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Brand mergers: examining consumers' responses to name and logo design

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Abstract

Purpose – In the context of a merger, the management of corporate identity – in particular of corporate names and logos – assumes a critical role. This paper aims to explore how name and logo design characteristics, and specifically figurativeness, influence consumer preferences in the context of a brand merger, in the banking sector.

Design/methodology/approach – This study develops a typology of the alternative corporate identity structures that may be assumed in the context of a brand merger by drawing on a literature review and secondary data, as well as an exploratory study analyzing consumers' preferences regarding alternative branding strategies.

Findings – The results suggest that there is a clear preference for figurative logos. Furthermore, there is evidence that logos may be as important as the company name in a merger situation, in terms of assuring consumers that there remains a connection to the brand's past. The data show that the logo chosen by consumers reflects their aesthetic responses, whereas the selected name reflects their evaluation of the brand's offers or its presence in the market.

Originality/value – The paper uses an innovative research design which gives respondents freedom to choose their preferred solution; hence, the richness of the results is enhanced. The results should guide managers in their evaluation and choices regarding post-merger branding strategies.

Keywords Brand, Brand identity signs, Brand logo, Mergers and acquisitions, Consumer preferences, Consumer behaviour, Corporate identity

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

1. Introduction

Name and logo are key components of brand identity, since they are the most pervasive elements in corporate and brand communications, and provide instant recognition of the brand (Schechter, 1993; Henderson and Cote, 1998).

The reasons why a corporate brand name or logo might change are numerous, but a merger between two or more companies is a major one (Muzellec and Lambkin, 2006; Stuart and Muzzelec, 2004). Moreover, the tendency for companies to merge has increased considerably over recent last years, across virtually all industries, and this trend is expected to continue rising (Ettenson and Knowles, 2006).

The formulation of a post-merger branding strategy is one of the more important organisational and marketing tasks that

arises from mergers (Balmer and Dinnie, 1999; Brooks *et al.* 2005; Melewar, 2001). Understandably, there has been increasing interest in the role of corporate brands and corporate communications in merger activities, both in the general business press and in academic fields (e.g. Bahadir *et al.*, 2008; Balmer and Dinnie, 1999; Jaju *et al.*, 2006; Melewar and Harold, 2000). Yet, relatively little academic attention has been paid to the different name and logo options available to a new corporate entity, and to the authors' knowledge no empirical research has yet addressed branding strategies from the perspective of individual consumers. This paper seeks to address this research gap, by exploring consumers' brand identity preferences in the context of a merger. Specifically, it considers the degree to which name and logo design characteristics influence consumer responses.

The paper is set out as follows: we begin by reviewing relevant brand identity and logo literature, and specifically discuss the impact of a merger on corporate name and logo. From here, the study is described, the research results are presented and discussed, the limitations are noted and future research directions are outlined.

2. Literature review

2.1 Brand and brand identity signs
Branding is a central concept in marketing, and the particular importance of corporate branding has been highlighted by a