

2018 Sport Marketing Association Conference (SMA XVI)

Fan Reaction to Sport Rebranding: The Influence of Logo Change on Brand Loyalty and the Roles of Attitude toward Re-branding and Logo Evaluation

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25-minute oral presentation

(including questions)

It has been widely agreed that strong brands are built through many years of sustained and careful investment among scholars and practitioners (Aaker, 1992; Kapferer, 1994; Keller, 1993). Despite the traditional wisdom, rebranding is now a common phenomenon among contemporary branding practices. In the sport industry particularity, there has been an increased number of sport leagues and teams changing their logos and/or names in recent years.

In rebranding, logo redesign is the most frequently utilized strategy since a logo is the most salient visual element that acts as a key component of brand equity (Henderson & Cote, 1998). As a symbolic identification, it has a crucial influence on brand image and recognition (Kohli & Suri, 2002), and functions as a visual element that generates positive brand attitudes and associations (Henderson & Cote, 1998; Henderson, Giese, & Cote, 2004). Because a logo represents an organization's core value visually to consumers (Olins, 1990; Urde, 2003), developing a high-quality logo is essential for creating positive brand effects such as brand loyalty (Kohli & Suri, 2002).

Notwithstanding the significance of a logo in (re)branding, there have been few academic efforts to examine logo design in relation to the sport context. More specifically, the effect of logo changes on the relationship between fans and a sport brand is still in its infancy.

While sport rebranding has become ubiquitous, the key concerns for sport marketers are whether the fans will positively accept the new logo, show favorable attitudes toward the brands, and continue to buy the merchandise bearing new logos (Ahn, Suh, Lee, & Pedersen, 2013). Although sport marketers generally assume that fans will stay loyal to the rebranded entities, redesigned logos do not always garner positive responses from consumers. As reported by Foster, Greyser, and Walsh (2005), the results may vary from extremely negative to extremely positive.

Pauwels-Delassus and Descotes (2013) argue that one of the most frequent negative consequence of brand element change is brand loyalty loss. Comprised of attitudinal and behavioral loyalty, brand loyalty is highly related to consumer attitudes and consumption behavior (Starr & Rubinson, 1978). It is an outcome of positive brand attitude (Keller, 1993) and directly influences purchase intentions (Mittal, Ross, & Baldasare, 1998; Hennig-Thurau, Gwinner, & Gremler, 2002).

Furthermore, empirical evidence regarding consumer responses to logo change is mixed. The previous literature on logo redesign suggests that a higher degree of logo change increases the strength of brand associations and leads to a more favorable brand attitude as compared to the original logo (van Hooft & Das, 2015; van Riel & van den Ban, 2001). Van Hooft and Das (2015) have argued that even though logo changes may not be favored at first exposure, they eventually generate a positive impact on brand evaluation. Others, however, have claimed that logo changes evoke more negative brand attitudes (Walsh, Winterich, & Mittal, 2010). In sport marketing literature, Ahn et al. (2012) found that highly identified fans reacted negatively to logo changes. Recently, Walsh, Clavio, Blaszkka, and Phillips (2017) found that initial response was mixed, and not necessarily as negative as previous research suggested.

The research outcomes may differ due to various degrees of logo redesign. Today, some sport brands introduce new logos with subtle changes, which are very similar to the original logos (e.g., Pittsburgh Penguins), while others reveal new logos with substantial changes (e.g., Minnesota Timberwolves). These variances are driven by the different types of rebranding strategy. According to Muzellec and Lambkin (2006), evolutionary rebranding carries a minor change in positioning and marketing aesthetics while a major change represents

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revolutionary rebranding. Thus, an inconsiderable logo modification embodies evolutionary rebranding and a substantial logo redesign symbolizes revolutionary rebranding (Grinsven & Das, 2014). Consequently, fans' responses may vary when fans are evaluating different degrees of newly introduced logos. Moreover, Pauwels-Delassus and Descotes (2013) found that the consumers' degree of acceptance of the brand element change could play a significant role in reducing degradation of brand loyalty when rebranding occurs. In sum, the previous literature suggests that fan response to rebranding can be influenced by consumer attitude toward rebranding, evaluation of newly introduced logos, and different degrees of logo change.

This study aims to investigate the effect of logo redesign on brand loyalty, and the roles of logo evaluation and consumer attitudes toward rebranding therein. To this end, the logo of the Ultimate Fighting Championship (UFC) was redesigned based on the concepts of evolutionary and revolutionary rebranding (i.e., inconsiderable and substantial changes). Additionally, the researchers included a logo change in color for further in-depth analysis. Manipulation checks assessed the similarity and difference of the redesigned logos using a three-item scale.

The fans of the UFC participated in this study via Amazon's MTurk. The participants were randomly assigned to one of the four logo redesign conditions (control/minor/major/color changes). They first viewed the original logo and completed the survey questions related to demographic information, brand loyalty (Chaudhuri & Holbrook, 2001), and logo evaluation (Henderson & Cote, 1998). Additionally, attitude toward rebranding was measured using 4 items (Pauwels-Delassus & Descotes, 2013). Next, the participants were exposed to one of the redesigned logos and responded to the questions on brand loyalty and evaluation of the redesigned logo. Brand loyalty and logo evaluation were measured twice (pre-post) to investigate the changes occurred after the exposure to the redesigned logo.

The data will be analyzed using an ANCOVA with the dependent variable of post brand loyalty, independent variables of the degree of change and attitude toward rebranding, and the covariate of pre-measured brand loyalty. The mediating effect of logo evaluation will be tested using regression analysis.

Examining the way various degrees of logo redesign affecting fans will provide a theoretical contribution by extending previous findings with underscoring the importance of a critical component of brand aesthetics in the sport industry. The findings will also contribute to professionals by providing significant insights on effective design utilization for sport rebranding practices.

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