Marketing, Get Ready to Rumble: Why Consumers Appreciate Brand Rivalries

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Most brands avoid public conflict with competitors—a missed opportunity, considering our findings that an intense brand rivalry enhances consumers’ self-concept by increasing their perceived distinctiveness, cohesion, and public collective self-esteem. We derive three parallel mediators that explain these effects: brand identification, rival brand disidentification, and perceived reciprocity of rivalry.

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EXTENDED ABSTRACT

Previous research has focused on the dark sides of brand rivalry. It has been labeled as destructive competition (Vogler 1994) with negative consequences such as consumer schadenfreude, outgroup derogation and hostility (Ewing, Wągstaﬀ, and Powell 2013; Hickman and Ward 2007; Phillips-Melancon and Dalakas 2014). Therefore, most brands stay away from public conﬂict—a missed opportunity, because ingroups need strong outgroups to deﬁne themselves against (Fournier and Lee 2009). Sociologists have long maintained that conﬂict comes along with certain beneﬁts (Simmel 1996), and people develop a positive self-concept by showing who they are and what they consume as well as by showing who they are not and what they do not consume (Bhattacharya and Elsbach 2002; Muniz and Hamer 2001). Yet the extant literature emphasizes the identity-damaging aspects of rivalry. We develop and empirically assess a model that uncovers the positive effects of brand rivalry on consumers’ self-concept.

The concept of rivalry has only recently captured researchers’ attention. Kilduff, Elfenbein, and Staw (2010) conceptualize rivalry as a special competitive relationship that is subjective and exists primarily in people’s minds. Rooted in social identity theory, scholars agree that rivalry includes a certain element of threat. Tyler and Cobbs (2015, 230) deﬁne a rival as a “highly salient outgroup that poses an acute threat to the identity of the ingroup.” Noting that not all outgroups are equal, White and Dahl (2007) conﬁrm that dissociative reference groups can pose an identity threat to consumers. However, an identity threat is not restricted to negative consequences. We provide theoretical and empirical evidence that brand rivalries boost consumers’ identities, as expressed by increases in perceived group distinctiveness, group cohesion and public collective self-esteem. We propose three mediating variables. While identiﬁcation with the favorite brand and disidentiﬁcation from the rival brand are derived from the intergroup relations literature, we introduce a mediating variable that is speciﬁc to rivalry: the perceived reciprocity of brand rivalry.

To test our model, we conducted three studies in three different consumption settings (team sports [N = 748], smartphones [N = 253], cars [N = 230]). The independent variable assessed the perceived intensity of a rivalry between two brands. It was measured with the single-item “How intense do you think is the rivalry between your favorite [soccer team / smartphone brand / car brand] and its [archrival]” on a 10-point scale (1 = not very intense, 10 = very intense). All other constructs used multi-item 7-point rating scales (1 = do not agree, 7 = strongly agree). Statistical testing ensured convergent and discriminant validity, and common method variance was not deemed a problem.

Across the three studies, the model displayed a very good ﬁt to the data, explaining a signiﬁcant proportion of the variation in the scores for perceived group distinctiveness, perceived group cohesion, and public collective self-esteeem. In all studies, perceptions of brand rivalry intensity exerted a positive and signiﬁcant total effect on perceived group distinctiveness (study 1: b = .29, p < .001; study 2: b = .52, p < .001; study 3: b = .20, p < .01) and public collective self-esteem (b = .11, p < .05; b = .34, p < .001; b = .14, p < .05). Perceptions of brand rivalry intensity also exerted a positive and signiﬁcant total effect on perceived ingroup cohesion in studies 1 (b = .23, p < .001) and 2 (b = .45, p < .001) but not in study 3 (b = .10, p = .17). The results further showed that perceptions of brand rivalry intensity exerted a signiﬁcant total indirect effect on consumers’ self-concept. Via the three mediators, perceptions of brand rivalry intensity exerted a positive and signiﬁcant total indirect effect on perceived group distinctiveness (b = .26, p < .001; b = .43, p < .001; b = .15, p < .05) and perceived group cohesion (b = .22, p < .001; b = .38, p < .001; b = .13, p < .01) in all three studies. Perceptions of brand rivalry intensity exerted a positive and signiﬁcant indirect effect on public collective self-esteem in studies 1 (b = .20, p < .001) and 2 (b = .28, p < .001) but not in study 3 (b = .05, p = .15). Across the three studies, seven of the nine indirect relationships were mediated by brand identiﬁcation and perceived reciprocity of brand rivalry, whereas rival brand disidentiﬁcation mediated just one out of nine possible relationships. None of the direct effects of perceptions of brand rivalry intensity on the self-concept variables were signiﬁcant, suggesting indirect-only mediation.

Contrary to previous research, the ﬁndings indicate that a brand rivalry is not restricted to negative outcomes. It assists consumers in building a positive self-concept and enhances their identities by increasing their perceived distinctiveness, perceived ingroup cohesion, and public collective self-esteem. Hence, this research contributes to a more balanced view of brand rivalries and provides empirical evidence for the notion that public conﬂict with competitors can have advantages.

It would be interesting to debate whether the beneﬁts of rivalry, in line with the old saying that competition is good for everyone in the marketplace, could even prompt cooperation between competitors to create a perception that a rivalry is reciprocal, because this mediator is the key underlying mechanism that explains why rivalry enhances the self-concept. In a follow-up experimental study, we manipulated the perceived reciprocity of rivalry and detected a signiﬁcant main effect on perceived group distinctiveness (η2 = .02, p < .05) and group cohesion (η2 = .03, p < .01). Rivalry is not a one-way street but seems to require back-and-forth exchanges between consumers.

Additional research is needed to explore the dual outcomes of rivalry, weighing the positive effects against the negative effects to get to the bottom of a construct that is ubiquitous yet has received little attention in either marketing or social psychology. Future research could also explore the effects on important downstream beneﬁts (e.g., willingness to pay or brand preferences).

REFERENCES


