Customer reactions to acquirer-dominant mergers and acquisitions

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ABSTRACT

This article investigates consumer reactions to acquirer-dominant mergers and acquisitions (M&As) from the perspective of the (smaller) target brand and explores how marketing actions can mitigate negative effects. The findings from five studies show that consumers tend to react negatively to M&As by devaluing the acquirer brand, increasing their intention to switch, and adjusting their attitudes toward the target brand upward. We suggest that psychological reactance is a mediator for the negative effects of merger information on customers' attitudes and switching intentions. We also demonstrate that brand managers can attenuate reactance by involving consumers in merger decisions, thus providing important managerial implications for M&A decisions and processes.

Keywords: Mergers; Acquisitions; Reactance; Brand; Consumer behavior

1. Introduction

> Imagine the following scenario: You are a loyal patron of your local savings bank X, for which you have been a customer for many years. One day, you are informed that your bank has been acquired by bank Y, a large international business bank. The name and symbol of your local savings bank X will be discontinued, and all customers will be transferred to brand Y. As of today, you are now a customer of bank Y.

How would you react to this development? As we demonstrate in this article, chances are that you would perceive some restrictions to your freedom of choice and consequently react negatively to Brand Y while inflating your evaluation of your previously preferred brand partner, Brand X.

Anecdotal evidence from, for example, Macy's takeover of Marshall Field's suggests that consumers do not willingly accept all mergers and acquisitions (M&As) and that negative customer reactions to M&As may contribute to explaining the financial underperformance of acquirer firms after M&As. Most M&As fail to reach their financial objectives (Balmer & Dinnie, 1999; Homburg & Bucerius, 2006; Kling, Ghobadian, & O'Regan, 2009; Tetenbaum, 1999), and trying to explain M&A success and failure is an important topic in many academic disciplines, including finance (Datta, Pinches, & Narayanan, 1992), economics (Ravenscraft & Scherer, 1987), corporate strategy (Capron, 1999; Homburg & Bucerius, 2006), and organizational theory (Larsson & Finkelstein, 1999). However, other than a few noticeable exceptions (e.g., Bahadir, Bharadwaj, & Srivastava, 2008; Capron & Hulland, 1999; Homburg & Bucerius, 2005; Swaminthan, Murshed, & Hulland, 2008), research on M&As in marketing and consumer behavior is scarce. Customer reactions to M&As are seldom examined. This is surprising given the large volume of M&A activities, their high failure rates, and the importance of marketing-related issues for M&A performance (Becker & Flamer, 1997; Clemente & Greenspan, 1997). There seems to be considerable risk of losing customers in M&As (Bekier & Shelton, 2002). In this article, we argue that when faced with merger situations such as that in the previously described scenario, consumers may believe that their personal freedom of choice is restricted and consequently react negatively to the merger and the acquiring brand, which in turn should make them more likely to leave the relationship.

We argue that horizontal M&As often are unbalanced in the sense that the acquiring firm is larger and/or more influential in shaping the merged entity than the target firm. Acquisitions typically result in the elimination of the target firm's corporate brand in favor of the acquirer's brand (Basu, 2006). According to Ettenson and Knowles (2006)'s study of over 200 M&As, the most commonly used brand strategy is adopting the name and symbol of the leading brand[1]. Examples of this include HSBC's purchase of the relatively smaller French bank Crédit Commercial de France, in which the company was rebranded as HSBC France, and AT&T's acquisition and integration of the BellSouth and Cingular brands in 2006.

Although such acquirer-dominant brand redeployment strategies are effective overall in minimizing the post-merger loss of brand equity (Jaju, Joiner, & Reddy, 2006), substantive negative reactions might occur among customers of the *target brand*. Even if the new entity emerges as a result of a "balanced" merger and not an acquisition, consumers of the smaller brand still might experience negative reactions to being "taken over" by a larger brand. This article aims to illuminate and investigate consumer reactions to horizontal M&As from the perspective of the (smaller) target brand and to explore how marketing action can mitigate negative effects. Therefore, we selectively focus on acquirer-dominant brand M&As.

[1] Ettenson and Knowles (2006) identified 10 different brand/symbol strategies in M&As, of which the most commonly utilized "backing-the-strong-horse" strategy accounts for 39,6% of M&As, where the merged entity adopts the name and symbol of the leading/acquirer brand. Examples of other strategies include maintaining "business as usual" by continuing both brands independently (23,7%), adopting a new brand name and symbol (8,2%) or adopting the name and symbol of the target brand (only 7,3%). Other brand name/symbol combinations are also investigated.

2. Conceptual framework

Although empirical research on consumer reactions to M&As is scarce in academic marketing literature, the topic is ubiquitous in trade press and consultancy reports. A survey by Accenture reports that 58-69% of consumers in the categories of consumer products, telecommunications and banking believe they do not benefit from M&As and that mergers cause higher prices and declining customer service (Sikora, 2005). In support of this notion, data from the American Customer Satisfaction Index, which tracked customer satisfaction scores of 28 large companies involved in major mergers between 1997 and 2002, reveal that even two years after the mergers, consumers were significantly less satisfied than they were before (Thornton, Arndt, & Weber, 2004).

A merger or an acquisition implies a discontinuation of the status quo for the target brand's customers and, consequently, a potential threat to their perceived freedom of choice. Ample evidence suggests that people prefer a previously chosen option to others (Muthukrishnan, 1995; Samuelson & Zeckhauser, 1988). The preference for maintaining a current activity, such as keeping the same bank, can be attributed in part to an exaggerated preference for inaction, called "omission bias" (Ritov & Baron, 1990; Schweitzer, 1994), and/or an exaggerated preference for the current state of affairs, called "status quo bias" (Ritov & Baron, 1990; Samuelson & Zeckhauser, 1988). Mergers and acquisitions are externally based incidents outside the consumers' control that influence their relationship with the brand. Consumers—at least in developed countries—are accustomed to having the freedom to choose among alternatives in most facets of life. Given these freedoms, consumers tend to be sensitive to threats to loss of freedom, whether in terms of promotional influence (Edwards, Li, & Lee, 2002; Fitzsimons & Lehmann, 2004; White, Zahay, Thorbjørnsen, & Shavitt, 2008; Wicklund, Slattum, & Solomon, 1970), product unavailability (Brehm, Stires, Sensenig, & Shaban, 1966; Fitzsimons, 2000; Gierl & Huettl, 2010; West, 1975), or pricing (Clee & Wicklund, 1980; Wicklund et al., 1970). The theory of psychological reactance (Brehm, 1966) assumes that humans have a pre-disposition to preserve and restore their personal freedoms. When a person's personal freedom is reduced, eliminated, or threatened with elimination, he or she will experience a (unpleasant) state of arousal (reactance) that induces attempts to recover or reestablish the lost or threatened behavior. The greater the threat, the greater is the magnitude of reactance. Consequently, higher levels of reactance will more strongly prompt the person to reestablish the freedom that has been lost or threatened.

We argue that customers of a target brand will likely experience reactance if and when an acquiring brand integrates the two companies either under the acquirer corporate brand or under a new brand name. When firms remove the option of being a customer of the target brand, customers' behavioral freedom is threatened. As illustrated by Ringold's (1988) investigation of reactance effects when The Coca-Cola Company replaced Coke with New Coke, consumers may perceive meaningful restrictions to their freedom of choice even when they are free to switch to other brands. Thus, consumers may very well experience reactance even when alternative brands are available. According to the theory of psychological reactance, consumers can restore or reestablish their threatened freedom through cognitive reorganizations—for example, by evaluating the eliminated alternative more positively or devaluing the attractiveness of the forced alternative (Brehm, 1966). By engaging in free-will behavior of devaluing their attitudes toward the acquirer brand, consumers can reestablish some of their personal freedom. Thus:

> H_1: When informed about an acquirer-dominant M&A, customers of the target brand will develop more negative attitudes toward the acquirer brand (than target brand customers not informed about the M&A).

In addition, customers of the target brand in M&As may develop more positive attitudes toward the target brand. According to reactance theory, as well as empirical applications of this theory, people tend to develop a greater liking for the threatened behavior (Brehm et al., 1966; Hammock & Brehm, 1966; Lessne & Notarantonio, 1988; Mazis, Settle, & Leslie, 1973; Wicklund, 1974). As Brehm (1966, p. 18) states, “If a specific behavioral freedom of a person is eliminated,... [he or she] will experience reactance and consequently will see increased attractiveness in the eliminated behavior.” This effect is also in line with empirical investigations and theoretical perspectives that suggest that difficult-to-get goals become more attractive (Cialdini, 1993; Inman, Peter, & Raghubir, 1997; Lynn, 1989; Swami & Khairnar, 2003). Customers of the target brand will experience the upcoming acquisition as a barrier to their currently preferred alternative (status quo), thus threatening their behavioral freedom and inducing psychological reactance. This reactance effect not only leads to customer devaluation of the acquirer brand but also inflates customer attitudes toward the target brand. Thus:

> H_2: When informed about an acquirer-dominant M&A, customers of the target brand will develop more positive attitudes toward the target brand (than target brand customers not informed about the M&A).

When customers are faced with a barrier to their personal freedom of choosing which brand to be associated with, they can reestablish their perceived sense of freedom in part through cognitive reorganization, such as devaluing their attitudes toward the acquirer brand. However, the greater the importance of and perceived threat to their freedom, the more inclined customers are to reassert their freedom through behavior, not only cognitive processes (Wicklund, 1974). Several studies have illustrated how people attempt to reestablish their freedom by engaging in the threatened behavior (Brehm & Cole, 1966; Brehm & Sensenig, 1966). In M&As, customers of the target brand have few behavioral options other than either to accept the M&A and thus become customers of the new (acquirer) brand or to switch to another brand. If the M&A initiative produces strong psychological reactance processes among customers of the target brand, these customers will be more inclined to reassert their freedom by switching brands. Consequently, we argue that as a result of the combined mechanisms of perceiving the eliminated alternative (the target brand) as more attractive and devaluing the forced alternative, consumers will be increasingly inclined to leave the brand relationship in favor of another brand.

> H_3: When informed about an acquirer-dominant M&A, customers of the target brand will develop greater intentions to switch (than target brand customers not informed about the M&A).

As argued previously, the effects proposed in H_1–H_3 rest on the assumption that psychological reactance plays an important role in explaining target brand consumers' reactions to M&As. When a consumer loses his or her existing choice option, the motivational state of psychological reactance is aroused and directed toward re-establishing the eliminated freedom of choice. We argue that this process underlies the proposed devaluation of the acquirer brand (H_1), the inflated attitude toward the target brand (H_2), and increased intentions to switch (H_3). Consequently, we propose the following:

> H_4: Psychological reactance will mediate the effects proposed in H_1–H_3.

Given that reactance is at play for target brand customers in M&As, strategies to reduce merger reactance should be instrumental in mitigating negative customer reactions in the form of attitude shifts and increased switching intentions. According to the theory of psychological reactance, restoring parts of consumers' perceived freedom of choice will attenuate reactance effects. Therefore, involving consumers in the (post-) merger process by, for example, giving them the opportunity to voice their opinions on issues pertaining to the choice of brand name will mitigate reactance and consequently inflate acquirer brand attitudes and reduce switching intentions. Such reactance counter-strategies can also be viewed as analogous to superfluous choice processes (Muthukrishnan & Wathieu, 2007) in which involving the consumer in voting for the merged company's brand name is an unnecessary choice step that, in practice, can be removed without influencing the outcome (i.e., the final brand name). Yet, in itself, the mere choice and choice involvement may mitigate reactance and influence preferences and attitudes. Moreover, if involving consumers in merger and post-merger decisions actually works in terms of attenuating reactance and influencing subsequent attitudes and switching intentions, it will also provide important managerial implications for M&A decisions and processes, lending additional support to H_1–H_4. Thus, we propose the following:

H_5: Involving customers in the M&A process mitigates merger reactance, decreases target brand attitudes, increases acquirer brand attitudes, and decreases switching intentions.

Whereas previous literature document that threats and barriers to perceived freedom of choice lead to reactance, less in known about potential moderators of these effects. Seemann, Carroll, Woodard, and Mueller (2008) suggest that different *types* of threats to perceived freedom elicit differing magnitudes of reactance response. By the same token, research on advertising and promotion suggests that the magnitude of psychological reactance depends on the perceived personal relevance of the threat to freedom (see Ringold, 2002; White et al., 2008). For example, White et al. (2008) find that highly personalized messages are less likely to elicit reactance because they are perceived as more personally relevant. Brehm (1966) originally considered two basic modes of elimination of freedom: the personal and the impersonal. The elimination of freedom is personal "when he [the person] can perceive or easily imagine that the elimination was intentionally aimed at him" (Brehm, 1966, p. 38). Conversely, the elimination of freedom is *impersonal* when "an individual cannot easily perceive it as having been directed at himself (Brehm, 1966, p.17). The threat to freedom in the current study (an M&A) is clearly impersonal. However, the distinction between personal and impersonal may also prove fruitful and instrumental in conceptualizing relevant reactance *mitigation strategies*. We suggest that the effectiveness of strategies for mitigating merger reactance hinges on the relevancy of the issue at hand and on whether the strategy is framed as personal or impersonal. Specifically, we argue that reactance counter-strategies of involving customers in the M&A process (H_5) will vary in effectiveness depending on (1) how relevant the issue at hand is to consumers and (2) whether the strategy is personally directed toward the individual consumer (personal) or to consumers in general (impersonal). During and after a merger process, some issues are clearly more relevant to consumers than others. Inviting consumers to suggest or vote for the new brand name is arguably more relevant than asking consumers about their opinion on, for example, which internal information technology system the merged entity should use. The closer and more relevant the issue is to customer–brand interactions, the more effective the strategies for mitigating reactance will be. By the same token, asking customers directly about their personal opinion (personal strategy) is likely more effective in attenuating reactance than simply stating, in more general terms, that (other) customers will be consulted in the process (impersonal strategy). Thus, we propose the following:

> H_6: Involving customers in the M&A process will be more effective in mitigating reactance (a) the more relevant the issue at hand is and (b) the more personal (vs. impersonal) the strategy is.

In the following sections, we report five studies designed to test these hypotheses and further investigate the role of reactance in M&As. First, we demonstrate the effects postulated in H_1–H_3 through a field experiment (Study 1) and then through more controlled scenario experiments (Studies 2–5). Second, we test H_4 on psychological reactance as an explanatory mechanism for the observed effects (Studies 2–5). Finally, we test H_5 and H_6 by investigating strategies for mitigating psychological reactance and countering customers' negative reactions to M&As (Studies 2–5).

3. Study 1

3.1. Experimental procedure

We conducted Study 1 during the pre-merger phase of two European insurance firms. At the time of the study, the two insurance firms had decided to merge, and the merger had been communicated to the authorities and media. However, the press and customers had not yet received information about which brands were to be retained and which were to be discontinued. As part of the negotiation, the merging firms decided that Brand A (the largest in terms of customers and turnover) would be used for the new and merged entity. A mail survey was sent to a random sample of customers of Brand B (the target brand) as part of the marketing research for positioning the new merged brand. The respondents were randomly assigned to two experimental groups. Group 1 respondents were not given any information about the upcoming merger but were asked to answer questions that measured their attitudes toward and perceptions of various insurance brands, including Brand A and Brand B. Group 2 respondents were given the same questionnaire, as well as a letter signed by the chief executive officers of both Brand A and Brand B confirming the merger and informing them about the final name of the merged entity ("Brand A"). Group 1 (response rate of 34.7%, n = 139) is the control group or baseline for comparing scores with Group 2 (response rate of 38.5%, n = 77)[2]. There were no significant differences between the respondents in the control

[2] The Group 1 and Group 2 sample frame varied in size because management wanted to restrict the number of customers who knew about the new brand name (Group 2) before communicating it on a larger scale a few days

and treatment conditions in terms of demographics. Respondents answered questions measuring their attitudes toward the acquirer brand (Brand A) and the target brand (Brand B) on a three-item, seven-point Likert scale ("I like this brand," "I have a positive image of this brand," and "I am favorably disposed toward this brand") (Cronbach's α = .95). In addition, we measured intention to switch from the brand with three items ("I am more inclined to switch insurance provider now than I was one year ago," "I plan to switch insurance provider within a year," and "It is highly likely that I will remain with this insurance provider one year from now" [reverse coded]) (Cronbach's α = .79).

3.2. Results

We conducted analyses of variance to investigate the postulated effects. The results show that attitudes toward acquirer Brand A were significantly lower for customers who received information about the merged company's brand name than for those in the control group (Att A_{Merger} = 3.45 vs. Att $A_{Control}$ = 3.87, $p < .05$). Conversely, attitudes toward the target Brand B were significantly higher for customers in the merger condition than for those in the control group (Att B_{Merger} = 5.29 vs. Att $B_{Control}$ = 4.97, $p < .05$). The results also reveal that customers of target Brand B had significantly greater intentions to switch to another insurance brand in the future when they were informed about the subsequent brand name change ($Switch_{Merger}$ = 4.45 vs. $Switch_{Control}$ = 4.06, $p < .05$). All significance levels are based on two-sided tests.

3.3. Discussion

Study 1 uncovered the effects of a real M&A decision in a natural experiment and revealed that customers of the target brand have more positive attitudes toward the target brand and less positive attitudes toward the acquirer brand than the control group. They also have greater intentions to switch from the brand to another supplier. Because customers already had been informed about the upcoming merger, but not about the final brand name, study 1 focuses

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later. Group 1 sample size also was larger because the data were used as input in analysis (for a different purpose) requiring a higher n more on the effects of brand name change in acquirer-dominant mergers, rather than on the effects of the merger decision itself. Most likely, target brand customers' negative reactions to the merger became more pronounced when they received formal confirmation about the merger (in the letter from the CEOs) and information about the new brand name (which clearly made it an acquirer-dominant merger rather than a "balanced merger"). In Studies 2–5, we use hypothetical scenarios about M&As, which enables us to evaluate consumers' (overall) reactions to merger announcements, not just reactions to the brand name change. Studies 2–5 thus offer more formal tests of H1-H6. The results in Study 1 indicate that consumer affect and intentions shift in a manner consistent with the possibility that M&As induce a psychological reactance process. However, the study context of Study 1 did not allow for a direct test of psychological reactance as a mediator. Studies 2–5 extend these findings to other contexts and also contain direct tests of reactance as an explanatory mechanism. However, the real-time field data we collected in Study 1 provide novel insights into target brand customers' reactions during an actual merger.

4. Study 2

We designed Study 2 to investigate the role of psychological reactance in target brand consumers' M&A reactions. In this study, we use a direct measure of psychological reactance to test its mediating effect on the dependent variables. We also give respondents the opportunity to vote between two alternatives for the new merged company's brand name. This procedure enables us to investigate whether customer participation in the merger process mitigates reactance by restoring, at least partially, consumers' perceived freedom. By introducing a level of customer involvement and participation in the process, we expect less perceived loss of freedom and, consequently, lower levels of reactance. We also want to replicate the findings in a different context, this time employing supermarket (chain) brands.

4.1. Experimental procedure

A national representative sample of 104 respondents (matched on gender, age, education, income, and place of residence) was recruited through an online panel. Respondents were randomly exposed to hypothetical scenarios regarding a possible merger between a smaller, target brand (Brand B) and a larger brand (Brand A) in the grocery retail industry (supermarkets). We screened the respondents with a yes/no question to ascertain familiarity with the brands; the screening procedure also ensured that all respondents were frequent shoppers at Brand B. Half the respondents received the opportunity to vote for the new merged entity's name, with a choice between two alternatives (Brand A or Brand C, a completely new name), to mitigate reactance. The other half did not receive such an opportunity; instead, they were simply notified that the entities would merge under Brand A. To corroborate the results from Study 1, we also included a control group (no merger). The study thus included three groups: (1) merger with an invitation to vote for the new entity's name, (2) merger with no invitation to vote, and (3) control group (no merger).

We used the same measures as in Study 1, though we adapted the items in the switching intention measure: "It is unlikely that I will shop as much at 'Brand A' as I previously did at 'Brand B,'" "I am less inclined than before to shop at 'Brand A,'" and "I will be more open to shopping at other supermarkets" (Cronbach's α = .80). We measured reactance to the merger on a five-item, seven-point Likert scale adapted from the work of White et al. (2008). The items were as follows: "This merger limits my freedom of choice," "I feel I am becoming a customer of Brand A against my will," "In many ways, I feel forced to become a customer of Brand A," "I feel Brand A and Brand B have made a decision on my behalf," and "My transition from being a customer of Brand B to becoming a customer of Brand A is not voluntary" (Cronbach's α = .91). In line with prior conceptualizations suggesting that reactance varies not only by situation but also by individuals (Fitzimons &

Lehmann, 2004; Hunsley, 1997), we also included a measure of reactance as a personality trait, forming a six-item index based on the Hong psychological reactance scale (see Hong & Page, 1989; Shen & Dillard, 2005): "I become angry when my freedom of choice is restricted," "I become frustrated when I am unable to make free and independent decisions," "I am content only when I am acting of my own free will," "The thought of being dependent on others aggravates me," "I resist the attempts of others to influence me," and "It irritates me when someone points out things that are obvious to me" (Cronbach's $\alpha = .84$). Study 2 also included the same measures of brand attitude (Brands A and C) and switching intention as Study 1. To avoid priming and demand effects, we measured psychological reactance after the dependent measures. After completing the study, consumers were informed that the study was a research experiment and that the two retail chains did not plan to merge.

4.2. Results

First, we performed a multivariate analysis of variance with our manipulations as the factor. Corroborating the results of Study 1, the manipulations produced effects on all three dependent variables ($F = 7.29$, Wilks's $\lambda = .90$, $p < .01$) (see Table 1). Next, we tested the hypotheses individually with planned contrasts (two-sided tests). When respondents did not have the opportunity to vote for the new entity's brand name, the merger scenario produced lower attitudes toward acquirer Brand A (Att $A_{Merger} = 2.70$ vs. Att $A_{Control} = 3.21$, $p < .01$), higher attitudes toward target Brand B (Att $B_{Merger} = 4.52$ vs. Att $B_{Control} = 4.01$, $p < .01$), and higher switching intentions ($Switch_{Merger} = 3.97$ vs. $Switch_{Control} = 3.43$, $p < .01$). Thus, H_1–H_3 are further supported.

Insert table 1

However, when we introduced the opportunity to vote, all significant differences between the merger condition and the control group disappeared. The mean scores on reactance differed significantly between the two voting conditions ($Reactance_{Merger\ with\ vote}=$

3.25 vs. Reactance$_{\text{Merger without vote}}$ = 3.88, $p < .01$). Comparing the two merger conditions on the three dependent variables lends support to H_5, as well as H_1 and H_2; the attitudes toward acquirer Brand A were significantly lower (Att A$_{\text{Merger with vote}}$ = 3.10 vs. Att A$_{\text{Merger without vote}}$ = 2.70, $p < .05$) and the attitudes toward target Brand B were significantly higher (Att B$_{\text{Merger with vote}}$ = 4.08 vs. Att B$_{\text{Merger without vote}}$ = 4.52, $p < .05$) when respondents did not have the opportunity to vote. The results also lend support to H_3 because switching intentions were significantly higher (Switch$_{\text{Merger with vote}}$ = 3.59 vs. Switch$_{\text{Merger without vote}}$ = 3.97, $p < .05$).

We performed a set of regression analyses to test the mediation effect of psychological reactance on the dependent variables in H_1–H_3 (Baron & Kenny, 1986). First, we regressed the dependent variable against the vote variable (opportunity to vote vs. no opportunity to vote). Second, we added reactance as an independent variable, in which the influence of the vote variable dropped significantly. Third, as a control, we regressed reactance against the vote (significant at $p < .01$). Putting the coefficients into the Sobel equation produced significant statistics for all three dependent variables ($z_{\text{Brand A}} = 3.91$, $p < .01$; $z_{\text{Brand B}} = 4.24$, $p < .01$; $z_{\text{Switch}} = 4.37$, $p < .01$). The results suggest that reactance mediates the effects of both the merger versus control group and the vote variable on the dependent variables, thus lending support to H_4 and H_5. To further investigate the role of psychological reactance, we investigated the effects of reactance when measured as an enduring *personality trait*, not as a situational variable. Thus, if the observed effects are stronger for respondents high versus low in reactance (measured as a personality trait), this would further corroborate reactance as an explanatory mechanism. We wanted to check whether reactance as a trait *moderates* the observed effects. In line with Fitzsimons's (2008) recommendation, we included (1) the truncated Hong reactance scale, (2) the merger dummy variable, and (3) their interaction term in regressions with acquirer Brand A attitude, target Brand B attitude, and switching intentions as dependent variables. The interaction term was significant in all three regressions, indicating that personality trait reactance indeed moderated the effects of merger. Investigating the moderating effect further, we set the merger dummy to 1. The slope of the reactance variable was significant and negative in the first (acquirer Brand A attitude) regression and significant and positive in the second (target Brand B attitude) and third (switching intentions) regressions.

4.3. Discussion

Overall, the results of Study 2 are in line with the findings in Study 1. Matching the control versus merger condition of Study 1 with two new hypothetical scenarios (with different companies and customers), we find that the merger enhances attitudes toward the target brand (Brand B), reduces attitudes toward the acquirer brand (Brand A), and increases switching intentions. When we introduced the opportunity for respondents to influence the merger by voting for the company name, the effects were mitigated and no longer significantly different from the control group. We also find significant differences in psychological reactance between the conditions, and the regressions suggested that reactance mediated the effects of the merger on the dependent variables.

Although Study 2 supports the notion that reactance mediates the uncovered effects on brand attitudes and switching intentions, the boundary conditions for this effect must still be investigated further. A closer scrutiny reveals that respondents' attitudes toward the acquirer (Brand A) were lower than their attitudes toward the target (Brand B) in all conditions. Thus, an open question is whether we would observe the same reactance effects if the acquirer brand were a better-liked brand than the target brand. Moreover, we might speculate whether the effects on the dependent variables observed in Study 2 were also due to consumers' expectations regarding potential changes in products and services after the merger.

Therefore, we conducted Study 3. Here, we (1) introduced an acquirer (Brand A) with a more positive brand attitude than the target brand (Brand B) and (2) manipulated information about the post-merger entity either to include or not to include a disclaimer that the products, prices, and service levels would be unaffected by the merger.

5. Study 3

To test whether the hypothesized results would still hold if the acquirer brand were better liked than the target brand, we used the domestic market leader as the acquirer in this study. Pre-tests also revealed that the acquirer brand scored significantly higher on brand attitude than the target brand. In addition, we manipulated information between conditions to include or not to include a reassurance to respondents that the merger would not in any way affect the products, service levels, price, and availability of the target brand. We also included a condition in which the identity of the acquirer was not revealed; we did this to directly test the notion that the act of the merger itself, regardless of the acquirer, produces our hypothesized effects. By varying the identity of the acquirer and the information about the effects of the merger, we control for respondents' relationships with the acquirer. In addition, we used a within-subjects measure of (target) brand loyalty to control for the effects of respondents' existing relationship with the target brand, and to test whether psychological reactance effects are more pronounced for more loyal consumers. According to Brehm (1966), the more committed people are to the threatened behavior, the stronger will the reactance effects be. Hence, more committed and loyal target brand customers will arguably react more negatively to the merger information than will less loyal customers.

5.1. Experimental procedure

A national representative sample of 398 respondents (matched on gender, age, education, income, and place of residence) was recruited through an online panel. Similar to Study 2, respondents were randomly exposed to hypothetical scenarios regarding a possible merger between a domestic target brand (Brand B) and an acquirer brand (Brand A) of a supermarket chain. Half the respondents received the opportunity to vote for the new merged entity's name, and half did not receive such an opportunity. In addition, we varied (1) the identity of the acquirer brand to be either the domestic market leader or undisclosed and (2) the information to include or not to include a reassurance to respondents that the products, service levels, price, and availability would remain unchanged.

Corresponding to our manipulated disclaimer, we included a measure of respondents' perceptions of the target's (Brand B) product, service levels, price, and availability: "I believe that the quality of Brand B will be at least as high in the future," "I believe that the availability of Brand B will be at least as high in the future," and "I believe that the price of Brand B will remain about the same in the future" (Cronbach's $\alpha = .89$). We also measured pre-scenario exposure loyalty to the target (Brand B) with four items: "When in the market, I try to choose Brand B as often as I can," "I consider myself loyal to Brand B," "I gladly recommend Brand B to others," and "Next time I'm in the market I will likely buy Brand B" (Cronbach's $\alpha = .96$).

5.2. Results

A comparison between attitudes in the control group confirmed that the domestic leader acquirer brand was indeed evaluated more favorably than the target brand ($Att_A = 4.88$ vs. $Att_B = 3.70$, $t = 10.11$, $p < .01$). In a multivariate analysis of variance testing our new manipulations, we find that the acquirer's identity has a significant effect on the dependent variables ($F = 12.64$) but does not interact with the merger conditions (F < 2). The disclaimer produces neither a main effect nor any interaction effects (Fs < 2). We included respondents' perceptions of the target brand's (Brand B) products, service levels, and availability as a covariate ($F = 9.45$, $p < .01$) in the comparisons between the control condition and the merger (no-vote) condition (see Table 2). In line with Studies 1 and 2, the results of our two-sided planned contrasts support H_1–H_3 ($F = 10.01$, Wilks's $\lambda = .83$, $p < .01$); the latter produces significantly lower attitudes toward acquirer Brand A (in the case of the domestic leader), higher attitudes toward target Brand B, and higher switching intentions. Comparing the two merger conditions (i.e., with vs. without the opportunity to vote), we find that the opportunity to vote mitigates the negative effects of the merger; that is, the vote enhances attitudes toward acquirer Brand A (in the case of the domestic leader), reduces attitudes toward target Brand B, and reduces both switching intentions and psychological reactance more than the no-vote condition ($F = 7.34$, Wilks's $\lambda = .91$, $p < .01$; see Table 2). Testing psychological reactance as a mediator of the differences between the voting conditions by including the variable in the regression of the dependent variables significantly reduced the explanatory power of the manipulations. Inserting the coefficients in Sobel's equation produced significant statistics for all dependent variables ($z_{\text{Brand A}} = 3.76$, $p < .01$; $z_{\text{Brand B}} = 4.11$, $p < .01$; $z_{\text{Switch}} = 3.99$, $p < .01$). The results reveal that reactance mediates the effects of the vote variable on the dependent variables. Thus, H_4 is supported.

Insert table 2

To test the moderating effects of brand loyalty, we used the pre-scenario exposure measure of loyalty as an independent variable, together with the merger dummy variable and their interaction term in regressions with acquirer Brand A attitude, target Brand B attitude, and switching intentions as dependent variables. The interaction term was significant in all three regressions, indicating a moderating effect of loyalty (Fitzsimons, 2008). Investigating this effect further, we set the merger dummy to 1, in which the loyalty beta coefficient was significant and negative ($\beta = -.30$, $p < .01$) in the first (acquirer Brand A attitude) regression and significant and positive ($\beta = .24$, $p < .01$) in the second (target Brand B attitude) and third ($\beta = .19$, $p < .01$) (switching intentions) regressions. The correlation between brand loyalty and reactance was $r = .40$ ($p < .01$).

5.3. Discussion

Overall, the results of Study 3 corroborate the findings in the previous two studies. We find that reactance occurs even when the acquirer is generally liked more than the target brand. The same pattern of results also emerges as in Studies 1 and 2 even when attitudes to the acquirer brand are more positive, thus lending additional support to H_1–H_5. That is, the identity of the acquirer does not seem to be important; the condition with an unknown acquirer did not produce significantly different results. In addition, we can rule out consumer perceptions that the merger would have a negative effect on actual products, service levels, price, and availability as a competing explanation. Information about these issues produced no significant effects on consumer reactions to the merger, and the same reactance patterns appeared when we included consumer perceptions of these issues as a covariate. Extending our previous findings, we find that loyalty to the target brand moderates the effects of the merger and correlates fairly highly with reactance. Even at the relatively low overall levels of loyalty in this study, our results show that the reactance patterns are more pronounced for more versus less loyal customers.

Although Studies 2 and 3 show that providing customers with the opportunity to vote for the new entity's name mitigates reactance, such a strategy could be risky. For example, what happens when the company chooses a different name from that which the customer selected? When a company provides two options, customers who voted for the less popular name may believe that their opinions were not taken into account. We designed Study 4 to test the effects of the outcome of the vote and to further investigate whether reactance is mitigated by the outcome of the vote itself or the signal that voting per se sends to consumers that they can influence the (post-) merger process.

6. Study 4

We designed Study 4 to investigate the impact of respondents' expectations about whether the company would adhere or not adhere to their vote and to test effects of the outcome of the vote. In Study 4, respondents voted for their favorite name, and we manipulated the outcome to be in accord with or opposite to the vote. In addition, we measured the respondents' expectations about whether the company would seriously consider their vote or not. This measure was based on the notion that consumers may view voting as meaningless, thinking that "the company representatives have already made up their minds."

6.1. Experimental procedure

A national representative sample of 284 respondents (matched on gender, age, education, income, and place of residence) was recruited through an online panel. Respondents were randomly exposed to one of three hypothetical scenarios regarding a possible merger between a domestic target brand and a foreign acquirer brand in the furniture retail industry (we screened the respondents with a yes/no question to ascertain their familiarity with the brands): (1) a merger scenario with no opportunity to vote for the new merged brand's name, (2) a merger scenario in which the outcome was in accord with the respondent's vote, and (3) a merger scenario in which the outcome was opposite to the respondent's vote. Respondents were exposed to the final outcome approximately five seconds after casting their vote (they waited while a Flash element on the experimental website informed them that the outcome of the votes was being "calculated"). We also gave respondents the opportunity to choose the existing Brand A or Brand C (a completely new brand name) to rule out the actual name of the merged company (which, in previous studies, was the acquirer's Brand A) as a competing explanation. We also added a control group (no merger). In the voting conditions, the respondents rated the expected likelihood that the merged company would take their vote into account (on a scale from 0% to 100%) before they learned the outcome. We did this to prime respondents on their perceived ability to influence the process and to investigate the impact of level of expectancy. Thus, we can determine whether the perceived influence or the actual outcome is the primary driver of customer reactions.

6.2. Results

We included expectancy as an independent variable together with the merger dummy and their interaction term in regressions on acquirer Brand A attitude, target Brand B attitude, reactance, and switching intentions. The interaction term was significant in all four regressions, indicating that expectancy moderates the effects of merger. Investigating the effects further, we set the merger dummy to 1, in which the expectancy beta coefficient became significant and positive (β = .30, p < .01) in the first regression (Brand A attitude) and significant and negative in the remaining three regressions ($\beta_{Brand\ B}$ = .29, p < .01; β_{Switch} = .26, p < .01; $\beta_{Reactance}$ = .36, p < .01). The findings suggest that expectancy mitigates the effects of the merger. Table 3 outlines the results of the planned contrasts, which support our hypotheses.

Insert table 3

In line with the procedure that Baron and Kenny (1986) suggest, we tested whether psychological reactance mediated the effects of high versus low expectancy on the dependent variables. The results of the mediation analysis, including the Sobel equation for all three dependent variables ($z_{\text{Brand A}}$ = 4.08, p < .01; $z_{\text{Brand B}}$ = 3.51, p < .01; z_{Switch} = 4.46, p < .01), again confirm that reactance mediates the effects of the expectancy variable on the dependent variables.

6.3. Discussion

The results suggest that the vote mitigates reactance to the merger by way of consumers' perceived ability to influence the merger process. Regardless of the actual outcome of the vote, respondents with a high perceived ability to influence the process reacted significantly less dramatically to the merger than respondents with a low perceived ability to influence the process. As these findings indicate, it is thus not the outcome itself but rather the consumers' perceptions of their abilities to influence that determine their reactions to the merger. Building on this notion, we designed Study 5 to test H_6 on whether alternative counter-strategies produce different effects on reactance and the dependent variables.

7. Study 5

We designed Study 5 to test H_6 and compare the effects of alternative counter-strategies for mitigating reactance. We used two dimensions to create strategies that we expected would affect consumers' perceived influence in the process: (1) the relevance to the customer and (2) whether the strategy is personal or impersonal. Our contention is that for consumers to believe that they can influence the process, they must be actively engaged in an issue to which they can relate—that is, an issue that is relevant to them and part of their personal relationship with the company. Thus, we hypothesize that both a higher level of relevancy and a more personally framed strategy will produce less reactance.

7.1. Experimental procedure

A national representative sample of 100 respondents (matched on gender, age, education, income, and place of residence) was recruited through an online panel. Respondents were randomly exposed to hypothetical scenarios regarding a possible merger between a domestic target brand (Brand B) and an undisclosed brand of supermarkets. We screened the respondents with a yes/no question to ascertain their familiarity with the target brand; the screening procedure also ensured that all respondents were frequent shoppers at Brand B. We tested the counter-strategies with four alternative scenarios, which we outline in Table 4: (1) a direct invitation to vote for the new entity's name (high relevancy/personal), (2) general information that the brand would invite customers to vote for the new entity's name (high relevancy/impersonal), (3) a direct invitation to vote on which of the two brands' information systems the new entity should employ (low relevancy/personal), and (4) information that the brand would invite customers to vote on which of the two companies' information systems the new entity should employ at a later time (low relevancy/impersonal). Similar to studies 2-4, we also included a control group where respondents were not informed about the upcoming M&A.

Insert table 4

7.2. Results

Personal/impersonal ($F = 5.67$, $p < .01$) and relevancy ($F = 3.09$, $p < .05$) both produced main effects and an interaction effect (F = 2.71, $p < .05$) on the dependent variables (i.e., attitude toward Brand B, switching intentions, and reactance) (see Table 5). Two-sided planned contrasts reveal that a personal counter-strategy yields lower attitudes toward the target brand (Att $B_{Personal} = 3.71$ vs. Att $B_{Impersonal} = 4.16$, $p < .01$), lower switching intentions ($Switch_{Personal} = 3.72$ vs. $Switch_{Impersonal} = 4.40$, $p < .01$), and lower reactance levels ($Reactance_{Personal} = 2.87$ vs. $Reactance_{Impersonal} = 3.99$, $p < .01$). Thus, $H6_b$ is supported.

Insert table 5

Similarly, a counter-strategy focusing on a more relevant issue to customers yields lower attitudes toward the target brand (Att $B_{High\ relevancy} = 3.98$ vs. Att $B_{Low\ relevancy} = 4.20$, $p < .05$), lower switching intentions ($Switch_{High\ relevancy} = 4.01$ vs. $Switch_{Low\ relevancy} = 4.52$, $p < .01$), and lower reactance levels ($Reactance_{High\ relevancy} = 3.42$ vs. $Reactance_{Low\ relevancy} = 3.84$, $p < .05$). Consequently, $H6_a$ is supported. When considering both factors jointly, we find that the personal/impersonal dimension takes precedence over relevancy because the latter differs only between conditions for the impersonal strategy. When we compare attitudes toward the target brand with the control group, we find that of the four combinations, only the personal/impersonal manipulation mitigates the effects completely and erases significant differences in attitudes toward the target brand (Att $B_{\text{Personal/high relevancy}}$ = 3.62 vs. Att B_{Control} = 3.58) and in switching intentions ($\text{Switch}_{\text{Personal/high relevancy}}$ = 3.56 vs. $\text{Switch}_{\text{Control}}$ = 3.34).

7.3. Discussion

The results extend the findings from Studies 2–4, showing that reactance to the merger can be mitigated not only by providing an opportunity to vote for the new entity’s name but also by providing the opportunity to influence the choice of company’s information systems. With the aim to classify potential strategies, we find that both the personal/impersonal dimension and the dimension of relevancy play a part in designing a suitable strategy, though the former takes precedence over the latter. In other words, for firms to mitigate negative reactions to the merger, it is more important for them to ensure the customer becomes an active participant in the process (i.e., personal strategy) than to provide a relevant issue at hand.

8. Discussion and implications

Together, the findings from five studies uniformly support the hypotheses on (negative) reactions of customers of the target brand when confronted with an acquirer-dominant M&A. Customers of the target brand develop more negative attitudes toward the acquirer brand when faced with information about an upcoming M&A, even when these customers on average have more positive attitudes toward the acquirer than toward the target brand. In turn, these negative attitudes lead to greater intentions to switch brands after the M&A. Consistent with the predictions in psychological reactance theory we argue that these negative attitudes and intentions may be driven, at least in part, by perceived threats to consumers’ ability to control their own lives and destinies. When provided with information about the upcoming merger, consumers feel a loss of control over their own brand relationship and a threat to their perceived freedom of choice. In support of the reactance perceptive, the findings also demonstrate that when consumers are allowed to participate in the M&A decision, their reactance and negative responses to the M&A are mitigated. The study findings are consistent across all five studies, and all hypotheses are supported. As we expected, the effect sizes are larger in the scenario-based experiments (Studies 2–5) than in the field experiment (Study 1). One potential reason for this is that Study 1 in practice focuses only the incremental effect of the brand name change—after consumers have been informed of the upcoming merger. Study 1 clearly indicates that the observed effects are present in real-life situations, thus strengthening the external validity of the findings.

8.1. Theoretical implications

This research contributes to the understanding of M&As by showing how acquirer-dominant mergers may immediately affect target brand customers' perceptions. The study results may contribute to explaining previous findings showing that customers are significantly less satisfied even a long time after mergers (Thornton et al., 2004). In addition, the study results indicate that information about an upcoming merger may strengthen consumers' perceived relationship with the existing target brand, making them more satisfied with the status quo.

This study is one of very few studies that explicitly investigate moderators of reactance and strategies for mitigating reactance. The research suggests that reactance depends on both priming (high expectancy regarding the brands' adherence to customers' votes mitigates the effects regardless of the actual outcome) and perceived participation in the process (the opportunity to vote for the new brand name mitigates the effects). We conceptualized two dimensions of strategies to mitigate reactance: personal/impersonal and relevancy. Involving customers (in whatever activity) would be a way to allow them to react literally to change, and the more relevant the issue at hand, the greater the concession (and the less the perceived loss) would be. Moreover, in terms of theoretical contribution, this research echoes the findings of Ringold (1988) and Mazis et al. (1973) and suggests that reactance theory can be applied to understand consumer reactions to threats and barriers to ongoing activities and already-made choices, not just to threats to potential decisions (Brehm, 1966; Wicklund, 1974).

8.2. Managerial implications

The strategy literature on M&As is quite extensive, as is the number of empirical studies focusing the drivers of M&A success and failure. However, the current research suggests that much can be gained from bringing customer perceptions and perspectives into the large and growing body of M&A research. Knowledge of the mechanisms at play in customers' minds during the pre- and post-merger phase is important to minimize customer defection and ensure M&A success. Brands need to view customers as active partners and take into account that their relationships with the brand may change even before the implementation of the merger. Our findings suggest that consumer loyalty could be a valuable aid in accounting for and minimizing defections, as a higher level of loyalty would both predict higher defection rates and be useful in the segmentation of customers that should be prioritized in the mitigation efforts. Loyal target brand consumers are likely more committed to the threatened behavior (i.e. continuing to be a customer of the target brand), and thus experience higher levels of reactance and, consequently, higher intention to switch brands after the M&A. Because the M&A decision itself provokes customer reactance, there is much that brand managers can do to mitigate defections and negative effects. The studies suggest that customers value being part of the process and having the opportunity to influence the outcome. Study 5 suggests that the two dimensions of personal/impersonal and relevancy can work as a guide when bringing consumers into the merger process; most important, consumers need to be involved. The activity in itself seems to be of significant symbolic value; even a somewhat insignificant issue can be viable if it presents an opportunity for the consumer to feel that he or she is a partner in the process. However, for optimal results, the issue should be close to the consumer. As such, we found that inviting customers to vote for the new company's name is a symbolic act that may effectively mitigate reactance. Other active, consumer-centric means could involve creating sounding boards that allow customers to voice their general concerns, inviting customers to be the first to know about the plans and to spread word to new customers (thereby strengthening the perceived relationship and promoting customers into agents in the process), and allowing voting or suggestions for elements such as the company logo or the new products' names. Allowing customers to interact with the acquirer brand might also help reduce psychological reactance. Further research should investigate the effects of such means in reducing merger reactance.

8.3. Limitations and directions for further research

A key issue for further research would be to determine in more detail the circumstances in which customers experience psychological reactance to acquirer-dominant M&As. Several factors may moderate their reactions, such as the justification given for the merger. Consumers are likely to respond more favorably to arguments of increased product quality and breadth than to arguments pertaining to cost savings and increased future shareholder dividends. According to Brehm (1966), the justification and perceived legitimacy of the threat to freedom is an important moderator variable in predicting reactance behavior. Thus, research in this area should also examine how the stated motive for the M&A influences target customers' reactions. Investigating moderating variables such as switching costs and consumers' attachment styles (Swaminathan, Stilley, & Ahluwalia, 2009) also would be a worthwhile future research path. Consumers with different attachment styles will most likely react differently to both perceived threats to freedom of choice and subsequent reactance mitigation strategies.

In addition, further research should investigate the sources of reactance and negative customer reactions. Strong consumer–brand ties may stem from a variety of sources, such as self-concept congruency ("I am an H&M girl"), functional superiority ("E-Trade provides the best option trading tools"), and consumer ethnocentrism ("I prefer Bloomingdale's over any Japanese or European brand"). Further research should investigate how and whether reactance occurs when these various antecedents of consumer–brand relationships are at play. Moreover, this research was rooted in the view that reactance is part of a relationship. Because relationships are ongoing and dynamic, reactance should similarly be viewed as a dynamic construct that can change over time. Although the studies measured reactance in immediate response to a perceived change in the relationship, measures over time could produce deeper insights into the formation and resolution of reactance. The current research focused on acquirer-dominant M&As only. Future research should investigate the extent to which reactance plays a role in other forms of M&As, as well as the relative impact of reactance in relation to other established drivers of M&A success and failure.

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Table 1
Study 2: Mean values

	Control[3] (S.D.)	Merger (no vote) (S.D.)	Merger (with vote) (S.D.)
Attitude Brand A	3.21 (1.10)	2.70 (1.34)	3.10 (1.45)
Attitude Brand B	4.01 (1.41)	4.52 (1.29)	4.08 (1.76)
Switching intention	3.43 (1.09)	3.97 (1.81)	3.59 (1.49)
Reactance		3.88 (1.58)	3.25 (1.46)

Table 2
Study 3: Mean values

	Control[4] (S.D.) n= 48	Merger (no vote), domestic leader (S.D.) n= 50	Merger (with vote), domestic leader (S.D.) n= 50	Merger (no vote), unknown acquirer (S.D.) n= 50	Merger (with vote), unknown acquirer (S.D.) n= 50	Merger (no vote), high loyalty (S.D.) n= 50	Merger (no vote), low loyalty (S.D.) n= 50
Attitude Brand A	4.88 (1.45) (domestic leader)	4.35 (1.56)	4.77 (1.52)	n.a.	n.a.	4.11 (1.21)(domestic leader)	4.50 (1.62)(domestic leader)
Attitude Brand B	3.70 (1.67)	4.20 (1.60)	3.61 (1.49)	4.37 (1.55)	3.98 (1.48)	4.50 (1.29)	4.12 (1.77)
Switching intention	3.29 (1.22)	3.68 (1.55)	3.32 (1.43)	3.95 (1.37)	3.57 (1.48)	4.06 (1.89)	3.65 (1.34)
Reactance		4.51 (1.92)	3.90 (1.47)	4.78 (1.49)	4.33 (1.55)	4.88 (1.87)	4.34 (1.79)

[3] Study 2 control group: Target brand customers that were *not* informed about the upcoming merger.
[4] Study 3 control group: Target brand customers that were *not* informed about the upcoming merger.

Table 3

Study 4: Mean values

	Control[5] (S.D.) n=52	Merger (no vote) (S.D.) n=52	High-expectancy vote (S.D.) n=70	Low-expectancy vote (S.D.) n=70	Outcome in accord with vote (S.D.) n=70	Outcome opposite to vote (S.D.) n=70
Attitude Brand A	3.29 (1.28)	3.00 (1.42)	3.70 (1.61)	3.04 (1.32)	3.93 (1.51)	3.11 (1.48)
Attitude Brand B	5.21(1.22)	5.90 (1.01)	5.52 (1.17)	5.86 (1.08)	5.91 (1.13)	5.63 (1.06)
Switching intention	2.84 (1.45)	4.10 (1.30)	3.85 (1.52)	4.46 (1.56)	3.49 (1.44)	4.36 (1.50)
Reactance		4.10 (1.67)	3.38 (1.71)	4.26 (1.58)	3.61 (1.75)	4.13 (1.42)

Table 4
Strategies for mitigating reactance

	Personal	*Impersonal*
High relevancy	Strategy 1: Direct invitation to vote for company name	Strategy 2: Information about opportunity for consumers (in general) to vote for company name
Low relevancy	Strategy 3: Direct invitation to vote for company's information system	Strategy 4: Information about opportunity for consumers (in general) to vote for company's information system

Table 5
Study 5: Mean values

	Control[6] (S.D.) n= 20	Personal (S.D.) n= 20	Impersonal (S.D.) n= 20	High relevancy (S.D.) n= 20	Low relevancy (S.D.) n= 20
Attitude Brand B	3.58 (1.45)	3.71 (1.56)	4.16 (1.26)	3.98 (1.44)	4.20 (1.17)
Switching intention	3.34 (1.21)	3.72 (1.28)	4.40 (1.34)	4.01 (1.55)	4.52 (1.35)
Reactance	n.a.	2.87 (1.30)	3.99 (1.46)	3.42 (1.71)	3.84 (1.28)

[5] Study 4 control group: Target brand customers that were *not* informed about the upcoming merger.
[6] Study 5 control group: Target brand customers that were *not* informed about the upcoming merger.