical participants than less skeptical ones.

In terms of information processing and belief, Koslow and Beltramini (2002) provided support for Gilbert's, Krull's and Malone's (1990) alternative Spinozan model

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[22] Refund scope referred to the number of competitors eligible for price comparison
[23] Refund depth referred to the amount of money that is refunded, such as 100% of the identified price difference)

of information processing, and showed that when participants did not comprehend the advertising claim well before evaluation, they were more likely to believe that the claim was true.

Interestingly, even honest advertising may not always be the best policy, as Koslow (2000) shows that honest and persuasive advertising can result in an unexpectedly increased skepticism and more so when exposed to several verified claims of advertising. Moreover, he found that highly involved consumers were less skeptical than weakly involved consumers. However, Obermiller, Spangenberg and MacLachlan (2005) found that as far as product involvement is concerned there was only some "limited evidence" that skeptical subjects responded better to the ads if it were for their highly involved products.

In a recent study, providing evidence for the growing distrust in advertising, Darke and Ritchie (2007) found that deceptive advertising produces distrust, which consequently influences consumer reactions toward subsequent advertising, not only from the same source but also from second-party sources. The results also seemed to be very generalizable across product categories used, different ad claim types, and different geographical areas.

2.3.3 Corporate Social Responsibility and Skepticism

Another important area in marketing skepticism literature is that related to corporate social responsibility (CSR) or cause related marketing.

In terms of green marketing, Mohr, Eroglu and Ellen (1998) developed a unidimensional four item scale to measure skepticism toward environmental marketing

claims made in advertisements and product packages. The scale was found to be valid and reliable.

On the act of CSR, Forehand and Grier (2003) found that when a firm publicly acknowledges its firm-serving motives when engaging in corporate societal marketing, it reduces the negative effect of consumer skepticism concerning the firm's motives. Furthermore, the authors found that the negative effect of consumer skepticism was highest when the subjects provided causal attributions about the firm's motives prior to its evaluation. In another CSR study by Swaen and Vanhamme (2004), it was found that although firms that use CSR in their communications get more positive and trusted consumer views, if this firm is blamed for some social wrong doing, it loses trust even more than firms that don't use CSR in their consumer communications.

Does CSR need to have a fit with the firm? That's what Becker-Olsen and Cudmore (2004) found. They showed that when a firm engages in corporate social responsibility, consumers have more positive attitudes toward the firm and its credibility when a high fit is perceived between the social endeavor and the firm (e.g. "Home Depot and Habitat for Humanity") and when the act is socially motivated rather than profit motivated. Furthermore, consumers had better attitudes towards the firm, higher credibility, positioning and purchase intention when a firm was proactive in its social initiative rather than reactive.

2.3.4 Demographics and Skepticism

When it comes to demographics, consumer skepticism seems to differ between different demographic segments.

In terms of education, Boush, Kim, Kahle, and Batra (1993) showed that as consumers' education level increases, their trust in advertising decreased but their trust in objective information sources like consumer reports increased. In terms of age, Obermiller and Spagenberg (1998) showed that consumer skepticism seems to increase with age. Similarly, Chan (2001) found in a study of Hong Kong children that older children perceived less truthfulness from ads than younger children. In terms of gender, Rodgers and Harris (2003) explored the role of gender and e-commerce. They found that women were more skeptical and less trusting of e-commerce than men. Finally, skepticism seems to also have an international aspect, as Feick and Gierl (1996) found that East German (former GDR) consumers were less skeptical of ads than West Germans. This was attributed to the communist rule in East Germany, since consumers had less exposure and experience with brands and advertising.

CHAPTER 3

QUALITATIVE RESEARCH

In this chapter, I present a qualitative investigation that was conducted as part of this research through the use of in-depth interviews to explore the topic. The in-depth interviews were carried out to provide a better understanding of what consumers think of brand logo changes and identify what goes on in the consumer's mind when exposed to such a phenomenon. The interviews provide us with important themes and constructs that are useful in developing our model.

3.1 Qualitative Research: A Brief Overview

Quantitative research has been dominating the marketing literature (Deshpande, 1983) and has made the quantitative approach as the more acceptable type of research for a long time. However, a growing number of articles have been using the qualitative methodology, and special journal issues on qualitative methods have emerged (e.g. *Journal of Psychology & Marketing* in July 1999). In fact a whole journal (that even had an international perspective to it) was launched on the topic and that is the journal "*Qualitative Market Research: an International Journal*".

Qualitative research is "detective work" that unravels "marketing mysteries" (Cohen, 1999, p. 287). On the distinction between quantitative and qualitative research, Wallace (1984) said that "quantitative research is designed to answer a research

question in terms of numerical quantities," whilst qualitative research "is designed to understand the nature of a business situation, to grasp the "whys" and "hows" of market dynamics, and to explore the interrelationships of issues" (p. 181). Qualitative and quantitative methodologies also differ in sample size and inquiry method. Sample sizes for qualitative research are generally much smaller compared to quantitative research. As for the inquiry method, qualitative research is "generally unstructured and nondirective" and contains "open-ended questions" that can last an hour or more (Wallace, 1984).

The specific qualitative methodology used in this research is the in-depth interview whose objective is "to obtain rich, detailed data that reflect the informant's language, experience, and perspective "in depth" (Hudson and Ozanne, 1994)" (Kwortnik, 2003, p. 119). The most common type is the "semi-structured" interview which features "some prearranged questions to guide the dialogue toward specific topics" (Kwortnik, 2003, p. 119). Through qualitative methodology, the researcher begins a search for "categories, patterns, themes, and meanings both within and across the text of research participants" (Kwortnik, 2003, p. 124). This process is time and energy consuming and is more of an "iterative process of back-and-forth analysis" that should be sensitive to careful interpretation, acknowledges possible bias and that any conclusions derived would be "contextually bound" (Kwortnik, 2003, p. 127-128)

Levy (2005) addresses the "need for qualitative research" in his article on "the evolution of qualitative research in consumer behavior" and Wallace (1984) points out

that qualitative research "should ideally be conducted before a more structured quantitative research project" (p. 185).

3.2 The Sample and Interviews Overview

Twelve in-depth interviews were conducted on the subject of brand changes and more specifically on brand logo changes. The in-depth interview was semi structured and each lasted between 45 minutes and an hour. Each interview included a number of examples of real brand logo changes and the participants were asked to talk about the change and give their views and thoughts on it. Participants were also asked to provide examples of rebranding or logo changes that they were familiar with. The logos used in the interviews were printed in black and white to avoid any color effects. Each participant was given a five dollar Starbucks gift card as a compensation for their time. A general outline of the interview questions and the logos used is provided in appendices A and B.

The participants were six males and six females and the mean age was 27 years. They were diverse in terms of ethnicity as there was at least one participant from each of the following ethnicities[24]: White, Black, Hispanic, Asian, Arab and Persian. Education levels[25] ranged from undergraduates to PhD students.

3.3 The In-Depth Interviews Findings

The interviews were digitally recorded (using a digital voice recorder) and later transcribed. After transcription, a thorough analysis was done in search of some

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[24] There were 5 White, 2 Black, 1 Hispanic, 1 Asian, 2 Arabs, and 1 Persian.
[25] There were 8 undergraduates and 4 graduate level participants (1 doing her Masters, and 3 doing their PhDs).

common thoughts, themes and constructs. Some of the major themes that emerged were on the perceived degree of logo change, curiosity, skepticism, and resistance to change. More details are provided below by direct quotes from the participants. The names of the participants used here have been changed for anonymity purposes.

3.3.1 Perceived Degree of Logo Change

When participants were exposed to some brand logo changes, many commented on the magnitude of the logo change and the degree of similarity or difference between the old and new brand logo. Upon exposure to the brand logos, some were seen as very similar, whereas some other logos were so vastly different that some thought they appeared to be different brands.

In the case of small or minor logo changes, several participants indicated that the two logos (the old and the new) were so similar that they hardly recognized a difference. This may be especially evident in the case of the new AT&T logo and the new Visa logo as can be shown below.

On the new AT&T logo, Emily, a 21 year old female, expressed how difficult it was to tell the difference between them when they are not placed together (like I have presented them) but she does point out that it would still be considered a change, she said: "*I would never guess the difference if I just see it….. It's small enough not to make a difference. But it's still a change.*" More interestingly, Michael, a 29 year old male, was trying to decide which of the two AT&T logos was the old one and which was the new one. He spent quite sometime in trying to decide and expressed his frustration at

not being able to tell them apart in spite of having seen the new logo many times. He said:

> *"No, this is the new one. Crap I can't remember. I'm trying to think because I've been getting a lot of mail from them….so I see the brand at least everyday now…I'm going to guess, I think you have them switched on purpose. So I think you want to put   the old one first and then the new one to make people think….I don't know this circle with the waves, I should know because I've seen it at least 10 times in the last two weeks…Umm…damn, I really want to say this one but I think it's this one."*

On the new Visa logo, Emily showed some excitement about it and checked to see if her new Visa card had the new logo or not. She found out that it had the new logo, and explained that she didn't notice it because the difference was "not important." The dialogue below provides some more details on her "discovery":

> *Emily: It's the new one!*
> *Interviewer: It is? You didn't notice.*
> *Emily: That's what I'm telling you. It's not important enough to notice.*
> *Interviewer: Interesting. I'm interested to see that they are using it.*
> *Emily: It is new one.*
> *Interviewer: So what do you think of it?*
> *Emily: Well, obviously I didn't notice it.*
> *Interviewer: You didn't notice it, ok.*
> *Emily: So it's not important, doesn't make a difference to me. If you don't notice it what difference does it make to you?*

In the case of drastic logo changes, unlike the previous small or minor changed logos, several participants indicated that the two logos were so different that they would expect they were completely different brands, products or stores. This was especially evident for the new logos of Sprite, Baskin Robbins and Payless Shoe Source.

On the new Sprite logo, Peter, a 28 year old male, expressed how many times he would have to look at it to tell if it was the same Sprite that he knows. He said: "I'd

have to look at it two or three times to make sure it's the same." One of the things that was mentioned during the interviews is that brand logos resemble an easy way to recognize the brand and know what to expect. Emily here, like Peter, also expressed how different the new Sprite looks and voiced some confusion over this new look and the difficulty recognizing it if she were in a store. She said:

> *"I'd just pass and find the logo and grab it, that's it. If I had more time and I actually noticed it was Sprite, I'd think twice is that Sprite? Especially now it looks like Pepsi. I'd really think if that was Sprite or not. I'd wonder."*

Michael also expressed that the new Sprite logo looks "totally new" and that it seems to fail the recognition test. He said:

> *"But to me this looks something totally new. If it didn't have the word Sprite on it, I wouldn't have a clue what it is. I don't recognize it."*

Likewise on the new Baskin Robbins logo, Sarah, a 51 year old female, pointed out to how big of a change Baskin Robbins' new logo was. She said:

> *"... I mean you drive around and you are looking for ice cream and you want to go to Baskin Robbins and you, if this logo had changed I mean I would drive right past that. I wouldn't even know that was Baskin Robbins. And I don't remember them getting on television or anything telling us it changed this is a total surprise to me."*

Peter similarly expressed how different the new Baskin Robbins logo looks and shows how strongly he doesn't recognize it. He said:

> *"And now it's kind of like Baskin Robbins? What is that? Even though I know what it is, I'd have to think if I just saw it. Like when I see this sign I know exactly what it is [the old one]."*

Another logo change that was also considered drastic was that for the new Payless Shoe Source logo. Andrew, a 24 year old male, expressed his great surprise, shock and bewilderment upon seeing the new logo and how different it was from the old one. He said:

> *"Whoa! Wow!.. Wow!... that's different...wow!......I probably thought it was a new shoe brand coming out. .....I would not have thought it was the same."*

Likewise, Emily also expressed how different the two logos were that she, like Andrew, thought it was a different store. She said:

> *"I'd think it was two different stores probably....I would start questioning myself on if another store had the same name or if something was different...I would just start thinking if it was the same store. People do use similar names all the time."*

3.3.2 Curiosity: Why Change?

During the interviews, participants expressed their curiosity after seeing brand logo changes. In fact, in general, some participants asked "why change?" as the first question that came to their mind when they saw a brand logo change. Sarah exemplified and questioned why all this money is being spent on this, expressing a form of resistance to the change. She said:

> *"Why did they do it?....Yeah what's the purpose of spending all that money to change everything around? I am used to the old logo, so why change it?"*

George, a 36 year old male, also voiced the same opinion of why change. That seemed to be the first thing that came to mind when exposed to a logo change. He said:

"Why did it change? There must be a reason for it. If it's a popular product why? Why mess with it if it is working fine?"

Likewise, Emily also shared the same first thoughts about why logos are changed. She also provided a reference to UTA's current logo change, but as she said, that because she knew the reason behind the change[26] that made it more acceptable to her. She said:

"I usually wonder why? What was wrong with the old one? Probably if I didn't know that UT Austin problem, I would wonder what was wrong with the old UTA. But I knew so, it's different."

On small changes, the new Visa logo perhaps generated the most questions, perhaps because of Visa's well known logo. Michael reflected anger about why a famous "quality" company like Visa would change its logo, especially when it is such a small change. Michael explained:

"Visa has always been associated with quality. Why change it?.To me why change your logo if nobody is going to notice it. It's expensive because you have to change everything. You have to change every flyer, every business card, everything. Why? If nobody is going to notice it, so why do it?

George, also shared the same view about Visa that it should not be "messed with" because it has been "around forever" and people are used to it. George said:

"To me, the Visa look has been around forever. Why would you mess with it? If you think of Visa, you think of the color. I don't know what they are, I'm color blind, but you think of the 2 stripes on top. Why would you mess with that?"

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[26] Emily here points that, according to her, UTA changed their logo because they didn't want to be mistaken for UT Austin.

While, Michael and George generally questioned why Visa would change its logo in spite of its well recognized logo, Andrew voiced his curiosity about the specific type of changes and the marketing person behind such a change. He said:

> *"I'll be interested to just study why these companies are going for graphic less type approaches.….who's the marketing person? I want to talk to them."*

Andrew also reflected his curiosity about soft drinks changing their logos, and pointed toward a possible "problem" behind this change. He said:

> *"Although it may be the same thing I still want to see what happened to it and why did they change it? I'm curious…I'm curious as to why they changed it…Yes it's always been there and I wonder why did they have to change. I'm like what's the problem? what happened?"*

Andrew further showed his curiosity on the Fresh Ways logo change when he said: *"It's just different I would just be curious why they did it."* He also commented on Vancity's new logo and questioned why they took away the "graphic", he said:

> *"I would say this one is old and this one is new but I was like why did they take away the graphic? Yeah that's interesting.…and no graphic I don't know why they didn't do that I'm just kind of curious as to why they didn't use graphic…"*

Cindy, a 30 year old female, voiced her curiosity about the new Payless Shoe Source logo change and inferred that she didn't see a reason for the change. She said: *"I don't know why they changed it. I don't see any reason."*

3.3.3 Skepticism

Another theme that kept emerging during some of the interviews was that of skepticism. This was evident as some of the participants expressed their suspicion, deceit, doubt and disbelief in the logo change and those behind it.

Andrew expressed some skepticism and suspicion as he commented on logo changes and with the "money" factor being a perhaps hidden agenda to it. He said:

"If it dealt with something that dealt with my money I would think ok they're going to try to take an extra ten cents from me or I may be a little suspicious if it's something dealing with money…"

Sarah blamed the logo change on marketing and held them responsible for an act for which she found "no practical reason" and that was simply "marketing driven," as if perhaps to point indirectly to some act of deceit by marketing. She said:

"I would guess that it was someone in marketing told them to do that. That they needed to update their image may be or market to a different segment of the population. I would assume it was marketing driven. I mean there is no practical reason to do it is there? Unless there is some trademark infringement or something."

On the Fresh Ways logo change, Peter expresses feeling "pessimistic" as the first thing that came to his mind about the change as he said:

"I would've thought someone bought them and took it over, I guess I'm pessimistic, that there's new management. That's usually the first thing."

On Payless Shoe Source's new logo, several participants expressed their disbelief in the change. They also conveyed a sense of being deceived and lied to by

making them believe something that isn't true. Sarah clearly reflected this view as she said:

> *"They are just trying to update their image, I don't believe that they changed their product or anything at all. They are just trying to make it seem like something new and it's probably not."*

Rachel, an 18 year old female, also commented on Payless Shoe Source's new logo and voiced her feeling of being tricked by the looks of it. She said:

> *"Yeah it makes it more expensive, when it is really not, which is like a false."*

George also shared the same view on Payless as he greatly cast doubt on the change as reflecting a true change. He said:

> *"From the way the logo looks, it has to be better quality. But I doubt it. I don't think so. They're still called payless."* He adds *"ok, they just did a makeover inside the store. May be they put a new coat of paint on the wall, some new rugs, may be new uniforms for the employees. Did they change the product? Did they get better quality shoes? I doubt it, it's still called payless."*

Cindy brought her own example of rebranding when she talked about Diamond Shamrock's change to Valero. She was suspicious at the change as she said:

> *"I don't know, are they trying to hide something behind changing the logo?"*

George cast a shadow on the possible reason for Visa's logo change and began attributing their logo change to being "sued," conveying great suspicion on the change as well. He said:

> *"So I notice Visa recently changed their logo after they got sued, they were overcharging on their fees, and now they've dropped their cost on us by a whole percent."* On Visa as well, Andrew said: *"Who's the marketing person? I want to talk to them."*

Furthermore, during the interview, George pointed to "brainwashing," conveying his own skepticism of businesses, marketing and advertising in particular perhaps. He gave his own example of when Kentucky Fried Chicken changed to KFC as he explained its effect saying:

> *"That one worked and it was so subtle, I remember thinking didn't they used to be called Kentucky fried chicken? So they did a good job of brainwashing me."*

Furthermore he referred more directly to how advertising and marketers basically "brainwash" people as he referred to his own son saying:

> *"My son is watching a commercial, he's 3 years old, he'll run up to me and doesn't say I want that, he says I need that. So you know they're brainwashing him already, the damage is done. May be they caught me too late."*

A distrust factor also emerged in some of the interviews on logo changes. For instance, on Pringles package changes Peter expressed his "pessimism" and began to attribute the change to competition that forced them to change. He said:

> *"I would think Pringles I wouldn't trust. I'm pessimistic. When I think somebody's changing, that competition's forcing them to change. They're not changing because they want to."*

On Mountain Dew's logo change, George aroused his suspicion and distrust of the people behind it saying that they did it just to "look busy." He said:

> *"It's like, ok you want to change it fine. It's never increased sales or anything. But they do that every once in a while. I always believe it's people trying to justify their jobs, we better change the label or I'm going to be fired, so I look busy."*

Furthermore, when asked about a possible (hypothetical) logo/font change for the 7-Eleven convenience store (which he dislikes), George strongly voiced his skepticism and doubt over what would be a "superficial change." He said:

> *"Doesn't matter.....I know exactly...they're just changing...superficial change. It's not anything that will change the service or the product."*

Likewise, Peter pointed out the notion of trickery and deceit as he talked about Lee's redesigned jeans (which he saw through some Lee commercials):

> *"To be honest, I guess I thought it was another little ploy."*

3.3.4 Resistance to Change

Another theme that some of the participants reflected during the interviews was that of resistance to change. This was evident as some of the participants expressed uncomforting feelings and uncertainty regarding the new logo and preferences for the old one because they are used to it.

Andrew expressed this resistance to change regarding Sprite's new logo, as he preferred sticking with the old one since he didn't know what to expect from the new one (especially since it was a pretty drastic change as compared with the old one). The dialogue below explains this:

> *Andrew : I like sprite so I would drink it...but I would go for this can.*
> *Interviewer: The old one?*
> *Andrew: Yeah.*
> *Andrew: I guess I'm just used to it; I'd go for this can because they may have changed it, and it may not be the same thing inside of it."*

Peter also shared Andrew's concern about Sprite's new look, hoping that the taste would stay the same as he said:

> *"I would be like hmm, Sprite changed the bottle, I would really hope they haven't changed the taste. Because I would be expecting it to taste like the old can, how I expected it to taste."*

Sarah expressed her concern about what would be happening at Payless Shoe Source after seeing the new logo (which was considered also a drastic change). She said:

> *"I would be afraid that someone has gone in and bought Payless and changed it around under new ownership and may be the prices might be different or the product might be different. I would be concerned. I'd still go in, and after I got in if it all looked the same it would be fine but initially I would be concerned."*

I talked with Peter, who considered himself a "Levis man," about a hypothetical Levis logo change. It was interesting to note that just the thought of a Levis logo change without even seeing what it may look like made him resist it and get disappointed about it. He said:

> *"If I saw such a change, I would be disappointed......I buy Levis because of their old Levi, their old philosophy that they had, the old brand. That's what attracted me. I'm not saying that the new brand might not attract me. I would be disappointed if they changed."*

Bill, a 22 year old male, also expressed his resistance to change especially perhaps when shown the new Baskin Robbins logo and the "No!" perhaps best explains it. He said:

> *"No! they didn't, no! See again, no I didn't know about this. I noticed that they changed the 31 here, that is the old one and that is the new one. 31 meant 31 flavors, they got rid of that, because they don't have 31 flavors, but they couldn't stick to the 31 flavors and I think that is why they changed it. And this just looks more kiddish, I think to me right there it has the classic look, I mean it is the classic BR, it has been around for a long time, it is the best ice cream in the world. And I just think, ugh, that to me just looks like a kiddy, it just looks*

too childish. This looks more sophisticated I think. I can understand the thing with the 31 because there isn't 31 flavors cause there is not even 31 flavors if you go in there but I think that this was just something they needed to stick to you know".

George also seemed to share a similar view about Baskin Robbins drastic new logo and suggested the old logo is something that shouldn't be messed with as he resisted the change explaining:

"Baskin Robbins to me has been around for 50 years, leave it alone. It's fine."

Bill also shared some of his philosophy on how some brands "need to stick to their classic look" as perhaps some explanation of the resistance to change, as he explained here:

"Well, there are certain things that just need to stick with their classic look. One would be something that has been around for a long time. UTA has been around since like 1895 or something I think, that thing just needs to stick to a classic look. Sprite has been established as this product for a long time, it is part of the Coca Cola company, and because of that it does need to stay with the classic look, it just, you know, if it came from here then there needs to be some evolvement, but just all of a sudden this big change like that, it just ruined this classic look and I don't think people were just quite ready for it, I'm not quite ready for it. It is just too much of a change. If they had just had a couple more designs in between here, you know kind of evolved to there, then that may not have been that bad. I think it is just too much of a change, yeah. And I wouldn't even be surprised if they changed it back."

CHAPTER 4

HYPOTHESES DEVELOPMENT

In this chapter, I develop my research hypotheses by using some of the main constructs that emerged during the qualitative research conducted. More specifically, I use the curiosity and skepticism generated toward the logo change as the main constructs in the model together with the resistance to change construct in helping to provide some explanation to consumers' first reactions after being exposed to a logo change. I use a combination of the marketing literature on skepticism, the psychology literature on curiosity, and the management literature on organizational change to develop the hypotheses. I argue that consumers generally try to "cope" with a logo change through their curiosity (deprivation and interest), skepticism and resistance toward the logo change. I then present how these coping mechanisms ultimately affect the brand attitude after the logo change.

Figure 4.1 below shows the overall model with the building blocks for the research hypotheses.
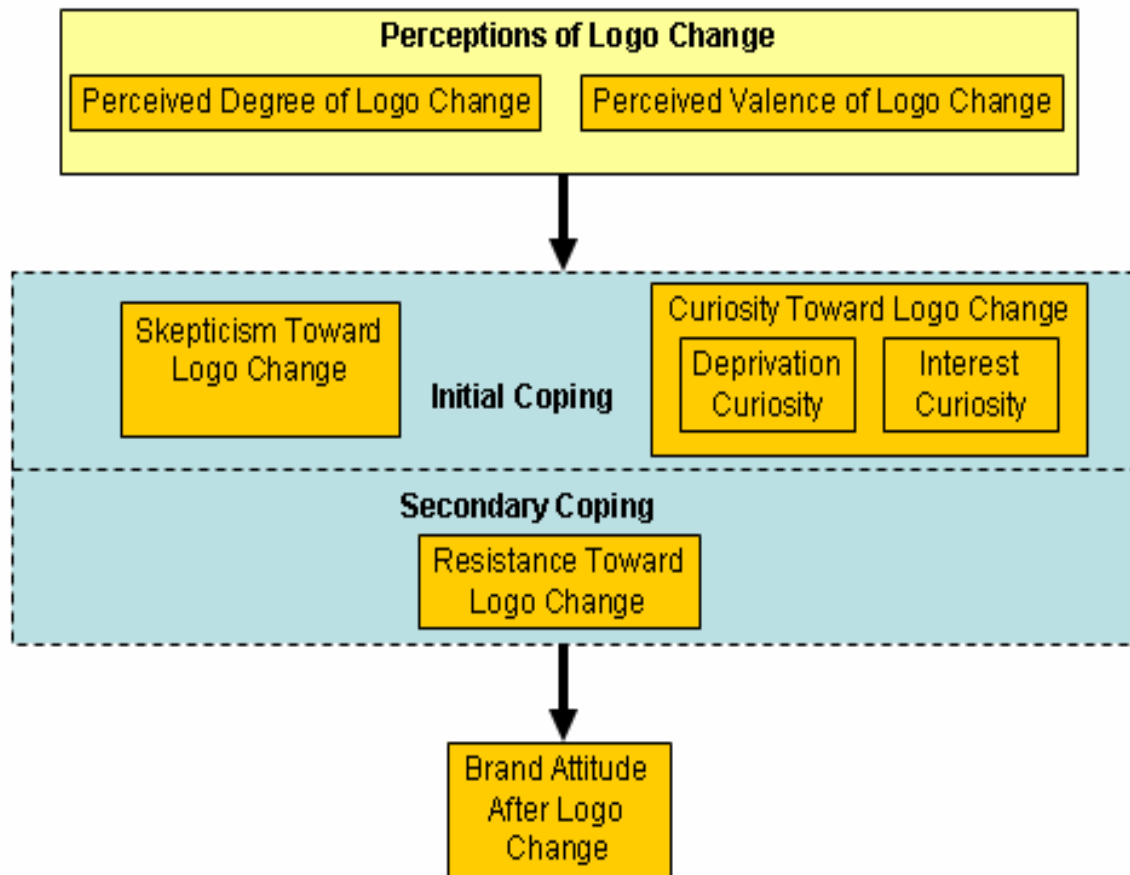
Figure 4.1: Overall model showing the building blocks of consumers' perceptions toward logo rebranding: perceptions of logo change, coping mechanisms and brand attitude

4.1 Curiosity, Skepticism and Resistance toward the Logo Change

4.1.1 Curiosity toward the Logo Change

Webster's New World Dictionary defines curiosity as "a desire to learn or know." Though the general definition provided here does seem to provide an accurate meaning about what curiosity is, curiosity has been classified into many different types by different authors. For instance, Unal (2005) provided a table of the many different types of curiosities (some of which may overlap) which include: perceptual curiosity, sensory curiosity, epistemic curiosity, conceptual curiosity, cognitive curiosity, specific curiosity, diverse curiosity, reactive curiosity, adjustive-reactive curiosity, productive curiosity, manipulatory curiosity, breadth curiosity, depth curiosity, state curiosity, and trait curiosity (Berlyne, 1954; Kreitler and Kreitler, 1976; Malone,1981; Day, 1971; Penney and McCann, 1964; Livson, 1967; Langevin, 1971; Boyle, 1989).

The literature on curiosity may have been best presented by Loewenstein (1994) whose article in *Psychological Bulletin* provided a "review and reinterpretation" of the "psychology of curiosity." Loewenstein divided the literature on curiosity into two major "waves" of research. The first wave was in the early 1960s and centered on three main issues: the underlying cause of curiosity, why people willingly seek out curiosity (e.g. puzzles), and situational determinants of curiosity. The second wave of research began in the 1970s and focused on the daunting task of measuring curiosity.

As Loewenstein (1994) explains, research on the underlying cause of curiosity seemed to spread across three theoretical accounts: drive theories, incongruity theories, and competence theories. Drive theories looked at curiosity as a motivational force that

can be evoked internally or externally. Incongruity theories addressed how curiosity may be evoked by a "violation of expectations" as events that are not expected or cannot be explained. Finally, competence theories addressed how curiosity may be evoked by the self-concept within as in the desire to feel competent.

The "incongruity" theories perspective seems to be more applicable to our research focus on logo changes. Going back to the 1950s, Berlyne (1954), a very well known curiosity researcher, wrote an article in the *British Journal of Psychology* entitled "A Theory of Human Curiosity." Berlyne summarized his "incongruity" perspective theory of human curiosity (epistemic[27]) in that "its principal features being (1) an account of questions as 'thematic probes' which evoke drive-producing meaning-responses, and (2) the attribution to learned conflict of the curiosity aroused by strange, surprising or puzzling situations or questions" (p. 189).

Referring to Hebb, Piaget and Hunt, Loewenstein (1994) said that "curiosity reflects a natural tendency to try to make sense of the world" and that this need is "evoked by violated expectations" which has some optimal point as reflected by "an inverted U-shaped relationship between evoked curiosity and the extremity of such expectation violations" (p. 82). Loewenstein further said: "Incongruity theories express the intuition—supported by recent research—that people tend to be curious about events that are unexpected or that they cannot explain. Research examining the question of when people make causal attributions (when they ask "why" questions) demonstrates that violated expectations do, in fact, often stimulate a search for an explanation (Hastie,

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[27] Epistemic curiosity is a human based curiosity "defined as a drive reducible by knowledge-rehersal" (p.189)

1984; Psyszcynski & Greenberg, 1981; Wong &Weiner, 1981)" (Loewenstein, 1994, p. 83). As Wong and Weiner (1981) state in their conclusion after conducting five experiments: "it can be concluded with reasonable confidence that people do ask "why" questions, even when they are not specifically directed to do so. The finding that most of their queries pertain to attributions indicates that causal questions are prominent in thought" (p. 661).

By accounting for all the important previous theories, Loewenstein (1994) proposed in his conceptual paper "a new theoretical account of curiosity that integrates insights from existing perspectives with ideas from Gestalt psychology, behavioral decision theory, and social psychology. The new account views curiosity as a form of cognitively induced deprivation that results from the perception of a gap in one's knowledge" (p. 76). He explained his information-gap theory as one that "refers to a discrepancy between what one knows and what one wishes to know" (p. 93) and that this information gap produces a feeling of deprivation that would be called curiosity. He further said that a person would be thus "motivated to obtain the missing information to reduce or eliminate the feeling of deprivation" (p. 87).

Several researchers have shown that new product advertising usually generated increased curiosity (Olson, Schlinger, and Young, 1982; Olson, Toy and Dover, 1981). More recently, Menon and Soman (2002) applied the information gap theory when they studied the influence of curiosity on the "effectiveness of internet advertising." The authors found through their empirical study that ads that reflect an information or

knowledge gap regarding a new product affected the "amount and direction of elaboration and hypothesis generation about the stimulus" (p.11).

Based on the above discussion, a logo change can be viewed from an information gap theory perspective. The bigger the perceived degree of logo change, the bigger the information gap and thus the bigger the gap, the higher the curiosity[28]. Perhaps more specifically, looking at the logo change from the "incongruity" aspect, we can also say that a logo change can evoke a "violation of expectations" especially if the change is big, really different (i.e. compared to the old logo), surprising or unexpected. In such a case we can say that the higher the incongruity seen between the old and new logo, the higher the curiosity. This leads us to the first hypothesis that the higher the perceived degree of logo change, the higher the curiosity about the logo change. However, we will treat curiosity here as two different types or constructs: deprivation curiosity and interest curiosity which we need to shed some more light on here.

Research on trait curiosity has shown that curiosity seems to be made of two dimensions: an "interest" dimension (Peterson and Seligman, 2004; Kashdan, Rose, and Fincham, 2004; Collins, Litman, and Spielberger, 2004; Litman and Spielberger, 2003) and a "deprivation" dimension (Litman and Jimerson, 2004). The deprivation dimension has been previously stated by Loewenstein (1994) in explaining his knowledge-gap theory as he stated that curiosity may be viewed "as a form of cognitively induced deprivation that results from the perception of a gap in one's knowledge" (p. 76) and

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[28] The information gap theory states that the relationship between the information gap and curiosity is an inverted U where under low or under high information gap levels, there would be low curiosity. However in our case we still think that this gap would be "moderate" in terms of information gap leading to an increased or high level of curiosity.

that the person wants to fill this gap. What may be important to mention here is that the "interest" dimension of curiosity seems to be more of a "positive, emotional-motivational system that energizes and directs novelty-seeking behaviors, with the ultimate goal of stimulating one's interest (Litman, 2005; Litman & Jimerson, 2004)" (Litman and Silvia, 2006, p. 319). On the other hand, the "deprivation" dimension reflects more "feelings of uncertainty and tension" and with "some degree of negative affectivity" (Litman and Jimerson, 2004). Litman and Silvia (2006) further established the validity of the "Interest/Deprivation" model of curiosity.

Even though the interest/deprivation dimensions of curiosity are based on the trait aspect of curiosity, it may also apply to our state or situational case of logo changes. During the interviews conducted, some of the curiosity questions raised seemed more of the "interest" type and sounded more positive and excited to know more about this logo change. On the other hand some of the questions seemed more of the "deprivation" type and sounded more negative as in not seeing or knowing the reasons that would necessitate this logo change (with the many "why change" type of questions asked). We would thus argue that both the "interest" and "deprivation" types of curiosity would likely exist together and that they need to be accounted for and treated as two separate constructs[29]. Based on our previous discussion on how the higher perceived degree of logo change would lead to a higher curiosity, we argue that both the deprivation and interest curiosity would also be higher with a higher degree of logo change and we thus hypothesize the following:

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[29] This is also especially since these two types of curiosities may have opposite signs which can cancel the effects of each other if treated as a single construct.

Hypothesis1a: The perceived degree of logo change will positively influence the deprivation curiosity toward the logo change.

Hypothesis1b: The perceived degree of logo change will positively influence the interest curiosity toward the logo change.

4.1.2 Skepticism and Resistance toward the Logo Change

Marketing in general and advertising more specifically have always been viewed with a skeptical eye and with the notion of deceiving people and making them buy things that they do not need. In a study of American public opinion polls over some sixty years between 1930 and 1992, Calfee and Ringold (1994) found that people were greatly skeptical of advertising and its claims and that such attitudes stayed almost constant for all this time in spite of changes in advertising regulation. Even children are becoming skeptical consumers at a young age as has been shown by Boush, Friestad and Rose (1994) and Chan (2001). Reflecting on the importance of the skepticism subject in marketing, Gaski and Etzel (1986) developed an index scale to measure consumer sentiment towards marketing (as has been previously mentioned).

When a company decides to change its logo whether for a product or the whole company, it may be generally viewed as a marketing event or at least fueled by marketing. More specifically, a brand logo change may be considered a form of advertising that the brand announces. If we were to look back at some of the types of advertising claims discussed previously, the experience advertising claim seems to stand. An experience advertising claim is one "that can be accurately evaluated only after the product has been purchased and used for a period of time," unlike a search

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advertising claim, which is one "that can be evaluated before purchase by consumers using prior knowledge, direct product inspection, reasonable effort, and normal channels of information acquisition, such as consumer reports" (Ford, Smith and Swasy, 1990, p. 435). What may be important is that Ford et al. (1990) and Feick and Gierl (1996) have found that there was greater skepticism for experience advertising claims than for search claims and more for subjective claims than objective claims.

A new brand logo may represent an experience claim more than a search claim since the product with the new logo can only be really evaluated after the purchase and experience of the logo changed product. Likewise, a store with a new logo can only be evaluated after a visit and experience of that store and perhaps even over time (e.g. to see if there is a noticeable difference in customer service for example or product quality). Thus the notion of having a new logo would be viewed as an experience claim[30] and would provide us with the reason for increased skepticism. Upon seeing the new logo, consumers cannot verify what the change is about but they have to either purchase the product with the new logo (or visit the store with the new logo) to better evaluate and experience it.

In order to further understand the possible consumers' reactions to logo changes, we can also look at "change" itself and how it has been addressed. Here we can turn our attention to the management literature on organizations and organizational change specifically. In the management literature, the topic's importance has even lead to the

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[30] Alternatively, we can also compare a new logo with a subjective ad claim which also has shown greater skepticism than an objective ad claim using the same reasoning.

dedication of two whole journals for it, i.e. the *Journal of Organizational Change Management* and the *Journal of Change Management*.

On organizational change, Folger and Skarlicki (1999) stated in their article that "organizational change can generate skepticism and resistance in employees, making it sometimes difficult or impossible to implement organizational improvements" (p. 35). Likewise, de Jager (2001) said that "Most people are reluctant to leave the familiar behind. We are all suspicious about the unfamiliar; we are naturally concerned about how we will get from the old to the new, especially if it involves learning something new and risking failure" (p. 24).

Some studies on organizational change addressed the skepticism of change but more as cynicism than skepticism[31]. Wanous, Reichers and Austin (2000) developed a construct for cynicism about organizational change which was defined as "a construct that has two elements: a pessimistic outlook for successful change and blame placed on "those responsible" for lacking the motivation and/or the ability to effect successful change" (p. 135). The scale was found to be a reliable and valid measure.

In a previous study, Reichers, Wanous and Austin (1997) conducted confidential interviews with managers and employees about some organizational change, where they said that "time and again during the interviews, participants expressed polite disbelief that any initiatives the researchers were planning would result in successful change" (p.

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[31] Though the organizational literature seems to concentrate more on cynicism, we would be using skepticism toward the logo change rather than cynicism towards it. This is since, cynicism used in the organizational literature may sometimes be more applicable for an organization and its context. In addition to that cynicism may be considered more strongly trait-like than situational. Furthermore, the marketing literature seems to concentrate more on skepticism especially in terms of states and situations which is thus more applicable to our case of logo changes.

49) especially after having "experienced numerous failed change efforts in the past," as they quote one respondent saying: "this is just the program of the month" (p. 49). More importantly, in their empirical study they showed that 23% of managers and 43% of employees (hourly) were cynical about change.

When talking about change, "resistance to change" always seemed to come to mind as well. Zaltman and Duncan (1977) defined resistance to change as "any conduct that serves to maintain the status quo in the face of pressure to alter the status quo" (p. 83). Resistance to change has been a concept that has been greatly talked about in the organizational change management literature (e.g. Woodward, 1968; Powell and Posner, 1978; Bryant, 1979; Stanislao and Stanislao, 1983; Caruth, Middlebrook, and Rachel, 1985; Leffingwell, 1985; Diamond, 1986; Folger and Sharlicki, 1999; Piderit, 2000; Stanley, Meyer and Topolnytsky, 2005; de Jager, 2001; del Val and Fuentes, 2003), in the innovation literature (e.g. Ram and Sheth, 1989; Ellen, Bearden and Sharma, 1991) and others (e.g. Darling and Taylor, 1989; Dent and Goldberg, 1999; Oreg, 2003). So there seemed like there was a prevailing general thought that when you think "change" you think of "resistance to change."

Focusing more on "resistance to change," del Val and Fuentes (2003) suggested a list of sources or antecedents of resistance to organizational change and showed through their empirical study that this list was verified by managers of which denial[32] and cynicism were two of these important sources considered. Furthermore, the authors

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[32] Denial was stated as a denial or refusal to accept any information that is not expected or desired (p. 149) which may be considered a form of disbelief. In the results of the sources of resistance (Table II p. 152) denial was included with myopia, perpetuation of ideas, and implicit assumptions.

differentiated between evolutionary (or minor changes) and extremely strategic[33] (or radical changes) and found that though the percentage of strategic changes encountered was too low as to provide significant results, "the more radical and transformational change is, the more powerful resistance to change is" (p. 152).

Going back to consumers, a new logo can also be viewed as a new product innovation (depending on how new it is). On the subject of innovation, Ram and Sheth (1989) talked about "consumer resistance to innovations" and stated that "an innovation may create a high degree of change in the consumers' day-to-day existence and disrupt their established routines" (p. 6) and that "the higher the discontinuity of an innovation, the higher the resistance is likely to be" (p. 7) which was empirically found by Ram (1985)[34].

Based on the discussion on skepticism and resistance to change, we can say that the higher the degree of logo change, the higher the skepticism toward the change, and the higher the degree of logo change, the higher the resistance toward the logo change. We thus hypothesize the following:

> *Hypothesis2: The perceived degree of logo change will positively influence*
>
> *the skepticism toward the logo change.*
>
> *Hypothesis3: The perceived degree of logo change will positively influence*
>
> *the resistance toward the logo change.*

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[33] Extremely strategic changes was stated as "change has been radical and we are not the same company we were before" whereas extremely evolutionary changes was stated as "we have modified certain specific aspects, but the company remains in essence as it was before changing" (p. 151).
[34] Ram's and Sheth's (1989) article was based on S. Ram's (1985) dissertation which included the empirical portion.

del Val and Fuentes (2003) showed that denial and cynicism were considered important sources of resistance to change by managers. In another study, Stanley, Meyer and Topolnytsky (2005) investigated "employee cynicism and resistance to organizational change" through two studies. They found that both, change-specific cynicism and skepticism, accounted for 34%[35] of the variance in the intention to resist change (in the first study) and each contributed to unique variance. Resistance to change was accounted for with unique variance by skepticism in both studies as well.

We thus expect that skepticism toward the logo change would be related to resistance to the logo change and skepticism thus represents an antecedent to it. Thus we hypothesize the following:

Hypothesis4: Skepticism toward a logo change will positively influence

the resistance toward the logo change.

4.1.3 Curiosity and Resistance toward the Logo Change

The study of del Val and Fuentes (2003) showed also that "communication barriers" and "organization silence" were some of the important sources of resistance to change. The importance of communication during an organizational change (e.g. Caruth, Middlebrook, and Rachel, 1985; Covin and Kilmann, 1990; Stanley, Meyer, and Toplnytsky, 2005; Reichers et al. 1997) indicates that organizational employees begin asking questions as to the necessity of the change and what the change is about which is a form of curiosity about the change.

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[35] This variance was more than double that accounted for by the broad cynicism and trust constructs.

In our situational case of logo changes, we have prior evidence that logo changes are generally not preferred and disliked (Pimentel and Heckler, 2000; Walsh et al., 2006) especially as suggested in the case of extreme or drastic logo changes. More importantly perhaps, when "why" questions are asked it would most likely be a result of an event that is "negative and unexpected" (Wong and Weiner, 1981, p. 650) which a logo change seems to resemble in one sense.

It has been previously discussed that curiosity would be treated as two separate constructs: deprivation and interest. It has also been stated how deprivation curiosity may be more of a negative effect (by asking why questions) whereas interest curiosity may be more on the positive side (by being interested and curious in knowing and learning more about the change). We would thus expect that with higher deprivation curiosity people would more likely resist the logo change more, whereas with higher interest curiosity people would more likely reduce their resistance to the logo change or in other words accept the logo change more. Based on this discussion we hypothesize the following:

> *Hypothesis5a: Deprivation curiosity toward a logo change will positively influence the resistance toward the logo change.*
>
> *Hypothesis5b: Interest curiosity toward a logo change will negatively influence the resistance toward the logo change.*

4.1.4 Curiosity and Skepticism toward the Logo Change

On the possible relationship between curiosity and skepticism toward the logo change we can turn back our attention to our organizational change literature. Reichers,

Wanous and Austin (1997) state that "cynicism may simply help people make sense of puzzling events in their environment" as "when changes are announced with much fanfare, but with little groundwork explaining why the changes are necessary" (p. 50). Thus, such people begin filling "in information gaps with the explanation that things must not have gone well" and they begin feeding "their cynicism about change" by creating such information that would help them "make sense of their world" (p. 50). The authors may be suggesting that curiosity about change, as explained through the information gaps that exist, would need to be filled in, and cynicism may help feed and fill such gaps.

Reichers et al. (1997) also found that out of the likely causes of cynicism about organizational change was "feeling uninformed." The authors provided some suggestions on managing and minimizing cynicism about change, one of which was to "keep people informed of ongoing changes: when, why, how" and to "keep surprises to a minimum." On keeping surprises to a minimum they also said that "it is best to avoid surprising people at all. People who feel more informed and involved are less likely to possess cynical attitudes. Routine notice about what is happening, and especially why it is happening, prevents anyone's being caught off guard" (p. 53-54) and thus arousing cynicism. Feeling uninformed likely evokes curiosity and questioning and this can thus be taken as a possible relationship between curiosity and cynicism with higher curiosity leading to higher cynicism about the change or in our case higher skepticism about the change.

When people are exposed to a logo change, we would expect that they begin asking questions of why the logo has changed (which has been shown in the qualitative study as stated previously), and they would thus begin "filling" in this knowledge gap with possible skepticism. Thus, the higher the curiosity (deprivation) toward the logo change, the higher the skepticism toward that change. The relationship suggested here would be related to the deprivation curiosity (because of the emphasis on the why type of questions asked) and not the interest curiosity. Based on this and the discussion above we hypothesize the following:

Hypothesis6: Deprivation curiosity toward a logo change will positively influence the skepticism toward the logo change.

4.1.5 Perceived Valence of Logo Change

The perceived valence of the logo change is meant to represent the degree with which the consumer would view the new logo as better or worse than the old logo (with the higher values indicting more favorability). If we refer to attitude theory (Fishbein, 1967; Fishbein and Ajzen, 1975) we can see that if someone holds a certain belief of some object, that, together with the evaluative strength of that belief will ultimately affect their attitude toward that object. Employees who would have more positive views about the change would likely have a better attitude towards it. Based on our previous discussion on curiosity, skepticism and resistance to change, we would expect that these employees (that view such change as favorable or more positive) would have more interest curiosity, less deprivation curiosity, less skepticism, and be less resistant to the change (if not embracing it). We can thus extend this view toward a logo change, where

if someone perceives the new logo as better off than the old one that would make the person generally more curious about it (interest), less questioning of it (deprivation), less skeptical and less resistant to the change if not even embracing it more and welcoming it. Based on this we can provide the following hypotheses:

Hypothesis7a: The perceived valence of logo change will negatively influence the deprivation curiosity toward the logo change.

Hypothesis7b: The perceived valence of logo change will positively influence the interest curiosity toward the logo change.

Hypothesis8: The perceived valence of logo change will negatively influence the skepticism toward the logo change.

Hypothesis9: The perceived valence of logo change will negatively influence the resistance toward the logo change

4.2 The Effect on Brand Attitude

In this section we wanted to examine the effect that the coping processes of curiosity, skepticism, and resistance toward the logo change would have on brand attitude after the logo change.

Though we argue in our model that curiosity and skepticism toward the logo change would probably be mediated by the resistance to logo change construct before affecting the brand attitude we expect that there may still be a direct relationship between them (i.e. curiosity toward the logo change/ skepticism toward the logo change) and brand attitude. On the possible effect of curiosity on brand attitude, Menon

and Soman (2002) found that "curiosity-based processing of advertising resulted in better product evaluation and greater perceived novelty" (p. 11). Thus we expect that with better product evaluation there would be a better and more positive attitude. Since we are treating curiosity here as two separate constructs (deprivation and interest) as discussed previously, we would expect a negative relationship of the deprivation curiosity with brand attitude and a positive relationship of the interest curiosity with brand attitude. We thus hypothesize the following:

> *Hypothesis10a: Deprivation curiosity toward a logo change will negatively influence the brand attitude after the logo change.*

> *Hypothesis10b: Interest curiosity toward a logo change will positively influence the brand attitude after the logo change.*

Likewise we also expect a direct relationship between skepticism and brand attitude. In a study of Egyptian consumers, Mostafa (2006) investigated the "antecedents of Egyptian consumers' green purchase intentions" and his finding was that "skepticism towards environmental claims" was "negatively related to consumers' intention to buy green products" (p. 97) which may be used to indirectly say that skepticism would be negatively related to brand attitude. Furthermore, in Obermiller's and Spangenberg's (1998) skepticism toward advertising scale, it was found that their SKEP scale had a positive correlation with negative attitudes toward advertising, with the higher the skepticism toward advertising, the more negative the attitudes toward advertising. Based on this we hypothesize the following:

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Hypothesis11: Skepticism toward a logo change will negatively influence the brand attitude after the logo change.

Resistance is usually equated with negativity and we would expect that there would be a negative relationship between resistance to change and brand attitude. In addition to the negative view perceived from the organizational change management literature on resistance to change we also have more direct evidence from the two previously identified studies on logo changes. The study by Pimentel and Heckler (2000) found that consumers generally "preferred" no changes to a logo, though small changes were well "tolerated" as long as the changes were within "the consumers' latitude of acceptance." Extreme changes were thus generally not preferred. In the other study by Walsh et al. (2006), it was found that that highly brand committed consumers showed more negative attitudes toward the changed brand logo, and had higher negative brand attitudes for a higher degree of logo change. On the other hand, consumers who were less brand committed had a more positive brand attitude for the small logo changes made. It may be important to mention that the authors in this study made minor modifications or changes to the logos but in our case we will be using minor as well as major (or drastic) logo changes. The authors actually suggested to test for extreme changes and they expected that such drastic logo changes would result in a negative reaction regardless of how committed a consumer was to a brand.

We thus link this negative reaction to changed logos (especially drastically changed ones) to the resistance to the logo change construct, and would expect a

negative brand attitude to result. Based on the above discussion we hypothesize the following:

Hypothesis12: Resistance toward a logo change will negatively influence the brand attitude after the logo change.

Figure 4.2 below shows the proposed model with all the relationships hypothesized between the perceived degree and valence of logo change and curiosity (deprivation and interest), skepticism and resistance toward the logo change, and their effect on brand attitude after the logo change.
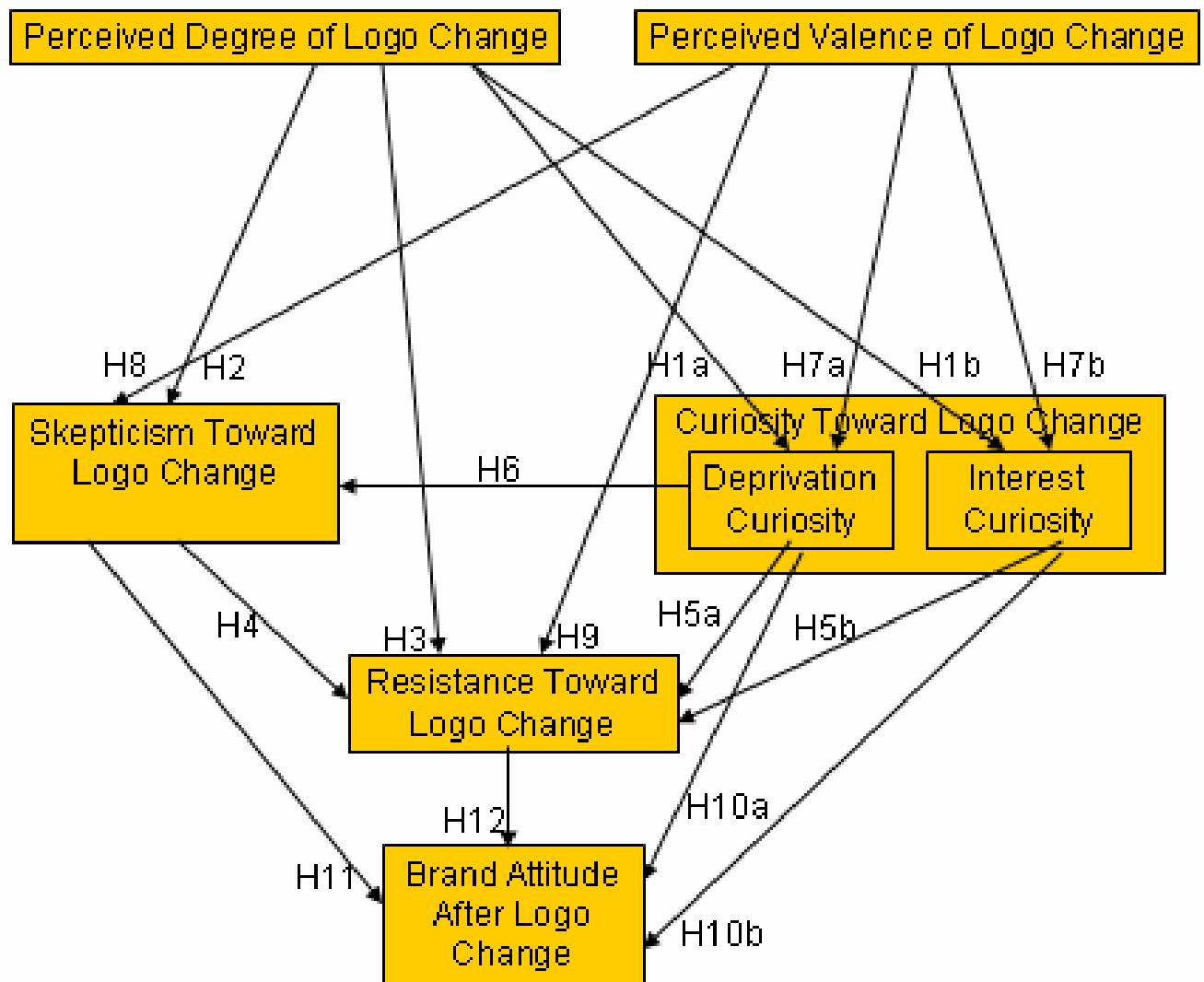
Figure 4.2: Proposed model showing all the hypothesized relationships

CHAPTER 5

RESEARCH METHODOLOGY

In this chapter I discuss the methodology for testing my research hypotheses including the research strategy, procedure, sampling, and the operationalization of the constructs to be used.

5.1 Research Strategy

On the different strategies to conduct research, McGrath (1982) wrote about eight different research strategies which were based on two major dimensions, obtrusiveness or unobtrusiveness of research operations and universal or particular behavior systems. The eight strategies were: experimental simulations, field experiments, field studies, computer simulations, formal theory, sample surveys, judgment tasks, and laboratory experiments. On conducting research he also states that "it is *always desirable (ceteris paribus) to maximize*: (A) *generalizability* with respect to populations. (B) *precision* in control and measurement of variables related to the behavior(s) of interest, and (C) existential *realism*, for the participants, of the context within which those behaviors are observed. But, alas, *ceteris is never paribus*, in the world of research" (p. 74). He then explains the "three-horned dilemma" where it is practically impossible to maximize all the three desiderata (i.e. generalizability,

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precision, and realism) and trying to maximize anyone would reduce the two and optimizing on any two would minimize the third.

In this study we used an experimental survey research strategy to test the hypotheses developed in the previous chapter. We chose a survey over a laboratory experiment since our manipulation is only in the logos used and so the setting of a laboratory is not really required. The survey also provides convenience in terms of time and cost involved and more importantly perhaps seeks to have an effective sampling of the population.

5.2 Procedure

In this experiment, we attempt to test our hypotheses by providing a way of generally measuring consumer perceptions toward logo changes including specific measures for curiosity, skepticism, and resistance to change toward the logo changes.

The study represented a between subject design study (a pretest/posttest comparison group design) where each subject got a survey with one logo change (a minor or major change). Two brands were used, each with two types of changes, i.e. a minor change and a major change. There were thus four versions of the survey and all were generally the same except for the brand logo change used i.e. in terms of brand and type of change (major or minor). The surveys were randomly assigned to the students where each student 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 students were voluntarily free to participate in this study.

The exact type of change in terms of design was not a factor considered in our research since we were looking at minor and major changes from a holistic and overall point of view. Furthermore our research used a mix of actual logo changes (for the major changes) and hypothetical ones (for the minor changes). As for the brands, we used Baskin Robbins and Payless Shoe Source. Both are considered consumer related brands and their logo changes were identified as pretty drastic by most if not all of our interview respondents. We also created the minor changed version for each (hypothetical) logo to provide better comparisons using the same brands instead of different ones. Appendix D shows the brand logos and logo changes to be used.

5.3 Measurement of Constructs

The constructs used in this research study have a couple of previously used measures and other scales that were developed for this specific research. The hypothesized constructs to be measured are: perceived degree of logo change, perceived valence of logo change, deprivation curiosity toward logo change, interest curiosity toward logo change, skepticism toward logo change, resistance toward logo change, and brand attitude. Appendix C[36] includes the complete survey[37] with all the construct measures used.

The ***perceived degree of logo change*** represents the magnitude of the logo change or how small or big the logo change is as perceived by the respondents. Walsh

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[36] Appendix C shows the complete survey for version 1 (for the minor logo change of Baskin Robbins). The other versions as has been stated are only different in the brand logo and logo change used (which are shown in Appendix D).

[37] The survey also includes some other constructs mostly individual factors that may be used for future research. These include: skepticism toward marketing, prior brand attitude, brand involvement, trait cynicism, and change-seeking index.

et al.'s (2006) degree of logo change scale would be used which is a three item (little difference/very different, minor modifications/extensive modifications, no change/completely changed), seven point semantic differential scale which had an alpha of 0.96.

The *perceived valence of logo change* represents how the respondents view the new logo compared to the old logo in terms of being better or worse off. The perceived valence would be measured using a three item seven point semantic differential scale (considerably worse/considerably better, negative change/positive change, more unfavorable/more favorable).

The *curiosity toward logo change* construct represents the level of curiosity and questioning that the respondent would have after seeing the logo change. As stated previously it will be treated as two separate constructs: deprivation curiosity and interest curiosity. We used some of the information we got from our qualitative research to create the scale. The scale will be a ten item, seven point Likert scale from strongly agree to strongly disagree, with five items for interest curiosity and five for deprivation curiosity. The *interest curiosity toward logo change* construct items are: I'm curious to know more about this new logo; I would be interested to find out more about this logo change; I'm eager to know more about this logo change; I feel that investigating the new logo would be worthwhile; I would like to learn more about this logo change. The *deprivation curiosity toward logo change* construct items are: I wonder why they changed the logo; I wonder what the problem was with the old logo; I want to know

what was wrong with the old logo; I feel I need to know the reason for this logo change; It doesn't make sense to me why they would change the logo.

The *skepticism toward logo change* construct represents the skepticism and suspicion of the logo change and doubt and disbelief of the change. While there is no specific scale for skepticism toward logo change, we will be creating our own scale that is adapted from a skepticism scale that was used by Babin, Bales and Darden (1995) and originally developed by Holbrook and Batra (1988). The original scale is a three item (I felt- skeptical, suspicious, distrustful), seven point scale which had an alpha value of 0.93. In reference to the Marketing Scales Handbook (Bruner, James and Hensel, 2001) which referenced this scale, skepticism was described as "the level of doubt and uncertainity a consumer has with the veracity of some stimulus" (p. 612). We would however slightly change the scale to a Likert type scale ranging from strongly agree to strongly disagree with a slight modification of the wording from I felt to I feel (about this logo change). Furthermore, we would also add three more items: I feel doubtful about this logo change; I believe that this logo change is meant to deceive me; and they changed the logo to make it seem like a new product when it really isn't). Thus we will be having a six item, seven point Likert scale (from strongly agree to strongly disagree) after these modifications.

The *resistance toward logo change* construct represents the degree to which the respondent feels uncomfortable and concerned toward the logo change especially in terms of it not being the same as the old which he or she is used to. Zaltman and Duncan (1977) defined resistance to change as "any conduct that serves to maintain the

status quo in the face of pressure to alter the status quo" (p. 83). We used the information from our qualitative research to create the scale. The scale will be a five item, seven point Likert from strongly agree to strongly disagree. The items are: I don't want the logo to change because I'm used to the old logo; If I had a choice I would stick with the old logo; I'm not comfortable with this logo change without a good explanation for it; I prefer they leave the logo alone rather than change it; If it were up to me, I wouldn't have changed the logo.

The ***brand attitude after the logo change*** construct represents the general attitude of the respondent towards the brand after seeing the logo change. We would be using Yi's (1990) scale[38]. The scale is made of a three item (good/bad, like/dislike, favorable/unfavorable) seven point differential which had an alpha value of 0.90.

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[38] Homer (1990) and Holbrook and Batra (1987) had similar items, where Homer (1990) had it on a 9 point scale and Holbrook and Batra (1987) had a slightly modified version (but with the same meaning) with the addition of a forth positive/negative item. (Marketing Scales Handbook p. 84-93)

CHAPTER 6

ANALYSIS & RESULTS

In this chapter, the statistical analysis of the study and it results are presented. This chapter first begins with a description of the pilot study and its results followed by the main study results. A structural equations modeling approach was used to test the hypotheses developed and the measurement and structural models are presented. Finally the results of the hypotheses are presented.

6.1 Pilot Study

A pilot study was conducted to assess the clarity and timing of the survey, reliability of the constructs, and manipulation checks. A sample of seventy three (73) surveys was collected. The sample had a balanced proportion of the four versions[39] of the survey.

The respondents had a mean age of 23.7 and ranging from 18 to 45. Males made up 47.9% of the sample and females 52.1%. As for ethnicity, 35.6% were Caucasian/White, 12.3% were African American, 26% were Hispanic, 19.2% were Asian and the rest (6.8%) were of other ethnicities. In terms of education (highest level completed), 6.8% had a high school diploma, 54.8% had some college, 34.2% had an associates degree, and 4.1% had a college degree.

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[39] 18 of version 1, 17 of version 2, 19 of version 3, and 19 of version 4.

A reliability test was done for all the constructs hypothesized in our model. All the constructs reflected great reliability levels with all having an alpha above 0.9[40]. The pilot study was also used to have an estimate for the average time it would take for a subject to answer the survey. On average the survey took ten minutes which was within the expected time.

A manipulation check was also conducted to test if there was a significant difference between the minor and major logo change for both Baskin Robbins and Payless Shoe Source using the perceived degree of logo change (PDLC) construct as the dependent variable. A one way ANOVA was used and a significant difference was found between the minor and major logo change for both Baskin Robbins and Payless Shoe Source. More specifically, the mean for the minor logo change for Baskin Robbins (version 1) was 2.85 (SD= 1.49). Whereas the mean for the major logo change for Baskin Robbins (version 2) was 5.03 (SD= 1.60). As for Payless Shoe Source, the mean for the minor logo change (version 3) was 3.25 (SD= 1.51), whereas the mean for the major logo change (version 4) was 5.51 (SD= 1.21).

Overall, the pilot study seemed successful and the full scale survey was conducted with minimal change from the pilot study.

<div align="center">6.2 Main Study</div>

6.2.1 Sample Size and Demographics

Four hundred and twenty seven (427) undergraduate and graduate students from the University of Texas at Arlington participated in the survey. The surveys were

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[40] PDLC alpha = .91, PVLC alpha = .96, SKEP alpha = .92, CURI alpha = .97, CURD alpha = .90, RESIS alpha = .91, NBATT alpha = .93.

distributed to students in several classes in the College of Business Administration at the University. Of the sample collected twenty one surveys were then removed as they were considered invalid mostly due to incompletes. Thus a final working sample of four hundred and six (406) respondent observations was used.

The respondents mean age was 23.8 ranging from 18 to 52. In terms of gender, the sample had 52% male and 48% female. As for ethnicity, 45.8% were Caucasian/White, 10.6% were African American, 17.1% were Hispanic, 19.6% were Asian and the rest were of other ethnicities (6.7%). In terms of education (highest level completed), 3.7% had a high school diploma, 52% had some college, 28.3% had an associates degree, 5.4% had a college degree, 5.9% had some graduate school, and 4.7% had a masters degree.

6.2.2 Manipulation Check

A procedure of cleaning was followed after data collection and entry. As has been stated previously, a final data sample of 406 was found to be usable surveys. There were still some missing data points which were dealt with using a series mean imputation technique.

Of the 406 surveys, 102 were for version 1 (Baskin Robbins minor logo change), 102 were for version 2 (Baskin Robbins major logo change), 102 were for version 3 (Payless Shoe Source minor logo change), and 100 were for version 4 (Payless Shoe Source major logo change). This represented a good balanced number for minor and major logo changes for each brand. A manipulation check was also conducted as in the pilot study to test if there was a significant difference between the

minor and major logo changes for both Baskin Robbins and Payless Shoe Source using the perceived degree of logo change (PDLC) construct as the dependent variable. A one way ANOVA was used and a significant difference was found between the minor and major logo change for both Baskin Robbins (F= 127.97, P<0.05) and Payless Shoe Source (F= 269.69, P<0.05). More specifically, the mean for the minor logo change for Baskin Robbins (version 1) was 2.89 (SD= 1.45). Whereas the mean for the major logo change for Baskin Robbins (version 2) was 5.09 (SD= 1.31). As for Payless Shoe Source, the mean for the minor logo change (version 3) was 3.00 (SD= 1.36), whereas the mean for the major logo change (version 4) was 5.99 (SD= 1.22).

6.3 Measurement Model

Due to the complexity of the model and with several dependent and independent variables involved, a structural equations modeling technique was found as most appropriate to use. Anderson's and Gerbing's (1988) recommended two-step approach for structural equation modeling was used. Using the constructs defined in our model, a measurement model was first run using LISREL (version 8.72). The data for our model was imported into PRELIS from SPSS and then a SIMPLIS project was created for our measurement model. The model included the following constructs (latent variables): perceived degree of logo change (PDLC), perceived valence of logo change (PVLC), curiosity of interest toward logo change (CURI), curiosity of deprivation toward logo change (CURD), skepticism toward logo change (SKEP), resistance toward logo change (RESIS), and brand attitude after logo change (NBATT). The items were made to load on each corresponding latent variable. The Maximum Likelihood approach (MLE) was

used to evaluate these items. Appendix E shows the original scale items and item coding used.

We first ran the model with all the construct items (before removing any items) and the resulting fit indices of the model are shown in Table 6.1 below:

Table 6.1: Fit Indices of the Measurement Model with All Items Included.

Fit Indices	Value
Chi-Square	1269.41 ($P < 0.05$) Df= 384
Root Mean Square Error of Approximation (RMSEA)	0.075
Normed Fit Index (NFI)	0.94
Comparative Fit Index (CFI)	0.96
Root Mean Square Residual (RMR)	0.26
Goodness of Fit Index (GFI)	0.83

The fit indices for the measurement model above with all the items included seem to be fair to begin with (e.g. CFI > 0.95) but can accommodate some measurement purification to improve its fit. During this measurement purification stage the items skep6 and curd5 were removed mainly due to having low loadings[41]. Item curd1 was also removed due to high modification indices. The fit indices of the measurement model had improved now to an RMSEA=0.061, CFI= 0.98, RMR=0.15, and GFI=0.88. The model fit was further improved[42] and the final measurement model had an adequate fit[43] as shown by the Table 6.2 below. Appendix G shows the final measurement model and final items and their loadings.

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[41] Please refer to Appendix F for a table showing the loadings of all the construct items.
[42] Two more items were removed (curi4 and skep1) mostly due to high modification indices.
[43] The significant Chi-Square is not critical here because of the large sample size used.

Table 6.2: Fit Indices of the Final Measurement Model.

Fit Indices	Value
Chi-Square	538.60 (P <0.05) Df=254
Root Mean Square Error of Approximation (RMSEA)	0.053
Normed Fit Index (NFI)	0.97
Comparative Fit Index (CFI)	0.98
Root Mean Square Residual (RMR)	0.14
Goodness of Fit Index (GFI)	0.90

In addition to model fit an assessment of construct validity was done by evaluating the convergent and discriminant validity of each construct. In convergent validity we wanted to test and see if the items or the indicators that represented each construct loaded well on it. On the other hand, the discriminant validity procedure was used to assess the uniqueness of each construct and that it is different from the other constructs.

To assess convergent validity, the MLE factor loadings were checked. The factor loadings for the items of each construct were all greater than 0.5 with most exceeding 0.7. The loadings ranged from 0.56 to 0.99[44] and all were significant (p<0.01). This provides support for the convergent validity of the constructs used. Appendix A presents a table with all the factor loadings used (referred to from the completely standardized solution output).

To assess discriminant validity, the average variance extracted (AVE) procedure was used (Dillon and Goldstein, 1984). The average variance extracted for all constructs were all above the 0.5 cutoff. Furthermore, the average variance extracted for each

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[44] Refer to Appendix G for the final item loadings.

construct was greater than the squared correlations between constructs (Φ^2)[45]. This provides evidence for the discriminant validity of the constructs used.

A reliability test was also conducted to test that the items are measuring the same construct and hang well together. The reliability test shows that the items for each construct have a good alpha value with all above 0.8 and most above 0.9 indicating good reliability and that the items for each construct hang together well. Table 6.3 shows the alpha level and average variance extracted for each construct.

Table 6.3: Construct Reliability and Average Variance Extracted

Code	Construct	Alpha	AVE
PDLC	Perceived Degree of Logo Change	0.95	0.86
PVLC	Perceived Valence of Logo Change	0.97	0.92
SKEP	Skepticism Toward Logo Change	0.89	0.69
CURI	Interest Curiosity Toward Logo Change	0.96	0.87
CURD	Deprivation Curiosity Toward Logo Change	0.85	0.68
RESIS	Resistance Toward Logo Change	0.91	0.67
NBATT	Brand Attitude After Logo Change	0.98	0.95

From the results shown, the measurement model seems to exhibit a good fit, with an adequate convergent and discriminant validity and good reliability. The model is ready for the next step of the structural model.

6.4 Structural Model

After running the measurement model, and having been satisfied with the overall model fit, convergent and discriminant validity and reliability, the structural model was then run after including the hypothesized paths into the code. An assessment

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[45] Refer to Appendix H for the assessment of discriminant validity through the AVE and the squared correlations between constructs (Φ^2).

of the fit indices also indicated a reasonably adequate fit. The structural model fit indices were as shown in Table 6.4 below. Appendix I shows the resulting structural model.

Table 6.4: Fit Indices of the Structural Model

Fit Indices	**Value**
Chi-Square	629.38 (P < 0.05) Df=258
Root Mean Square Error of Approximation (RMSEA)	0.060
Normed Fit Index (NFI)	0.96
Comparative Fit Index (CFI)	0.97
Root Mean Square Residual (RMR)	0.34
Goodness of Fit Index (GFI)	0.89

6.5 Hypotheses Testing

After running the structural model, the hypotheses predicted earlier in chapter 4 were tested. The t-values generated for each predicted path were used to test our hypotheses. A t-value of 1.96 or greater was used to assess significance and support.

The first hypothesis H1a predicted that the perceived degree of logo change will positively influence the deprivation curiosity toward the logo change. The relationship had a parameter estimate (or path coefficient)[46] of 0.11 and a t-value of 2.00 ($p < 0.05$) indicating significance. Thus our hypothesis H1a was supported.

Hypothesis H1b predicted that the perceived degree of logo change will positively influence the interest curiosity toward the logo change. The relationship had a parameter estimate of 0.15 and a t-value of 2.80 ($p < 0.01$) indicating significance. Thus our hypothesis H1b was supported.

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[46] The parameter estimates (path coefficients) quoted here are the standardized coefficients.

Hypothesis H2 predicted that the perceived degree of logo change will positively influence the skepticism toward the logo change. The relationship had a parameter estimate of 0.12 and a t-value of 2.70 ($p < 0.01$) indicating significance. Thus our hypothesis H2 was supported.

Hypothesis H3 predicted that the perceived degree of logo change will positively influence the resistance toward the logo change. The relationship had a parameter estimate of 0.09 and a t-value of 2.29 ($p < 0.05$) indicating significance. Thus our hypothesis H3 was supported.

Hypothesis H4 predicted that skepticism toward a logo change will positively influence the resistance toward the logo change. The relationship had a parameter estimate of 0.29 and a t-value of 5.98 ($p < 0.01$) indicating significance. Thus our hypothesis H4 was supported.

Hypothesis H5a predicted that deprivation curiosity toward a logo change will positively influence the resistance toward the logo change. The relationship had a parameter estimate of 0.21 and a t-value of 5.08 ($p < 0.01$) indicating significance. Thus our hypothesis H5a was supported.

Hypothesis H5b predicted that interest curiosity toward a logo change will negatively influence the resistance toward the logo change. The relationship had a parameter estimate of 0.03 and a t-value of 0.75 ($p > 0.05$) indicating non-significance. Thus our hypothesis H5b was not supported.

Hypothesis H6 predicted that deprivation curiosity toward a logo change will positively influence the skepticism toward the logo change. The relationship had a

parameter estimate of 0.21 and a t-value of 4.62 ($p < 0.01$) indicating significance. Thus our hypothesis H6 was supported.

Hypothesis H7a predicted that the perceived valence of logo change will negatively influence the deprivation curiosity toward the logo change. The relationship had a parameter estimate of -0.24 and a t-value of -4.50 ($p < 0.01$) indicating significance. Thus our hypothesis H7a was supported.

Hypothesis H7b predicted that the perceived valence of logo change will positively influence the interest curiosity toward the logo change. The relationship had a parameter estimate of 0.20 and a t-value of 3.77 ($p < 0.01$) indicating significance. Thus our hypothesis H7b was supported.

Hypothesis H8 predicted that the perceived valence of logo change will negatively influence the skepticism toward the logo change. The relationship had a parameter estimate of -0.53 and a t-value of -11.32 ($p < 0.01$) indicating significance. Thus our hypothesis H8 was supported.

Hypothesis H9 predicted that the perceived valence of logo change will negatively influence the resistance toward the logo change. The relationship had a parameter estimate of -0.47 and a t-value of -9.46 ($p < 0.01$) indicating significance. Thus our hypothesis H9 was supported.

Hypothesis H10a predicted that deprivation curiosity toward a logo change will negatively influence the brand attitude after the logo change. The relationship had a parameter estimate of 0.10 and a t-value of 1.87 ($p > 0.05$) indicating non-significance. Thus our hypothesis H10a was not supported.

Hypothesis H10b predicted that interest curiosity toward a logo change will positively influence the brand attitude after the logo change. The relationship had a parameter estimate of 0.19 and a t-value of 3.96 (p < 0.01) indicating significance. Thus our hypothesis H10b was supported.

Hypothesis H11 predicted that skepticism toward a logo change will negatively influence the brand attitude after the logo change. The relationship had a parameter estimate of -0.25 and a t-value of 3.86 (p < 0.01) indicating significance. Thus our hypothesis H11 was supported.

Hypothesis H12 predicted that resistance toward a logo change will negatively influence the brand attitude after the logo change. The relationship had a parameter estimate of 0.12 and a t-value of 1.85 (p > 0.05) indicating non-significance. Thus our hypothesis H12 was not supported.

Figure 6.1 below shows the hypotheses results (standardized path coefficients) and Table 6.5 shows a summary of the hypotheses.
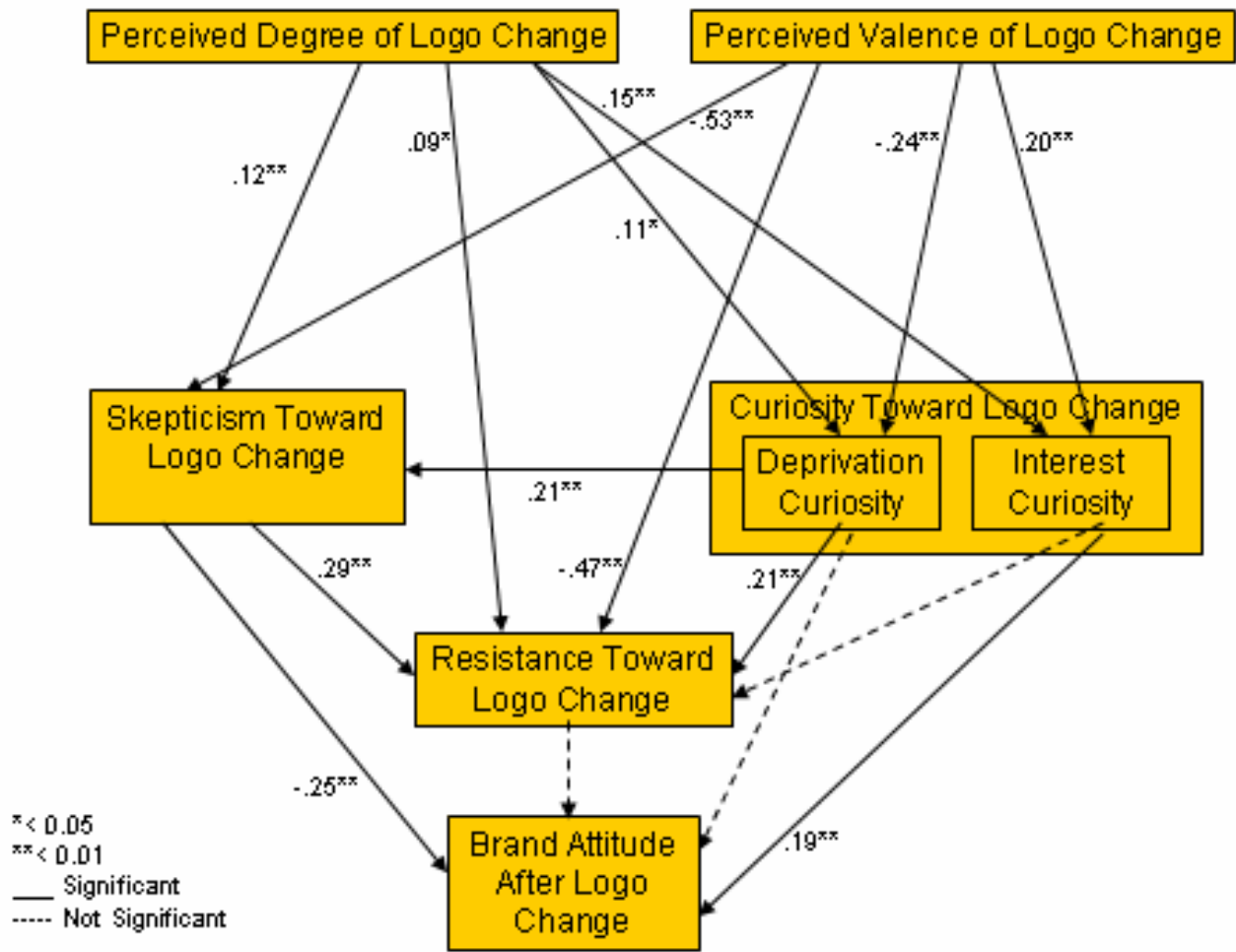
Figure 6.1: Model showing supported/unsupported hypotheses (with standardized path coefficients)

Table 6.5: Summary of Hypotheses Results

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

CHAPTER 7

DISCUSSION, LIMITATIONS & FUTURE RESEARCH

In this chapter the results of the study are discussed. Limitations of the study are also presented followed by the theoretical contribution. This is finally followed by some managerial implications and directions for future research.

7.1 Results Discussion

The hypotheses can be classified into four sets: the first studied the effect of the perceived degree of logo change on curiosity, skepticism, and resistance toward the logo change; the second investigated the relationships between curiosity, skepticism, and resistance toward logo change; the third investigated the effect of the perceived valence of logo change on curiosity, skepticism, and resistance of logo change; and the fourth studied the effect of curiosity, skepticism, and resistance toward logo change on brand attitude after the logo change.

Our first set of hypotheses dealt with the effect of the perceived degree of logo change on curiosity, skepticism and resistance toward the logo change. This first set of hypotheses (H1-H3) was all supported as previously shown. The first hypotheses (H1a and H1b) studied the relationship between the perceived degree of logo change and curiosity (deprivation and interest). The supported curiosity hypotheses showed that the perceived degree of logo change will positively influence the deprivation curiosity and

the interest curiosity toward the logo change. This lends some support to Loewenstein's (1994) information gap theory where the bigger the logo change (in our case), the bigger the gap in information (though up to some optimum point) which thus leads to greater curiosity[47]. Perhaps more clearly, the "incongruity theories" perspective also helps explain how a logo change can be viewed as a surprise or an unexpected event (especially for a big and more drastic logo change) which leads to greater curiosity whether through the asking of the "whys" or "whats" about the logo change. In sum, what this seems to tell us is that the higher the degree of logo change, the higher the curiosity toward this logo change in terms of deprivation curiosity, as in the need to know why and what was wrong with the old logo to necessitate such a change, and in terms of interest curiosity and the interest in knowing and learning more about the logo change.

The supported hypothesis H2 showed that the perceived degree of logo change will positively influence the skepticism toward the logo change. This means that the higher the degree of logo change the more skeptical, distrustful and doubtful the consumer feels toward the logo change. This lends support to the view that a logo change can be considered as an experience advertising claim which needs to be experienced before being believed and thus generates greater skepticism than a search claim would (Ford et al. 1990; Feick and Gierl, 1996). Likewise, H3's support shows that the higher the degree of logo change the higher the resistance toward the logo

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[47] It is important to mention again that the information gap theory states that the relationship between the information gap and curiosity is an inverted U where under low or under high information gap levels, there would be low curiosity. However in our case we still think that this gap would be "moderate" in terms of information gap leading to an increased or high level of curiosity.

change. This also seems to agree with our earlier discussion (in chapter 4) that a logo change can be compared to new product innovation and its resistance (Ram, 1985; Ram and Sheth, 1989; Ellen, Bearden and Sharma, 1991), and to resistance toward organizational change (Woodward, 1968; Powell and Posner, 1978; Bryant, 1979; Stanislao and Stanislao, 1983; Caruth, Middlebrook, and Rachel, 1985; Leffingwell, 1985; Diamond, 1986; Folger and Sharlicki, 1999; Piderit, 2000; Stanley, Meyer and Topolnytsky, 2005; de Jager, 2001; del Val and Fuentes, 2003) in general.

Thus this first set of supported hypotheses tells us that higher or more drastic logo changes will make consumers more curious not only about knowing more about this logo change but also wondering about the reasons for the change and what was wrong with the old logo to really merit such a big change. Furthermore, such drastic logo changes seem to infuse skeptic thoughts in consumers' minds about this logo change and resistance toward it by not wanting to have the logo changed and leaving it alone (like it previously was).

The second set of hypotheses looked at the relationships between curiosity, skepticism and resistance toward the logo change (H4-H6). Skepticism toward the logo change had a positive relationship with resistance toward the logo change (H4) showing that as people become more skeptical and distrustful of the logo change they begin resisting the change and not wanting it. On the relationship between curiosity and resistance, deprivation curiosity had a positive relationship with resistance toward the logo change (H5a) showing that as consumers begin questioning more the reasons for the change, and what was wrong with the old logo to merit such a change, this seems to

result in resisting such a change and wanting to stick with the old logo. On the other hand the negative relationship between interest curiosity and resistance toward the logo change was not significant and thus not supported. This shows that the relationship between the interest curiosity and resistance construct is not strong enough to reach significance. The positive path coefficient is also in the opposite direction (as a negative relationship was proposed) which warrants further future investigation, but the fact that the correlation and covariance matrices showed a negative relationship between the interest curiosity construct and the resistance to logo change (which is in agreement with the hypothesized direction) may hold clues to a better understanding of it. In the case of hypothesis H6, it was found that deprivation curiosity showed a positive relationship with skepticism toward the logo change as expected. This seems to agree with the buildup to this hypothesis when reference was made to how questions that arise during organizational changes get filled in with cynicism of the change (Reichers et al., 1997). This supported hypothesis basically says that when consumers begin asking for reasons for a logo change and what was wrong with the old logo, they are left with a void of unanswered questions, which become filled in with skepticism, distrust and doubt toward this logo change.

The third set of hypotheses discussed the perceived valence of logo change and its effect on curiosity, skepticism and resistance toward the logo change (H7-H9). All the predicted hypotheses were supported as previously shown. The curiosity constructs are interesting and it's important to shed some more light on them. Our decision to treat curiosity as two different constructs between deprivation and interest during the

hypotheses development is an important one which the supporting hypotheses clearly reflect. This decision was made in reference to the literature on *trait* curiosity which has classified it into two dimensions: an "interest" dimension (Peterson and Seligman, 2004; Kashdan, Rose, and Fincham, 2004; Collins, Litman, and Spielberger, 2004; Litman and Spielberger, 2003) and a "deprivation" dimension (Litman and Jimerson, 2004). The hypotheses found that the perceived valence of logo change had a negative relationship with the deprivation curiosity toward the logo change (H7a) and a positive relationship with the interest curiosity toward the logo change (H7b). This means that when consumers view the new logo as better off (more favorable) than the old logo they would be less inclined to ask questions dealing with the necessity of the change and what was wrong with the old logo (deprivation curiosity). On the other hand when consumers hold such positive views toward the new logo as compared with the old one, they would more likely want to know more and learn more about the logo change (interest curiosity).

It is critical to point here to the striking difference in signs between the two types of curiosities which shows the importance of separating the curiosity construct into its deprivation and interest types. Research on trait curiosity pointed this distinction in signs (Litman and Jimerson, 2004; Litman and Silvia, 2006). If we would have considered curiosity as one construct, the relationship may have gone either way or perhaps even more toward having no effect as the two could have washed out or offset the effects of each other. This may be an important contribution to the literature on curiosity. While these two types of curiosities have been identified by the literature

recently as we have stated but it is important to mention that they were looked into as an individual characteristic (trait) whereas we show its extension and relevance here to a situation or state such as the logo change in our case. The perceived valence of logo change was also found to negatively influence skepticism toward the logo change (H8). This means that consumers who viewed the new logo as more favorable than the old logo were much less skeptical, distrustful, and doubtful toward the logo change. It may also be important to mention here that this relationship showed the highest path coefficient reflecting a strong effect. A similar strong relationship was found between the perceived valence of logo change and resistance toward the logo change (H9) which was also strongly negative showing again that consumers who viewed the new logo as better off than the old one were less likely to resist such a logo change and more likely to accept it.

The final set of hypotheses addressed the effect of curiosity, skepticism and resistance toward the logo change on brand attitude after the logo change (H10-H12). In terms of curiosity, interest curiosity had a positive relationship with brand attitude (H10b) showing that the more interested the respondent was about finding out more and learning more about the logo change, the more positive the brand attitude. This also seems to lend some support to the study (Menon and Soman, 2002) which showed that "curiosity-based processing of advertising resulted in better product evaluation and greater perceived novelty" (p. 11). On the other hand, the relationship between deprivation curiosity and brand attitude was not supported (H10a). The non-significant relationship was also in the opposite direction hypothesized. This may seem puzzling a

little and would probably warrant some future investigation. What may be interesting to note here is that the relationships of deprivation and interest curiosity with resistance toward the logo change and brand attitude after the logo change reflected an either or situation. What is meant here is that when deprivation curiosity had a significant relationship with resistance toward the logo change, interest curiosity did not and vice versa with regards to brand attitude. This finding, though may be just coincidental, may also hold some clues to better understand these relationships and help explain the insignificant results. As for the effect of skepticism toward the logo change on brand attitude (H11), a significant negative relationship was found as expected. This basically meant that when people become more skeptical, distrustful, and doubtful about a logo change, this would likely lead to a more negative brand attitude which isn't very surprising. The final hypothesis that predicted a negative relationship between resistance toward the logo change and brand attitude after the logo change (H12) was insignificant and not supported. Though the path coefficient is positive (which is in the opposite direction hypothesized), the covariance and correlation matrices showed a negative relationship between resistance and brand attitude (which is in the direction hypothesized). This may help shed some light on the hypothesis's insignificance. A possible reason for this may be that consumers who had high deprivation curiosity may have also had high interest curiosity (as H1a and H1b showed) thus washing out the effect on brand attitude.

In sum, this study showed that the when consumers get exposed to a logo change, the degree or magnitude of the logo change and the valence or favorability of

the logo change matters a lot. After getting exposed to a logo change, consumers seem to show a form of "coping" with this logo change through their deprivation and interest curiosity, and their skepticism toward the logo change, and perhaps ultimately through their resistance toward this logo change. In some way it can be said that there is a negative side and positive side to this phenomenon. The degree of logo change presents a negative force that may result in more questioning of the necessity of the change, more skepticism, and more resistance toward the logo change. On the other hand, the valence of the logo change presents a positive force that results in more interest in knowing and learning more about the change, less skepticism, and less resistance or rather more acceptance of the logo change.

What seems to be interesting to further mention was that though the degree of logo change and the valence of the logo change both matter on their effect on curiosity (deprivation and interest), skepticism, and resistance toward the logo change, the valence of logo change seems to have a bigger say in the model. This was reflected by the stronger relationships shown through the higher path coefficients (than those for the perceived degree of logo change). Though it hasn't been tested here but we expect that the perceived valence of logo change may play a moderating role mitigating the negative effects of the perceived degree of logo change.

<u>7.2 Limitations</u>

This study has some important limitations that need to be taken into consideration before generalizing any findings.

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Perhaps the most important limitation of this study was the number and type of brand logos used. The restricted use of two brands (Baskin Robbins and Payless Shoe Source) for the minor and major logo change is an important limitation of the study, though it is important to note that this allowed a focused comparison to be made which provides an experimental framework – the strongest test of theory that we could make. We have sought to use consumer related brands that subjects would likely be familiar with, however the type of brands selected and the categories they represent (ice cream and shoes) may also provide another limitation. Future studies can test our model using different brands with different categories from the ones used.

Another limitation also related to the brand logos used was the degree of logo change shown. The degree of logo change was only represented with two degrees: a minor and major logo change with nothing in between. This was done because of the between subject design nature of the study where each subject only got one logo change. This made it difficult at the time to get more than two degrees of change because of the huge sample size to be needed especially in knowing that we were using two brands with four survey versions. However, future research can help address this issue if possible by having a middle ground logo change which may help provide further stronger support to the findings. Though it is very difficult if not impossible to have a recent *"real" or "actual" minor and major logo change* for the *same brand*

available, it is still important to take note of the fact that the minor logo changes used were hypothetical ones whereas the major logo changes were real or actual ones[48].

A final limitation of this study is the scales used to measure our constructs. Several of the scales used (perceived valence of logo change, deprivation curiosity toward logo change, interest curiosity toward logo change, skepticism toward logo change, and resistance toward logo change) were created or adapted and not directly used from previous studies. In spite of the construct validity assessed and good reliability reported of these scales they have to be better developed and further validated in future studies.

7.3 Theoretical Contribution

This study presented an important investigation on a topic that has been relatively neglected by the academic literature in spite of its great importance and relevance to businesses and organizations in general. It provides a better understanding of the rebranding topic and specifically logo changes from the viewpoint of the consumer. Though the previous two studies did generally investigate people's preferences and attitudes toward logo changes (Pimentel and Heckler, 2000; Walsh et al. 2006), these preliminary studies did not directly study the underlying psychological reactions that go through the consumer's mind other than being attached to a brand and its old logo.

This investigation provided a better and more in depth understanding of the phenomenon by presenting a "coping" mechanism that a consumer goes through when

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[48] Alternatively future research can explore a "real" minor and a "real" major logo change of *different* brands.

exposed to a logo change. This "coping" mechanism was accounted for by the curiosity (deprivation and interest), skepticism, and resistance generated toward the logo change that this study helped explore.

Another important contribution was the presentation of the curiosity toward the logo change construct as two different constructs: deprivation and interest. Previous research in curiosity has identified that curiosity should be looked at as two different types, interest and deprivation, but this was for curiosity as an individual trait. What this study helped in contributing was that this interest/deprivation view of curiosity can be extended beyond just an individual traits measure to a situational or state measure such as the logo change in our case.

In addition to its contribution to the literature on curiosity, this study also added to the literature on skepticism and resistance to change. Furthermore, the relationships investigated between the "coping" constructs of curiosity, skepticism, and resistance toward the logo change also presented a contribution to the literature on logo changes and to the rebranding topic in general. The study can also perhaps be extended to see if it applies to other forms of change.

<u>7.4 Managerial Implications</u>

The initial trigger of this dissertation was an observation that I made of how many companies and organizations rebrand and more specifically change their logos. So the precursor of this study was an act that companies do and so part of the objectives was to have some direct managerial implications because it was based on a phenomenon that happens everyday and that businesses always do.

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The results of our findings 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 first: how big the logo change would be, and how better or worse off the new logo would be as compared to the old logo, from the consumer's viewpoint.

In terms of the magnitude or degree of logo change, it is important for businesses and organizations to understand, that the bigger the logo change, the more likely it would raise questions by consumers as to the need for such a change and what was wrong with the old logo. Furthermore, consumers may begin to get skeptical, distrustful and doubtful toward the logo change and resist it. Consumer skepticism toward the logo change was also found to directly affect brand attitude after the logo change. This may be of great importance to know and prepare for especially for brand managers. Because of the questioning that gets raised about the necessity of the logo change and the skepticism that results, companies would probably be better off if they provide some meaningful marketing communication to their consumers. This may be done by announcing such logo changes (especially drastic logo changes), and providing some rationale and more information on the logo change and what it would likely entail. Failing to do so may leave their customers with unanswered questions that can be filled in with skepticism that may ultimately affect their attitude toward the brand.

However, though the magnitude of logo change presents a grim picture for companies thinking of drastically changing their logos, there is a nicer side to it. The findings also showed that the more favorable the new logo was viewed as compared

with old logo (i.e. as perceived by consumers), the less the questions to be raised about the necessity of the logo change. In addition, a more favorably seen new logo would likely generate less skepticism, distrust and doubt about the logo change and may make consumers less resistant and more accepting of it. This means that companies thinking of changing their logos should definitely get their customers say on it and not just surprise them with a design that perhaps only the graphic designers liked and embraced.

More importantly, though both degree and valence of logo change matter, the findings also showed that the perceived valence of the logo change seemed to be a more critical criterion to judge a new logo than the degree or magnitude of the logo change. In other words, if a company decides to go for a drastic logo change, consumers would be less questioning about it, less skeptical, and can much better accept the new logo if they view it as more favorable and better than the old logo.

7.5 Directions for Future Research

The topic of rebranding as has been introduced in the beginning of this study is a very important topic and may be considered still in its infancy stage of academic research. Future research possibilities in this area seems plentiful.

Regarding our particular study, some post hoc analysis can test to see if the perceived valence of logo change does moderate the relationship between the perceived degree of logo change and deprivation curiosity, skepticism, and resistance toward the logo change thus helping mitigate the negative effects of high degrees of logo change. Furthermore, a study can be done to see if deprivation curiosity mediates the relationships between the perceived degree/valence of logo change and skepticism

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toward logo change; and also between the perceived degree/valence of logo change and resistance toward logo change. In addition, the mediating role of "coping" (through curiosity, skepticism, and resistance toward the logo change) can be tested between the perceived degree/valence of logo change and brand attitude after the logo change.

In this study, the survey included some additional constructs that were measured for future research. The roles played by individual factors such as brand involvement, prior brand attitude, skepticism toward marketing, trait cynicism, and change-seeking index may be investigated through their effect on curiosity, skepticism, and resistance toward logo change. These individual factors may also be studied as moderators to the relationships discussed. Of particular importance may be the prior brand attitude construct. It would be interesting to see if a brand that has a prior negative attitude and low image would improve and change toward a more neutral or even positive brand attitude after a logo change. In terms of moderating variables, future research can also explore the moderating roles of fit (in terms of category fit, brand fit and company fit) and how that would influence consumers' perceptions of a logo change. Moreover, a study can also investigate the effect on brand personality after a logo change.

In this study, the effect of logo changes was investigated, a similar study can be replicated to study the effects of name and slogan changes and a combination of those and to see if the effects get more or less pronounced. Another research stream can investigate the effect of logo changes on perceptions of product changes, service changes, and company changes.

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Furthermore, when talking about logos, the specific type of logos in terms of symbols and fonts has not been addressed in this research and can provide greater insight. Future research can explore the different types of logo changes in terms of a font change versus a symbol change and both, and see if their effects on consumer perceptions are similar or different, and what seems to provide the greatest or least impact.

Another stream of research that represents an important future direction can look at the role that marketing communications can play in influencing the perceptions of consumers toward logo changes. During the qualitative research conducted several interviewees conveyed the necessity of including some form of marketing communication when announcing a logo change (if it were even announced to begin with) especially addressing the "why change" and "what will change" questions that get raised. A study can investigate the effects of giving a reason versus not when announcing a logo change and to see if such communication can help alleviate any negative perceptions about logo changes. This may also include looking at different types of marketing communications such as the use of factual information, humor, and others.

From an organization perspective, getting the perceptions of employees and comparing it with those of consumers' perceptions toward a company's logo change may be another worthwhile study that can provide further insight into the topic.

Another future research direction can focus on the financial side of rebranding and more specifically logo changes through an event study for instance. A matched

sample comparison between rebranded brands and unrebranded brands can also be studied to look for any significant differences. Last but not the least, the international side of rebranding and more specifically logo changes needs to be explored. More specifically, the effect of culture on consumers views of rebranding and logo changes can provide some interesting findings of how some cultures can be more likely to accept change whilst others may be less so.

In conclusion, this dissertation helped provide a better understanding of the important yet greatly neglected topic of rebranding using the specific case of logo changes. The important finding of how consumers "cope" with logo changes presents an avenue of future research in this topic that only seems to be in its infancy now. In sum, a logo change can in some sense present a threat or an opportunity that a company takes. If done right and if customers had their say in it, a logo change, even if drastic can be embraced; otherwise businesses can run the risk of perhaps alienating their customers and letting their minds roll into thoughts that they would probably want to avoid.

APPENDIX A

QUALITATIVE RESEARCH: INTERVIEW QUESTIONS

Rebranding (Logo changes) In-Depth Interview Questions

1. Do you use brands in your everyday life? What brands do you use?

2. What do these brands mean to you?

3. Have you noticed any brands that have "changed" or had a "new look" or rebranded?

4. Please share with me your "slow-motion" replay of how you encountered a changed brand this year?
     - How did you become aware of the change?
     - What changed?
     - How did you feel about it?
     - What did you do about it?

5. What do you think of these brands?

6. What do brand logos specifically mean to you?

7. Have you noticed any brand logos that changed?

8. What is the first thing that comes to mind when you look at these brand logos that changed? What do you think of this change? What does it mean to you?

9. What does this brand logo change tell you about the company/brand, and where it is headed?

10. Would you like to see a change in some of the brands you like/dislike?

11. After seeing a brand logo change, what would you expect to happen? See?

12. I will show you some examples of a brand logo changes and want your view on them. What do you think of these logo changes? Do you like it or not? Why? How appropriate do you find this change?
    a. An example of a possibly unfamiliar brand logo change
    b. An example of a possibly familiar brand logo change
    c. An example of a hypothetical brand logo change?

13. Is there anything else you want to add about brand logo changes?

14. Demographics:
      Age/ Sex/ Ethnicity/ Education

APPENDIX B

QUALITATIVE RESEARCH: LOGOS USED

APPENDIX C

MAIN SURVEY (VERSION 1)

UTA

Department of Marketing, Box 19469
College of Business Administration, Room 234-1
Arlington, Texas 76019

Survey

In this study you will be asked to participate in a survey concerning your thoughts and feelings about brand logos and logo changes. Your participation is voluntary and please be assured that records of your participation and any data collected will be anonymous and the responses will only be presented in the aggregate form. The brands and logos used in this survey are used for academic research purposes only and are not affiliated with any company. This survey will take you on average 15 minutes to complete. Thank you for your participation.

**Please answer <u>ALL</u> the following questions in the order presented.
Do not leave any questions unanswered. Thank you for your cooperation!**

<u>Tell us about Yourself</u>
Please circle your choice or fill in the blank

1. Age: _____ years

2. Sex:
    1. Male
    2. Female

3. Ethnicity:
    1. Caucasian/White
    2. African American
    3. Native American
    4. Hispanic
    5. Asian
    6. Other (please report _____)

4. Education: (highest level completed)
    1. High school diploma
    2. Some college
    3. Associates degree
    4. College degree
    5. Some graduate school
    6. Masters degree
    7. PhD/JD/MD

The following questions are based on the Baskin Robbins brand logo shown below. Please circle an appropriate number from 1 to 7 that best reflects your opinion for each word or statement.

Baskin 31 Robbins.

5. How familiar are you with the Baskin Robbins logo/symbol above?

Unfamiliar	1	2	3	4	5	6	7	Familiar
Inexperienced	1	2	3	4	5	6	7	Experienced
Not knowledgeable	1	2	3	4	5	6	7	Knowledgeable

6. Please rate your attitude toward the Baskin Robbins logo/symbol above.

Bad	1	2	3	4	5	6	7	Good
Dislike	1	2	3	4	5	6	7	Like
Unfavorable	1	2	3	4	5	6	7	Favorable

7. Please rate your overall attitude toward the Baskin Robbins brand in general.

Bad	1	2	3	4	5	6	7	Good
Dislike	1	2	3	4	5	6	7	Like
Unfavorable	1	2	3	4	5	6	7	Favorable

8. How would you rate the importance of the Baskin Robbins brand to you?

Unimportant	1	2	3	4	5	6	7	Important
Irrelevant	1	2	3	4	5	6	7	Relevant
Means nothing to me	1	2	3	4	5	6	7	Means a lot to me
Worthless	1	2	3	4	5	6	7	Valuable
Doesn't matter to me	1	2	3	4	5	6	7	Matters to me

The brand logo below shows a new Baskin Robbins logo. Please answer the following questions in light of this logo change. Please circle an appropriate number from 1 to 7 that best reflects your opinion for each word or statement.

Baskin (31) Robbins.

9. How familiar are you with this new Baskin Robbins logo/symbol above?

Unfamiliar	1	2	3	4	5	6	7	Familiar
Inexperienced	1	2	3	4	5	6	7	Experienced
Not knowledgeable	1	2	3	4	5	6	7	Knowledgeable

10. Please rate your attitude toward this new Baskin Robbins logo/symbol above.

Bad	1	2	3	4	5	6	7	Good
Dislike	1	2	3	4	5	6	7	Like
Unfavorable	1	2	3	4	5	6	7	Favorable

11. Please rate your overall attitude toward the Baskin Robbins brand in general.

Bad	1	2	3	4	5	6	7	Good
Dislike	1	2	3	4	5	6	7	Like
Unfavorable	1	2	3	4	5	6	7	Favorable

12. How would you compare the new logo with the old logo?

Little difference	1	2	3	4	5	6	7	Very different
Minor modifications	1	2	3	4	5	6	7	Extensive modifications
No change	1	2	3	4	5	6	7	Completely changed

13. How would you rate the new logo compared to the old logo?

Considerably worse	1	2	3	4	5	6	7	Considerably better
Negative change	1	2	3	4	5	6	7	Positive change
More unfavorable	1	2	3	4	5	6	7	More Favorable

14. Please indicate your level of agreement/disagreement from 1 to 7 with the following statements in the space provided for each.

	Strongly Disagree			Neutral			Strongly Agree
	1	2	3	4	5	6	7
I feel suspicious about this logo change.	1	2	3	4	5	6	7
I feel distrustful about this logo change.	1	2	3	4	5	6	7
I feel skeptical about this logo change.	1	2	3	4	5	6	7
I feel doubtful about this logo change	1	2	3	4	5	6	7
I believe that this logo change is meant to deceive me.	1	2	3	4	5	6	7
They changed the logo to make it seem like a new product when it really isn't.	1	2	3	4	5	6	7

15. Please indicate your level of agreement/disagreement from 1 to 7 with the following statements in the space provided for each.

	Strongly Disagree			Neutral			Strongly Agree
	1	2	3	4	5	6	7
I'm curious to know more about this new logo.	1	2	3	4	5	6	7
I would be interested to find out more about this logo change.	1	2	3	4	5	6	7
I'm eager to know more about this logo change.	1	2	3	4	5	6	7
I feel that investigating the new logo would be worthwhile.	1	2	3	4	5	6	7
I would like to learn more about this logo change.	1	2	3	4	5	6	7
I wonder why they changed the logo.	1	2	3	4	5	6	7
I wonder what the problem was with the old logo.	1	2	3	4	5	6	7

	Strongly Disagree			Neutral			Strongly Agree
I want to know what was wrong with the old logo.	1	2	3	4	5	6	7
I feel I need to know the reason for this logo change.	1	2	3	4	5	6	7
It doesn't make sense to me why they would change the logo.	1	2	3	4	5	6	7

16. Please indicate your level of agreement/disagreement from 1 to 7 with the following statements in the space provided for each.

	Strongly Disagree			Neutral			Strongly Agree
I don't want the logo to change because I'm used to the old logo.	1	2	3	4	5	6	7
If I had a choice I would stick with the old logo.	1	2	3	4	5	6	7
I'm not comfortable with this logo change without a good explanation for it.	1	2	3	4	5	6	7
I prefer they leave the logo alone rather than change it.	1	2	3	4	5	6	7
If it were up to me, I wouldn't have changed the logo.	1	2	3	4	5	6	7
I hope that they didn't change the product/service with the logo change.	1	2	3	4	5	6	7
I'm afraid that the product/service may not be the same as the old.	1	2	3	4	5	6	7
I'm concerned about what the product/service will be like now.	1	2	3	4	5	6	7
It worries me that the product/service may change after this new logo.	1	2	3	4	5	6	7
I would be upset if the product/service changes with this new logo.	1	2	3	4	5	6	7

17. Please indicate your level of agreement/disagreement from 1 to 7 with the following statements in the space provided for each.

	Strongly Disagree			Neutral			Strongly Agree
	1	2	3	4	5	6	7
Most businesses operate on the philosophy that the consumer is always right.	1	2	3	4	5	6	7
The guiding philosophy of most businesses is to take advantage of consumers whenever possible.	1	2	3	4	5	6	7
Most businesses take their responsibility to the consumer seriously.	1	2	3	4	5	6	7
Most businesses are more interested in serving consumers than in making profits.	1	2	3	4	5	6	7

18. Please indicate your level of agreement/disagreement from 1 to 7 with the following statements in the space provided for each.

	Strongly Disagree			Neutral			Strongly Agree
	1	2	3	4	5	6	7
Most people will tell a lie if they can gain by it.	1	2	3	4	5	6	7
People pretend to care more about one another than they really do.	1	2	3	4	5	6	7
In today's world many people will take advantage of an honest person.	1	2	3	4	5	6	7
Most people are just in it for themselves.	1	2	3	4	5	6	7
Most people inwardly dislike putting themselves out to help other people.	1	2	3	4	5	6	7
Most people are not really honest by nature.	1	2	3	4	5	6	7

19. Please indicate your level of agreement/disagreement from 1 to 7 with the following statements in the space provided for each.

	Strongly Disagree			Neutral			Strongly Agree
I like to continue doing the same old things rather than trying new and different things.	1	2	3	4	5	6	7
I like to experience novelty and change in my daily routine.	1	2	3	4	5	6	7
I like a job that offers change, variety, and travel.	1	2	3	4	5	6	7
I am continually seeking new ideas and experiences.	1	2	3	4	5	6	7
I like continually changing activities.	1	2	3	4	5	6	7
When things get boring, I like to find some new and unfamiliar experience.	1	2	3	4	5	6	7
I prefer a routine way of life to an unpredictable one full of change.	1	2	3	4	5	6	7

THANK YOU FOR YOUR TIME & COOPERATION!

APPENDIX D

BRAND LOGOS USED IN SURVEY

Survey Version 1: Minor Logo Change (Baskin Robbins)

Survey Version 2: Major Logo Change (Baskin Robbins)

Survey Version 3: Minor Logo Change (Payless Shoe Source)

Survey Version 4: Major Logo Change (Payless Shoe Source)

APPENDIX E

ORIGINAL SCALE ITEMS & CODES

Code	Construct & Item Description
NBATT1	Brand Attitude After the Logo Change (Bad/Good)
NBATT2	Brand Attitude after the logo change (Dislike/Like)
NBATT3	Brand Attitude after the logo change (Unfavorable/Favorable)
PDLC1	Perceived Degree of Logo Change (Little difference/Very different)
PDLC2	Perceived Degree of Logo Change (Minor modifications/Extensive modifications)
PDLC3	Perceived Degree of Logo Change (No change/Completely changed)
PVLC1	Perceived Valence of Logo Change (Considerably worse/Considerably better)
PVLC2	Perceived Valence of Logo Change (Negative change/Positive change)
PVLC3	Perceived Valence of Logo Change (More unfavorable/More favorable)
SKEP1	Skepticism Toward Logo Change I feel suspicious about this logo change.
SKEP2	Skepticism Toward Logo Change I feel distrustful about this logo change.
SKEP3	Skepticism Toward Logo Change I feel skeptical about this logo change.
SKEP4	Skepticism Toward Logo Change I feel doubtful about this logo change.
SKEP5	Skepticism Toward Logo Change I believe that this logo change is meant to deceive me.
SKEP6	Skepticism Toward Logo Change They changed the logo to make it seem like a new product when it really isn't.

| Code	Construct & Item Description
CURI1	Interest Curiosity Toward Logo Change I'm curious to know more about this new logo.
CURI2	Interest Curiosity Toward Logo Change I would be interested to find out more about this logo change.
CURI3	Interest Curiosity Toward Logo Change I'm eager to know more about this logo change.
CURI4	Interest Curiosity Toward Logo Change I feel that investigating the new logo would be worthwhile.
CURI5	Interest Curiosity Toward Logo Change I would like to learn more about this logo change.
CURD1	Deprivation Curiosity Toward Logo Change I wonder why they changed the logo.
CURD2	Deprivation Curiosity Toward Logo Change I wonder what the problem was with the old logo.
CURD3	Deprivation Curiosity Toward Logo Change I want to know what was wrong with the old logo.
CURD4	Deprivation Curiosity Toward Logo Change I feel I need to know the reason for this logo change.
CURD5	Deprivation Curiosity Toward Logo Change It doesn't make sense to me why they would change the logo.
RESIS1	Resistance Toward Logo Change I don't want the logo to change because I'm used to the old logo.
RESIS2	Resistance Toward Logo Change If I had a choice I would stick with the old logo.
RESIS3	Resistance Toward Logo Change I'm not comfortable with this logo change without a good explanation for it.
RESIS4	Resistance Toward Logo Change I prefer they leave the logo alone rather than change it.
RESIS5	Resistance Toward Logo Change If it were up to me, I wouldn't have changed the logo.

APPENDIX F

FACTOR LOADINGS WITH ALL ITEMS

Item	Loading (Completely Standardized Solution)
NBATT1	0.96
NBATT2	0.99
NBATT3	0.97
PDLC1	0.94
PDLC2	0.96
PDLC3	0.89
PVLC1	0.96
PVLC2	0.97
PVLC3	0.95
SKEP1	0.79
SKEP2	0.87
SKEP3	0.95
SKEP4	0.89
SKEP5	0.58
SKEP6	0.4
CURI1	0.9
CURI2	0.96
CURI3	0.96
CURI4	0.84
CURI5	0.91
CURD1	0.84
CURD2	0.91
CURD3	0.85
CURD4	0.64
CURD5	0.55
RESIS1	0.81
RESIS2	0.88
RESIS3	0.62
RESIS4	0.92
RESIS5	0.84

APPENDIX G

FINAL MEASUREMENT MODEL & ITEMS
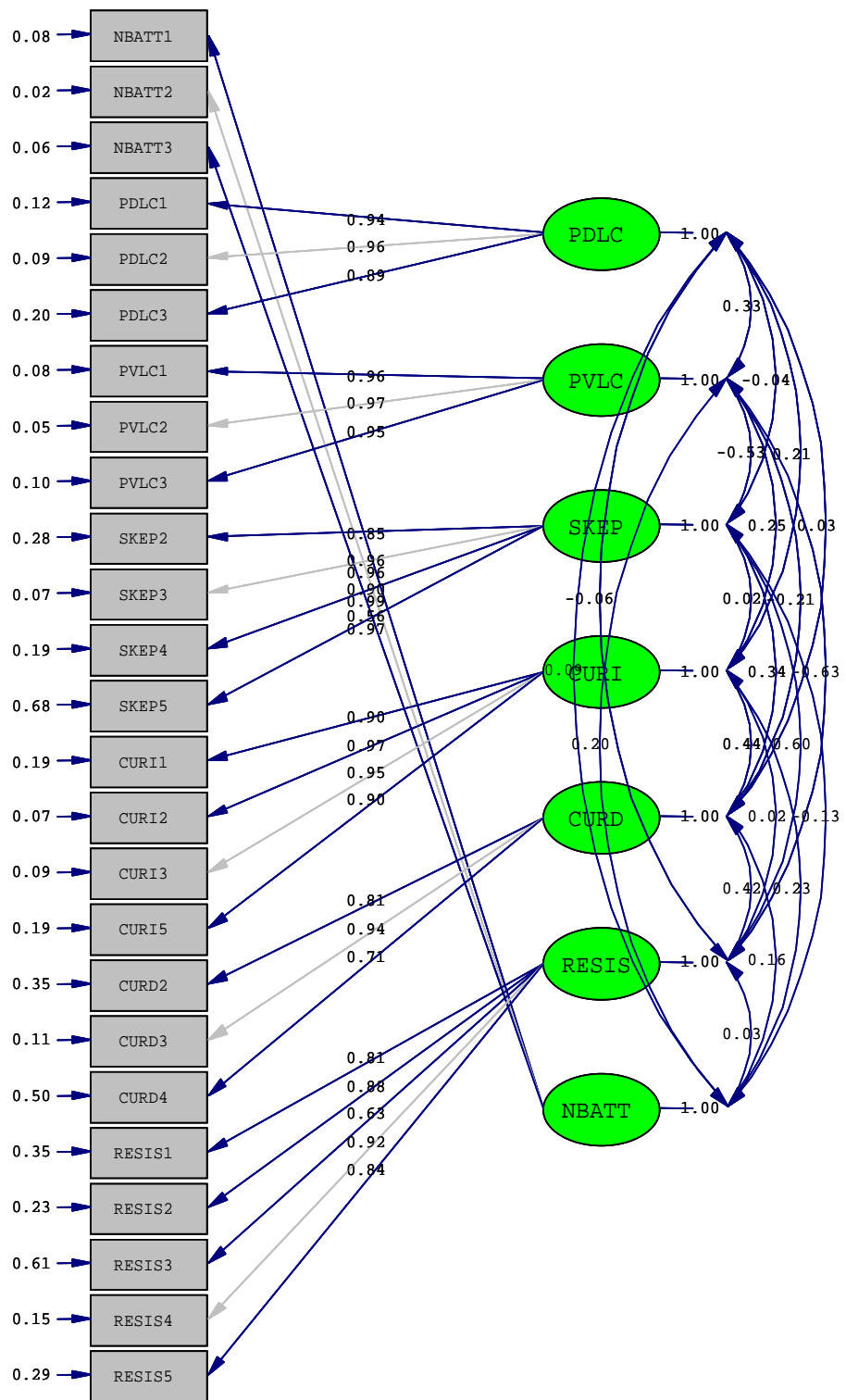
Chi-Square=538.60, df=254, P-value=0.00000, RMSEA=0.053

Final Measurement Model (Standardized Solution)

Item Code	Loading	Item Description
NBATT1	0.96	Brand Attitude After the Logo Change (Bad/Good)
NBATT2	0.99	Brand Attitude after the logo change (Dislike/Like)
NBATT3	0.97	Brand Attitude after the logo change (Unfavorable/Favorable)
PDLC1	0.94	Perceived Degree of Logo Change (Little difference/Very different)
PDLC2	0.96	Perceived Degree of Logo Change (Minor modifications/Extensive modifications)
PDLC3	0.89	Perceived Degree of Logo Change (No change/Completely changed)
PVLC1	0.96	Perceived Valence of Logo Change (Considerably worse/Considerably better)
PVLC2	0.97	Perceived Valence of Logo Change (Negative change/Positive change)
PVLC3	0.95	Perceived Valence of Logo Change (More unfavorable/More favorable)
SKEP2	0.85	Skepticism Toward Logo Change I feel distrustful about this logo change.
SKEP3	0.96	Skepticism Toward Logo Change I feel skeptical about this logo change.
SKEP4	0.9	Skepticism Toward Logo Change I feel doubtful about this logo change.
SKEP5	0.56	Skepticism Toward Logo Change I believe that this logo change is meant to deceive me.
CURI1	0.9	Interest Curiosity Toward Logo Change I'm curious to know more about this new logo.

| Item Code	Loading	Item Description
CURI2	0.97	Interest Curiosity Toward Logo Change I would be interested to find out more about this logo change.
CURI3	0.95	Interest Curiosity Toward Logo Change I'm eager to know more about this logo change.
CURI5	0.9	Interest Curiosity Toward Logo Change I would like to learn more about this logo change.
CURD2	0.81	Deprivation Curiosity Toward Logo Change I wonder what the problem was with the old logo.
CURD3	0.94	Deprivation Curiosity Toward Logo Change I want to know what was wrong with the old logo.
CURD4	0.71	Deprivation Curiosity Toward Logo Change I feel I need to know the reason for this logo change.
RESIS1	0.81	Resistance Toward Logo Change I don't want the logo to change because I'm used to the old logo.
RESIS2	0.88	Resistance Toward Logo Change If I had a choice I would stick with the old logo.
RESIS3	0.63	Resistance Toward Logo Change I'm not comfortable with this logo change without a good explanation for it.
RESIS4	0.92	Resistance Toward Logo Change I prefer they leave the logo alone rather than change it.
RESIS5	0.84	Resistance Toward Logo Change If it were up to me, I wouldn't have changed the logo.

APPENDIX H

DISCRIMINANT VALIDITY

AVE > Φ²

Φ² (Phi²)	PDLC	PVLC	SKEP	CURI	CURD	RESIS	NBATT	AVE
PDLC	--	0.1089	0.0016	0.0441	0.0009	0.0036	0.0081	0.86
PVLC	0.1089	--	0.2809	0.0625	0.0441	0.3969	0.04	0.92
SKEP	0.0016	0.2809	--	0.0004	0.1156	0.36	0.0169	0.69
CURI	0.0441	0.0625	0.0004	--	0.1936	0.0004	0.0529	0.87
CURD	0.0009	0.0441	0.1156	0.1936	--	0.1764	0.0256	0.68
RESIS	0.0036	0.3969	0.36	0.0004	0.1764	--	0.0009	0.67
NBATT	0.0081	0.04	0.0169	0.0529	0.0256	0.0009	--	0.95

APPENDIX I

STRUCTURAL MODEL
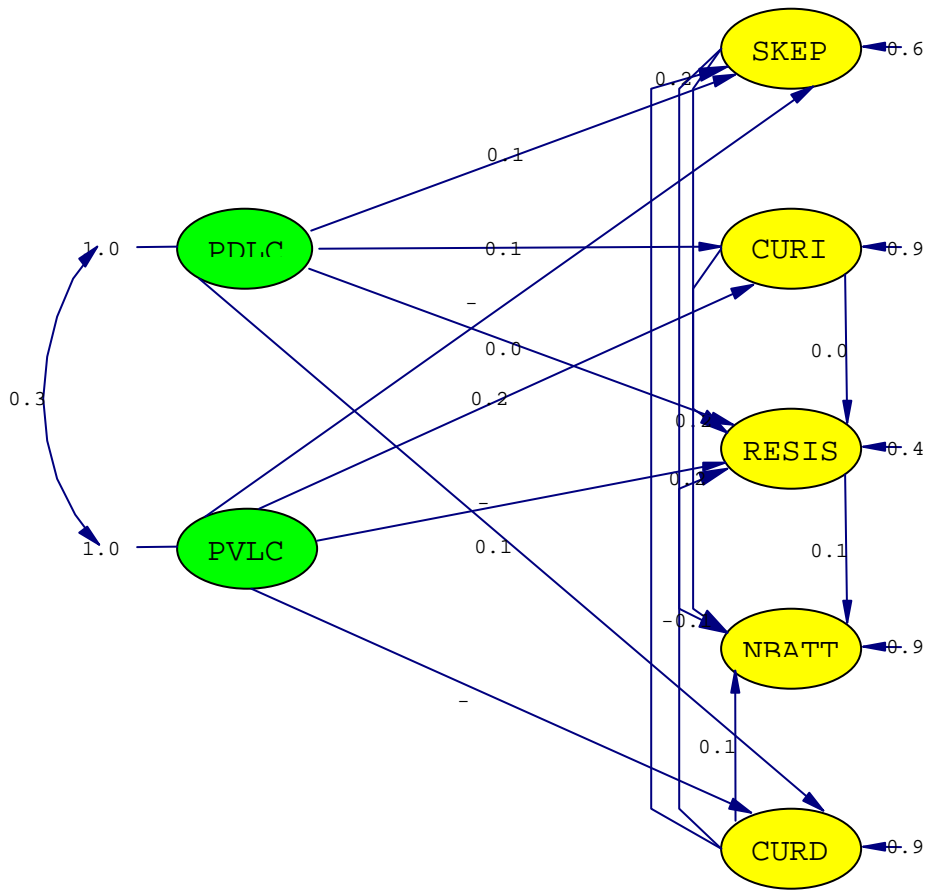
Chi-Square=639.17, df=258, P-value=0.00000,

Structural Model (Standardized Solution)

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