Joana César Machado
Catholic University of Portugal
Rua Diogo Botelho, 1327, 4169-005 Porto, Portugal
Tel. +351 914028651
E-mail: jcmachado@porto.ucp.pt

Paulo de Lencastre
Catholic University of Portugal
E-mail: plencastre@porto.ucp.pt

Leonor Vacas de Carvalho
Évora University
E-mail: leonorvc@uevora.pt


PatrícioCosta
Minho University
E-mail: pcosta@fpce.up.pt

**Brand Logo Design: Examining Consumer Responses to Name and Logo Characteristics**

**Abstract:**
It is critical to investigate reactions to the various name and logo redeployment alternatives available in the context of a brand merger. Yet research on this topic is relatively limited. This paper aims to start filling this gap in the literature, by developing a typology of the visual identity structures that may be assumed in the context of a merger, as well as an exploratory study (n = 467) analysing consumers' preferences regarding the alternative branding strategies. It uses an innovative design, which gives respondents freedom to choose their preferred solution. Results suggest that there is a clear preference for figurative logos. Furthermore, there is evidence that the logo may play a role as important as the name in a merger, ensuring consumers that there will be a connection with the brand's past. Data also show that the choice of the logo reflects consumers' aesthetic responses, whereas the choice of the name reflects consumers' evaluation of the brand's offer or off the brand's presence in the market. These results should guide managers in the evaluation and choice of the post-merger branding strategy.

**Keywords**: brand identity, logos, brand mergers, consumer preferences

## 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 to the brand (Schecther, 1993; Henderson and Cote, 1998). Furthermore, name and logo are the official representations of the brand's meaning and a play a crucial role in the communication of the brand's characteristics (Henderson and Cote, 1998; Van Riel and Van den Ban, 2001).

Mergers are one of the most frequent reasons for organizations electing to change their name and logo (Muzellec & Lambkin, 2006). Moreover, the choice of the post-merger branding strategy is one of the more important organizational and marketing questions that arises in mergers (Balmer & Dinnie, 1999; Brooks, Rossman and Grassman, 2005; Melewar, 2001). Yet, relatively little academic attention has been paid to the different name and logo options available to the new corporate entity, and to our knowledge no empirical research has

addressed the branding strategies from the perspective of individual consumers. This paper seeks to address this research gap, by developing a model of 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 strategy literature, and discuss specifically the impact of a merger on corporate name and logo. Then, the study is described, the research results are presented and discussed, limitations noted and research directions outlined.

## 2. Literature Review

### 2.1 Brand and brand identity

Branding is a central concept in marketing, and the particular importance of corporate branding has been highlighted by a number of writers (Keller and Richey, 2006; Merriles and Miller, 2008). Although this increasing interest in branding, we may say that its incorporation into the conceptual structure of marketing is still not completely consolidated (Stern, 2006).

In the search of an holistic conceptualization, we assume a semiotics based conceptual model for branding, according to which the brand is founded on three fundamental pillars: the identity pillar, which includes the sign or signs that identify the brand (name, logo, slogan, ...identity mix) and the brands associated to it, thus building the corporate identity structure; the object pillar, which includes the different offers of the brand together with the organization and the marketing activities which support them; the market pillar, which includes the brand's stakeholders and their different responses to the brand at a cognitive, affective and behavioural level (Mollerup, 1997; Lencastre, 1997).

Name and logo are generally considered the main brand identity signs, since they are critical communication cues (Henderson and Cote, 2003; Pittard, Ewing and Jevons, 2007; Van den

Bosch and de Jong, 2005). Development of a strong logo is particularly relevant for services organizations, because of the intangible nature of their offerings (Berry, 2000; De Chenatony and Segal-Horn, 2003, Devlin and McKechnie, 2008). Several marketing scholars have underlined the need to link intangible service offers to tangible logos in order to convey appropriate meanings (Miller, Foust and Kilic, 2007).

*2.2 Logo design*

Prior research recognizes logos play a critical role in brand building, because they act as the primary visual representation of the brand's meaning and serve as the summary information about the brand's marketing effort (Henderson and Cote, 1998; MacInnis, Shapiro and Mani, 1999). Yet, there is little systematic research on the effect of logo design on brand evaluation and preference. In one exception, Henderson and Cote (1998) showed that design characteristics influence cognitive and affective reactions to logos, before any promotional activity is implemented. More recently, Piitard et al (2007) examined the universal preference of a specific design characteristic, namely proportion. Thus, marketing managers can benefit considerably from understanding the principles of designing, selecting and modifying logos. Moreover, mergers and are the main drivers for companies having to select a new logo or a new name (Muzellec and Lambkin, 2006).

As a brand identity sign, a logo can refer to a variety of graphic or typeface elements, ranging from word-driven, word marks or stylized letter marks, through to image-driven, pictorial marks (Henderson and Cote, 1998; Wheeler, 2003). In this study, the word logo refers to the graphic element that a company uses, with our without its name, to identify itself.

Theorists agree that well-designed logos should be recognizable, evoke positive affect and allow the transmission of a set of shared associations (Henderson and Cote, 1998 and 2003; Janiszewski and Meyvis, 2001; Klink, 2001 and 2003; Kohli, Suri and Thakor, 2002).

Affective reactions to the logo are critical, because affect can transfer from the identity signs to the product or company with little or no processing (Henderson and Cote, 1998; Schecther, 1993). Furthermore, in low involvement settings, the affect attached to the logo is one of the few cues that differentiate the offering (Hoyer and Brown, 1990; Leong, 1993).

Prior research suggests that brands with a greater aesthetic appeal not only provide the pleasure of visual gratification, but are also more likely to develop emotional bonds with their customers (Bloch, 1995; Goldman, 2005). As aesthetic appeal and design evolves to become an essential component of corporate marketing, it is important to determine the extent to which design elements like figurativeness create a positive affect.


## *2.2* **Figurativeness and positive affect**

Previous research in logo strategy has underlined the advantages of using pictorial or natural (figurative) logos. Schechter (1993) demonstrated that logos suggestive of a recognizable object can add the most value to the brands they represent. Henderson and Cote (1998) also found that logos representative of objects that have familiar and widely held meanings are more effective at producing correct recognition and positive affect than more abstract logos. Natural forms are defined by the degree to which the form depicts commonly experienced objects. They are comprised of representative and organic characteristics (Henderson and Cote, 1998). Therefore, natural or figurative forms include cultural objects that exist in our physical environment (e.g. the Traveller's umbrella) and living organisms (e.g. Apple's apple).

According to semiotics, figurative and its opposite endpoint, abstract, captures the extent to which a sign is related to the natural and sensitive world: the sign is abstract when there are no links to the sensitive world; in the opposite situation we say this sign is figurative (Greimas and Courtés, 1993). Logos depicting characters, places, animals, fruits or any other living or inanimate objects of the sensitive world demand a lower learning effort and are better recognized (Henderson and Cote, 1998; Lencastre, 1997). Recognition for abstract and meaningless logos may be poor, and abstract designs are more difficult to interpret (Koen, 1969; Nelson, 1971; Seifert, 1992). Empirical research further shows that figurative identity

signs can enhance brand memorization, contribute to the formation of brand associations and improve affect (Henderson and Cote, 1998; Hynes, 2009; Van Riel and Van den Ban, 2001). These findings are supported by the recognized aesthetic primacy of natural forms in logo design. In fact, Veryzer's theory of aesthetic response suggests that individuals surrounded by a common, natural environment, form similar non-conscious rule systems that inform their design preferences. The responses that individuals produce towards design, experienced as affect, are the results of consistency or inconsistency with several rule systems internalised at the deepest level (Kofkka, 1962; Veryzer, 1999). To the extent that one can count on a common physical environment, one can also count one a broad range of commonly acquired likings (Veryzer, 1999). Figurative logos depict natural phenomena or other objects from our environment, and therefore one should expect figurative logos to be most preferred.

In this research we will use the term cultural logo design when referring to logos that depict manufactured objects (i.e., buildings, furniture, everyday objects, writing symbols, etc.), and natural logo design when referring to logos that depict objects from the natural world (i.e., flowers, fruits, animals, landscapes, etc.).


### 2.2.1 *Figurativeness and preference*

Based on previous insights, we would then predict differences in affective responses for consumers confronted with figurative compared to abstract logos. Preference is a useful measure of the affective response towards the brand. We would expect higher preferences for logo designs that represent objects from the natural or real world versus logo designs that represent abstract objects (Henderson and Cote, 1998; Lencastre, 1997; Landry, 1998). For example, Henderson and Cote (1998) and Henderson et al (2003) acknowledge the importance of figurative (or natural) designs, and suggest that figurativeness (or naturalness) evokes a more positive affect.


### 3.  Typology of the corporate identity structures that may be assumed in the context of a merger

Based on the literature review and on a documental analysis of recent mergers, this study develops a typology of the corporate identity structures that may be assumed in the context of a merger, and which may closer to a monolithic identity (one single brand) or to differentiated identity (two or more independent brands). In between these two approaches, there are several

hybrid strategies which combine elements of both brands identities. Next each one of the alternatives is briefly described.

**One of the brands name and logo**

According to the results of previous research (Ettenson and Knowles 2006; Rosson and Brooks, 2004), in the majority of the deals, the merged entity adopts immediately the name and logo of the lead organization. This is usual in mergers involving organizations with very a diverse dimension/power, and when the leading organization pursues a monolithic politic. This alternative allows to communicate explicitly who will be in charge after the merger. The use of one name and one visual identity provides visibility to the brand (Olins, 1990), and enables synergies in what regards the marketing activities (Keller, 1999).

Sometimes, the new organization adopts temporarily a hybrid solution, in which the name and logo of the lead brand cover the identity of the target brand. Relatively to the former alternative, this solution allows clients to adjust gradually to the new brand while maintaining their relationship to the disappearing brand. Moreover, this alternative permits the equity of the target brand to be absorbed gradually by the lead brand.

Another possibility is for the new organization to adopt the name and the logo of the target organization. This may be the case, when the target brand is a leading brand in its market, and has a high level of awareness and a set of strong, favourable and unique associations.

**One of the two brands' name and a new logo**

This solution enables the new brand to inherit the history and attributes of the original brand. Moreover, the adoption of a new logo can allow the signalling of a brand repositioning, of a fresh beginning.

**New name and logo**

The decision to create an entirely new identity can signal a new beginning, and help communicate the changes in the corporate structure and positioning strategy. Though, this is

the most risky strategy, since the loss of equity associated with the two corporate brands is more significant (Jaju, Joyner and Reddy, 2006). Also, this drastic change may generate feelings of uncertainty, insurance and resistance among the different publics (Ettenson and Knowles, 2006).

**Combination of the two brands' names and a new logo**

The solutions that combine elements of both identities can capitalize on the value of the two corporate brands (Keller, 1999). The option to combine the names can enable a connection to the familiar, while the creation of a new logo can signal a fresh start (Ettenson and Knowles, 2006). Still, these options may difficult the definition of the new brand's positioning strategy. The simple combination of the two names may not express an attractive promise, and it is fundamental to communicate the idea that the organization resulting from the merger is greater than the parts (Rao and Rukert, 1994).

**Combination of the two brands' name and logo**

The combination of the two central brand identity elements may be adequate when one of the corporate brands involved has a distinctive name and the other a logo rich in meaning. If the logo communicates the target brand's name visually, its name does not need to be mentioned. On the other hand, the use of a highly symbolic logo can compensate a more abstract name. Also, the inclusion of identity signs of the two brands can be interpreted as a sign of continuity, of respect for the brands' heritage (Ettenson and Knowles, 2006; Spaeth, 1999).

**One of the two brands endorses the other with its name and logo**

By covering with its name and identity the acquired corporate brand, the organization expects to benefit from the value of the two corporate brands. The endorsing brand provides credibility and trust to consumers, assuring that the endorsed brand is up to its standards of quality and performance. Furthermore, this alternative can increase consumers' perceptions of the endorsed brand and preferences for it (Aaker and Joachimstaler, 2000; Saunders and
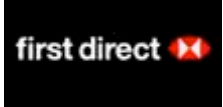
Guoqun, 1997). Another motivation to endorse the target brand is to provide useful associations to the endorsing brand, since a leading brand in its market segment can enhance corporate image (Kumar and Blomqvist, 2004). Though, this option can create some confusion about the meaning of the corporate brand, if it endorses several individual brands and if there is no explicit coherence between them.

**Two independent brands**

The adoption of a differentiated identity structure enables the organization to position its brands clearly according to their specific benefits and, thus, allows for optimum market coverage (Aaker and Joachimsthaler, 2000). Moreover, the multiple brand strategy enables retaining the value associated to the target brand's name and avoids the new offers from acquiring incompatible associations. However, this strategy does not allow taking advantage of scale economies and synergies concerning brands communication. Also, this solution may be extremely costly, because to leverage the brands' equity it is necessary to support them continuously (Olins, 1990).

The seven options typified are illustrated in Table 1 through real cases of brands' merger.

**Table 1-** Typology of the corporate identity structures that may be assumed in the context of a merger

| | Tipology | Brand 1 | Brand 2 | Merger |
|---|---|---|---|---|
| **Monolithic Identity** | 1. One of the brands' name and logo |  | TELECEL | vodafone |
| | 2. One of the brands' name and a new logo | BP | AMOCO | bp |
| | 3. New name and logo | GUINNESS | GRAND METROPOLIT AN | DIAGEO |
| **Combined Identity** | 4. Combination of the two brands' names and a new logo | BNP | PARIBAS | BNP PARIBAS |
| | 5. Combination of the two brands' name and logo | Union Bank of Switzerland | Swiss Bank Corporation | UBS |
| | 6. One of the brands endorses the other with its name and logo | HSBC | first direct | first direct |
| **Differentiated Identities** | 7. Two idendependent brands | P&G | Gillette | P&G Gillette |

## 4. Research method

This research focused on the banking sector. This seemed particularly appropriate, since we have witnessed a large number of mergers and acquisitions between banking brands. Additionally, there is a growing body of literature relating brand identity and services or banking brands (Devlin and McKennie, 2008; De Chernatony and Segal-Horn, 2003; Berry, 2000).

For the main study four Portuguese banking brands (Caixa, Millennium, BES and BPI), and two international brands (Barclays from UK and Banco Popular from Spain) were selected.

Since it was fundamental to give respondents the option to choose a new name and/or a new logo, when choosing the preferred redeployment alternative, a pre-test was done to identify a suitable solution. Therefore, researchers conducted an exploratory study, using names and logos of European banks that were unknown in Portugal, to identify a solution that reunited a high level of preferences. Results showed that the name and logo of UniCredit Banca were preferred by the majority of the respondents, and thus it was decided to use this brand's identity signs in the study.

In the main study the authors administrated a survey questionnaire among consumers to measure their attitude towards the corporate brands being studied and their preferences regarding the different corporate identity redeployment alternatives. This was done through creating fictional scenarios involving the six real brands.

Respondents (n=467) were postgraduate students from a major university, and were assigned randomly to 1 of the 15 versions of the brand merger. Each independent group of respondents (composed by at least 30 elements) evaluated one corporate brand pair.

Respondents first answered questions regarding their cognitive answer (recall and recognition) towards banking brands and their identities signs. Then they were asked to rank the logos under study from one through to seven, where one was the respondents "most pleasing" and seven the "least pleasing".

In the following part of the questionnaire a series of questions were included to evaluate the cognitive (familiarity), affective and behavioural response towards the two brands under study[1].

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[1] Familiarity with the brand was measured through a seven-point semantic differential scale assessing the degree to which the respondent was familiar/unfamiliar, recognized/did not recognize, and has heard/has not heard of the brand before (Simonin & Ruth, 1998). Affect was evaluated through a seven-point semantic differential scale, which allowed to access the feelings that the brands inspire (unpleasant/pleasant; uninteresting/interesting;

Finally, respondents were presented with the target stimulus depicting the corporate brands' merger scenario, and then answered questions concerning the corporate identity redeployment alternative that they prefer.

Participants were given three cards depicting the different alternatives in terms of the new brand's name – name of Brand A, name of Brand B or a new name[2] -  and three cards depicting the different alternatives in terms of the new brand's logo - logo of Brand A, of Brand B, or a new logo - and were asked to form on the presented booklet their preferred corporate identity redeployment alternative (see Figure 1).

**Figure 1** – Example of questionnaire cards in the merger scenario between BPI and Barclays
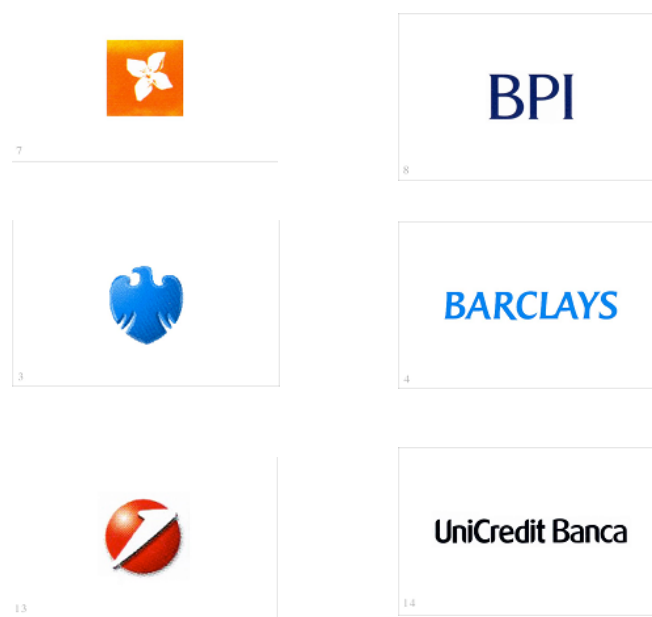


The option to give respondents freedom to create their preferred solution allowed to induce a high level of involvement and compromise with this answer, and contributed to a much greater richness of results (118 response alternatives were found).

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unfavourable/favourable; dislike/like; bad/good; negative/positive) (Henderson & Cote, 1998; Grossman & Till, 1998; Kim, Allen & Kardes, 1996; Park, Jun & Schocker, 1996; Milberg, Park & McCarthy, 1997; Rodrigue & Biswas, 2004; Samu, Krishnan & Smith, 1999; Simonin & Ruth, 1998). Behavioral response was measured by asking respondents to identify with which banking brands they work and which is their main bank.
[2] The names were written in the original lettering to reinforce the maintenance option (or the change option in the case of the new name), when the name is chosen.

## 5. Results

### 5.1 Revision of the typology of identity options

The analysis of consumers' preferences led us to a revision of the typology of corporate identity redeployment alternatives previously developed, since we have found new monolithic and combined redeployment alternatives.

In respect to the monolithic alternatives, we have identified four different response typologies, instead of the three options initially typified (see Table 2). The option to choose the logo of one of the two brands and a new name was not previewed in the literature and is not usual in the practice. This new monolithic option transforms the brand's logo in the stability element whenever there is a rupture with the past in terms of name.

**Table 2** – Monolithic redeployment options

| Options presented in the Literature Review and Documental Analysis | Variants resulting from the Experimental Study |
|---|---|
| **1. One of the brands' name and logo**<br>BPI | |
| **2.1 One of the brands' name and a new logo**<br>BPI | **2.2 One of the brands' logo and a new name**<br>UniCredit Banca |
| **3. New name and logo**<br>UniCredit Banca | |

In regard to the redeployment alternatives that combine elements of both brands' identities, we have found a wide range of response typologies besides the three options previously typified (see Table 3). The option to combine the two brands' logos with a new name is a variation of the alternative to combine both brands' names with a new logo, and contributes again to underlining the importance of the logo as the stability element in a merger context. In respect to the option of choosing the logos of the two brands associated to the name of one of the brands, it can be considered as an example of an endorsement solution, and it confers the logo the endorsement role that is typically attributed to the name.

**Table 3** – Redeployment options that combine elements of both brands' identities

| Options presented in the Literature Review and Documental Analysis | Variants resulting from the Experimental Study |
| --- | --- |
| **4.1 Combination of the two brands' names and a new logo** <br> BPIBARCLAYS | **4.2 Combination of the two brands' logos and a new name** <br> UniCredit Banca |
| **5.1 Combination of two brands' name and logo** <br> BARCLAYS | **5.2 Combination of the two brands' names and logos** <br> BPIBARCLAYS |
| | **5.3 Combination of the two brands' names** <br> BPIBARCLAYS |
| **6.1 One of the brands endorses the other with its name** <br> BPI BARCLAYS | **6.2 1 One of the brands endorses the other with its logo** <br> BPI |

Our results indicate that almost half of participants preferred monolithic redeployment strategies (47.5%). However, the analysis of the different monolithic response typologies shows that the creation of a new brand outperforms the preservation of the brands involved in the merger. Moreover, redeployment alternatives that combine elements of both brands identities are also very often chosen. On the other hand, differentiated alternatives are very rarely selected.

We have decided to call "dictators" to the respondents that prefer the creation of a monolithic structure, "ethicals" to the ones that always choose a combination of both brands' identities, and "reluctants" to the ones that consider that, despite of the merger, the two brands should remain completely independent.

## 5.2 Relation between the typology of identity options and the brand pillars

We crossed the different response typologies (dictators, ethicals, reluctants) with the response to the three brand pillars (identity, object, market) suggested by the analysis of the

justifications of the respondents choices. The dictators and the ethicals tend to justify the corporate identity alternative chosen with the actual brands' image or with the impact that this alternative might have on the image of the newly formed organization (response to the market). On the other hand, the ones that are reluctant, explain their resistance to the merger essentially with the personal appropriation they make about the brands offerings (response to the object) (see Table 4).

**Table 4** *The dictators, the ethicals and the reluctants and their response to the brand's pillars*

| Responses to the Merger | Responses to the Brand's Pillars | | | | Total |
|---|---|---|---|---|---|
| | Response to the Identity | Response to the Object | Response to the Market | Others | |
| **Dictators** | 31,5% | 17,1% | 41,4% | 9,9% | 47,5% |
| **Ethicals** | 38,0% | 4,8% | 48,1% | 9,2% | 44,5% |
| **Reluctants** | 0,0% | 64,9% | 29,7% | 5,4% | 7,9% |
| **Total** | 31,9% | 15,4% | 43,5% | 9,2%% | 100% |

### 5.3 *Relation between logo design characteristics and the identity options*

The two figurative logos, BPI's orange flower and Barclays's eagle, are the ones most often chosen, although they don't belong to leading banks. On the contrary, Caixa's abstract logo or Millennium's and BES's abstract monograms are considerably less chosen, even though they are the identity signs of the three biggest banks.

In regard to the choice of the logo, results suggest that the distinction between abstract and figurative has a significant influence in consumer preferences in a merger situation, and can be even more important than brand's antiquity or brand's position in the market. Thus, the choice of the logo tends to reflect consumers' evaluation of its aesthetic qualities, and to confirm previous findings in the logo strategy literature (see Table 5).

In respect to the choice of the brand's name, very close results were obtained for the four biggest brands studied. Furthermore, the preference ranking for the brands' names reflects

clearly the market share ranking. Therefore, it may be concluded that the qualities of the different names do not have a determinant influence on consumers' preferences in a merger situation. Hence, the choice of the name tends to reflect consumers' evaluation of the brand's offer or of the brand's presence in the market.

The findings regarding consumer logo preferences will be analysed more thoroughly in a confirmatory study that addresses specifically the influence of the figurativeness of logo design. This study will use logos which are unknown to the respondents, so that it is possible to assess the effects of initial design on responses and thereby minimize the effects of usage variables (Henderson and Cote, 1998). Additionally, logos will be designed in black and white to minimize the presence of colour, one of the major aspects of logo's characteristics besides design (Hynes, 2009).

Previous research has demonstrated the universal preference for divine proportion[3] in figurative logo designs. Preference for more abstract logos tends to favour the 1:1 ratio (Pittard *et al*, 2007). Based on these results, it is recommended that the confirmatory study includes abstract and figurative logos which conform to the preferred ratios.

The confirmatory study will investigate the influence of figurativeness on consumer logo preferences for product and service brands, to prove that the appeal for figurative designs is not confined to banking brands.

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[3] The "divine proportion hypothesis" states that a visual form is most aesthetically pleasing when the ratio of its larger to smaller dimensions is 1.618.

**Table 5** The choice of the identity signs

| Market Share | Names Ranking | Logos Ranking |
|:---:|:---:|:---:|
| 23,4% | Millennium<br>22,9% | <br>20,8% |
| 22,2% | Caixa<br>20,8% | <br>15,8% |
| 16,0% | BES<br>20,8% | <br>14,6% |
| 9,3% | BPI<br>20,1% | <br>13,7% |
| 2,2% | BARCLAYS<br>18,8% | <br>13,7% |
| 2,3% | BANCO POPULAR<br>10,5% | <br>4,9% |

## 6. Discussion

This study contributes to the literature by increasing our understanding of the alternative redeployment strategies that may be assumed subsequent to a brand merger. This study makes additional contributions by clarifying the influence of name and logo characteristics on consumer preferences in a merger situation. Methodologically, it uses an innovative research design which gives respondents freedom to choose their preferred solution.

The results of this study suggest that: (1) within the monolithic redeployment alternatives consumers prefer the creation of an entirely new identity; (2) in a merger involving two strong brands, consumers prefer alternatives that preserve elements of both brand identities; (3) the brand logo is often chosen as the stability element in a merger context and (4) the logo

preferences reflect consumer evaluations of its aesthetic qualities. Thus the findings expand on the conclusions of previous studies in the literature.

First, it emerged from the results that within the monolithic response typologies, the solution most often chosen is the creation of a new name and a new logo. This solution can send a very strong message to the market, signalising that the merger is an important corporate transformation with a new vision and direction (Ettenson & Knowles, 2006). However, these findings should be analyzed with some caution.

Overall results confirm that monolithic redeployment strategies are favoured by consumers subsequent to a brand merger, but there is not a significant discrepancy between the monolithic redeployment alternatives and those that combine elements of both brands' identities.

On the other hand, preliminary findings indicate that the preference for a monolithic redeployment strategy, suggested in the study developed by Jaju *et al* (2006), is only clearly supported when one of the partners in the merger is a weak partner. Whenever the corporate brands involved in a merger are two highly familiar brands, there is a tendency among respondents to assume an ethical behaviour and preserve elements of both brands' identities.

Our next finding relates to the fundamental role that the logo plays in a merger context. Contrary to previous studies and to what is usual in practice, we find evidence that the brand logo may play a role as important as the name (or even more important) in a merger, ensuring consumers that there will be a connection with the brand's past, and respect for the brand's heritage (Ettenson and Knowles, 2006; Spaeth, 1999).

Another important finding concerns the relation between logo design and the identity options. We find that the choice of the logo reflects consumers' evaluation of the brand's identity – and in particular figurativeness. On the contrary, the choice of the name reflects consumers' response to the brand's object or to the market. Thus, results suggest that when the consumer

does not want to assume a dictatorial behaviour, he or she will tend to choose a figurative logo and the name(s) of the brand(s) that is more highly valuated by himself or by the market. Thus results underscore the advantages associated to a figurative brand logo.

## 7. Limitations and directions for further research

The findings regarding consumer logo preferences should be analysed more thoroughly in a confirmatory study that addresses the research gaps. First, this study used real brand logos which were familiar to our subjects. In future research unknown logos will be used. Additionally, logos will be designed in black and white to minimize the presence of colour.

This research focused on a very specific product category, namely banking services, thus the generalisability of the findings may be questionable. However it should be noted, that the financial service context has been used with success to investigate branding issues. Nevertheless, future research should explore similar matters in other product markets, to prove that the findings of this study are pertinent in a broad range of contexts.

The fact that this study used a student sample may also limit the degree of generalisability of the results. However, using student respondents to test brand identity or aesthetic preference is consistent with prior research (Henderson *et al*, 2003;Pittard *et al*, 2007). Additional studies on consumer brand identity preferences will be designed to address these limitations.

## 8. Managerial implications

This study should guide managers in the evaluation and choice of post-merger branding strategy. Brand managers should be aware that the brand logo may play a role as important as the name in a merger, ensuring consumers that there will be a connection with the brand's past. Moreover, this study confirms that logo design characteristics influence significantly

consumer responses. For maximum positive affect and increased brand strength it is suggested that figurative logos be chosen over more abstract designs.

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