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ORIGINAL ARTICLE

Consumer responses to brand deletion

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Abstract Despite the importance and widespread prevalence of brand being deleted, research on brand deletion is sparse. To address the paucity of research on brand deletion from the consumer's perspective, this study investigates the consequences of brand deletion. Study 1 shows that when a brand is merged (vs. eliminated or sold), the deleted brand is weak (vs. strong) and the organization communicates the logic of such action (vs. no communication), leads to better evaluations of organizational performance while when a brand is sold (vs. eliminated or merged), the deleted brand is strong (vs. weak) and the organization communicates the logic of such action (vs. no communication), positive evaluations of corporate reputation is formed. Study 2A finds that when a brand is merged (vs. eliminated or sold) and the deleted brand is weak on love (vs. strong), positive evaluations of organizational performance is perceived. Study 2B finds that when a brand is merged (vs. eliminated or sold) and nostalgia intensity for the deleted brand is weak (vs. strong), positive evaluations of organizational performance is perceived. The research provides insight to managers on how to manage brand portfolio, and also contributes to the commencement of future research on this important but ignored area.

Keywords Brand deletion · Brand portfolio management · Organizational performance · Corporate reputation · Brand love · Nostalgia intensity

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Introduction

Brands are widely considered to be intangible market-based assets that contribute significantly to the performance of organizations that own them (e.g., Ailawadi et al. 2001; Keller and Lehmann 2006; Wiles et al. 2012; Sinclair and Keller 2014). Accordingly, a majority of organizations that operate in consumer markets offer a portfolio of strategically linked brands (Aaker 2004; Day 2011). Organizations are always interested in the productivity of their marketing investments (Rust et al. 2004). While the existing research on brand portfolio management has primarily concentrated on the issues related with new-product-development (Mahajan et al. 1990; Fedorikhin et al. 2008; Kim and John 2008) and product life cycle (Avlonitis et al. 2000), an oft practiced ritual of brand deletion has not received sufficient research attention (see also Varadarajan et al 2006, p. 195; Argouslidis and Baltas 2007, p. 475; Mao et al. 2009; Homburg et al. 2010; Avlonitis and Argouslidis 2012, p. 365).

Among reasons such as the potential to add monetary value by freeing up resources for utilization in other investments, organizations also find it lucrative to delete brands from their portfolios because they earn more than 80% of their profits from less than 20% of their brands (Karakaya 2000; Kumar 2003). For instance, Procter and Gamble has eliminated more than 1000 brands in the past decade alone (Carlotti et al. 2004). Similarly, Unilever has shrunk its brand portfolio from 1600 brands to 400 brands while Japanese cosmetic behemoth, Shiseido has cut its brand portfolio by 75% (Morgan and Rego 2009). In India, Dabur hired the services of McKinsey to trim its brand portfolio. Despite the importance and widespread prevalence of brand deletion, research on brand deletion is extremely less with most of the existing studies analyzing brand deletion from the organization's point of view. Specifically, these studies have focused on the brand deletion decision-making process (e.g., Avlonitis 1985; Argouslidis and Baltas 2007) or on the actual withdrawal of the brand from the portfolio (e.g., Saunders and Jobber 1994; Harness and Marr 2001). On the other hand, only two studies explore brand deletion from a consumer's perspective (cf., Mao et al. 2009 in the B2C context and Homburg et al. 2010 in the B2B setting). If not handled properly, deletion of a brand can cause consumer resistance and alienation (a case is reintroduction of Coca-Cola Classic in 1985), and have a detrimental effect on organization's image and reputation (Varadarajan et al. 2006). Kumar (2003, p. 88) states that in around 90% of the times, the combined market share of the merged brands is more than the market share of the newly formed brand and therefore, in reality most brand deletions fail.

In order to address the paucity of research and advance the academic understanding of brand deletion from the consumer's perspective, this study investigates the consequences of brand deletion, specifically, how it may influence consumer evaluations of the performance of the deleting organization and its corporate reputation. The role of brand strength and external attribution (i.e., explanation offered by the organization for the brand being deleted) is also explored. As called for by Mao et al. (2009, p. 288) in their pioneering research, the paper also contributes to the literature by undertaking a comprehensive study where in all the three different modes of brand deletion, that is, by immediate elimination of the brand, by selling-off the brand, and by merging the brand with some other brand are considered. It is also endeavored to understand the moderating influence of brand love and nostalgia intensity on the hypothesized relationships. Through a series of experiments, the research aims to provide insight to managers on how to manage brand portfolio, and also contribute to the starting of future research on this important but ignored area.

Theoretical framework

Mode of brand deletion

Once a decision has been reached to delete a brand from the portfolio, an organization has got three different ways to approach it. It can be withdrawn or eliminated, sold off to some other organization or be merged with some other existing brand (Karakaya 2000, p. 655; Kumar 2003, p. 93). Elimination or complete withdrawal of brands is probably the easiest way to delete a brand. However, retailer or consumer backlash is often evidenced. A typical case is the reintroduction of Coca-Cola Classic by the Coca-Cola Company. Despite criticism from expert analysts, Electrolux eliminated its Kelvinator brand of refrigerators. Oblivious to the whispers, Apple eliminated the much sought after iPod Classic from its brand portfolio. It may also happen that consumers can be offered more expensive or inferior replacement brands (Guiltinan and Gundlach 1996). Switching costs also affect the consumers and thereby, influence their evaluation of the organization and its corporate reputation. Loyal consumers tend to be more affected by the elimination than non-loyal consumers (Mao et al 2009).

Firms also sell their brands to other companies (Capron and Hulland 1999; Laforet and Saunders 2005). For example, Procter and Gamble sold its Spic and Span and Clearasil brands in 2001 (Kumar 2003, p. 94). By 2003, Unilever had sold off several hundred brands—including Elizabeth Arden brand of perfume and Golden Griddle syrup and also purchased Hellmann's mayonnaise, Skippy, and Knorr. In 2011, Google purchased Motorola Mobility only to be again sold to Lenovo. Microsoft acquired the mobile phone business of Nokia and eventually eliminated the Nokia brand. It now sells under its own brand name. This list is endless, yet, little research has been conducted to understand this phenomenon (Varadarajan et al. 2006; Bahadir et al. 2008).

On quite a few occasions, instead of eliminating a brand, firms prefer to merge it with some other existing brand. In doing so, they not only transfer the image, attributes and/or product features but also a set of consumer expectations. In the British market, Unilever merged its Radion brand of detergent with Surf (Kumar 2003). Electrolux merged its 15 small brands into four major ones in Europe. Procter and Gamble merged its White Cloud brand of toilet paper with Charmin (Kumar 2003). However, the success rate is only about 20% (Knudsen et al. 1997). Merging of brands has got the potential to affect corporate reputation (Balmer and Dinnie 1999). Organizations must understand that they are not just fusing the brands but also merging the consumers. However, it is not easy to change the long established brand perceptions and associations. In spite of being prime assets, the role of brands in mergers has been largely ignored by the academia (Jaju et al. 2006; Bahadir et al. 2008).

To the best of my knowledge, no empirical research has examined the way in which these three forms of brand deletion have the potential to differently affect consumer's organizational evaluations and corporate reputation. Differing from Mao et al. (2009), wherein they considered only brand elimination's effect on firm evaluation, and responding to calls for a comprehensive research (e.g., Kumar 2003; Mao et al. 2009, p. 288; Avlonitis and Argouslidis 2012, p. 365), this research examines all three possible forms of brand deletion. Consumers might also be nostalgic and deeply in love with the deleted brand (discussed later). As a result, these may stimulate different consumer responses.

Organizational communication

Social exchange theory (Homans 1958; Thibaut and Kelley 1959) has been used to explain the behavior of individuals and organizations in exchange relationships (Dwyer et al. 1987; Cropanzano and Mitchell 2005). Reciprocity is a norm of social exchange theory that motivates individuals to put into a relationship what they expect to get out of the relationship (Emerson 1976). It has also been established that consumers establish relationships with the brand and as a result get attached to it (Thomson et al. 2005). This development of reciprocity and oneness leads consumers to expect organizations to keep them informed about their brand deletions. On the other hand, the theory of causal attributions (Heider 1958) attempts to understand the ways by which individuals explain and account for causality by assessing the logical association between the cause and its effect. Literature supports the notion that consumers make attributions for the causes behind product failure, their own switching behavior, a celebrity's choice of brands to endorse, and this inferential process may even extend to reasons behind employee strikes (Folkes 1988). Lack of a communication for the reasons behind brand deletion would leave consumers to speculate and draw significantly varied and divergent causality inferences. Furthermore, the discounting theory postulates that the causality inferences will be discounted if an alternative and plausible explanation is offered (Kelley 1973). Therefore, organizational communication would enable consumers to better appreciate the reasons behind the brand deletion. A fourth theory, the subjective experience of ease theory (Jacoby 1983; Bornstein 1989), refers to the ease or difficulty with which information can be recollected and subsequent thoughts generated, influences consumer attitudes (Mandel et al. 2006). Therefore, readily and easily accessible information will lead to the judgment of causality on the basis of the content of the information (Grayson and Schwarz 1999). In the context of brand deletions, these models of judgment posit that a consumer should evaluate the deletion more favorably when he is able to draw many rather than few positive attributes to his mind (i.e., the organization communicates the reasons behind brand deletion).

In reality, when a brand is deleted, organizations can inform their consumers about it or choose to remain silent (currently there is no statute or act that binds organizations to do so). For instance, Apple has not given any explanation regarding its elimination of the famous iPod Classic. We are also aware of the fact that consumers were not satisfied by the explanations offered by Coca-Cola for its elimination of the Coke Classic. Past research has also shown that brand deletion may be accepted by consumers when they understand the management's explanation that deleting the brand is for the betterment of the firm (Mao et al. 2009). In the absence of conclusive explanation by the organization, the consumers will interpret the brand deletion on the basis of their naive theories (Schwarz 2004). This will further lead the consumers to raise doubts about the potential causes for such a move and force them to question their wisdom of continuing their relationship with the organization (Karakaya 2000).

Congenial with these perspectives, the effect of brand deletion on consumer's evaluation of organizational performance and corporate reputation is likely to be moderated by the presence versus absence of organizational explanation for the deletion. If the organization announces that the deletion will improve the organization's performance, it should be relatively easy for consumers to make such an attribution and will eventually enable them to evaluate the organization positively.

Strength of the deleted brand

A majority of organizations delete their brands on the basis of poor sales and profit potential, low compatibility with their brand portfolio, and/or low market growth potential (Kumar 2003; Hill et al. 2005). Before deleting a brand, organizations tend to perform a brand audit and among others, may categorize the brand's market position as "strong" or "weak" (Kumar 2003). Faced with limited shelf space, retailers are carrying only selected brands in every category with the result that weaker brands are being squeezed out of the market. Although, theory clearly advocates in favor of the deletion of weak brands (Carlotti et al. 2004; Shah 2015), yet in practice, organizations also delete their strong and successful brands (i.e., that have a positive brand image, brand awareness, and even profitability) for reasons such as lack of fit with their long-term strategy or core competencies (Varadarajan et al. 2006). For instance, in order to concentrate its resources on the more promising server and consulting segments, IBM sold its highly regarded PC Division to Lenovo. In India, Toyota eliminated its legendry Qualis to make way for the more expensive Innova. General Electric follows a philosophy of retaining only those brands that are either number one or two in their segments and has therefore sold off its much profitable home appliance division.

In their pioneering study, Mao et al. (2009) have confirmed that eliminating a weak brand while retaining a strong brand increases consumer's favorable evaluation of a firm. On the other hand, when the deleted brand is strong, the consumers are not easily able to comprehend the benefits of the deletion (Kumar 2003). Therefore, they would find it difficult to accept a positive view of the deleted brand. In view of these facts, brand deletion can be expected to have a facilitative effect on consumer's evaluation of organizational performance and its corporate reputation when the target brand is weak and not when the target brand is strong.

H1 When the deleted brand is weak, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to more favorable consumer's evaluation of organizational performance. When the deleted brand is strong, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to less favorable consumer's evaluation of organizational performance.

H2 When the deleted brand is weak, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to more favorable consumer's evaluation of corporate reputation. When the deleted brand is strong, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to less favorable consumer's evaluation of corporate reputation.

Study 1

Participants, method, and design

Study 1 was conducted to test hypotheses 1 and 2, and to demonstrate (1) the facilitative effect of brand deletion on consumer's evaluation of organizational performance and corporate reputation, (2) the moderating role of brand strength, (3) the type of brand deletion, and (4) organizational communication. Four hundred and eighty MBA students ($M_{age} = 22$ years, 47% female) from a reputed business school voluntarily participated in a 3 (brand deletion: elimination vs. sale vs. merger) × 2 (brand strength: strong vs. weak) × 2 (organizational communication: presence vs. absence) between-subjects full-factorial study. When compared with general population, students also exhibit comparable cognitive processing mechanisms (Anderson 1982).

Similar to prior work by Mao et al. (2009), the participants received a hypothetical report stated to be prepared by *CEAMA*, the apex Industry Chamber for the Consumer Electronics and Home Appliances Industry (hypothetical name). The report mentioned that Sony is a major company in the consumer electronics industry and its products are sold under four main brands—'A', 'B', 'C', and 'D'. They were also led to believe that the real name of the brands had been masked in the report for confidentiality reasons. Consumer electronics industry was selected because the respondents were relatively familiar with the Sony brand and therefore, could easily relate with the situation of the study. In part A of the report, the type of brand deletion was manipulated (i.e., elimination vs. sale vs. merger). In part B of the report, the strength of the deleted brand was manipulated by altering the strength of brand 'D'. The respondents were provided with a brand report card that contained information about brand image and profitability in the form of star ratings for all the four brands. In the strong brand strength condition, brand "D" was given five stars for both the criteria whereas, in the weak brand strength condition, it was given three star ratings. In part C of the report, the presence or absence of organizational communication was manipulated.

After reading the report, the participants responded to the questions related to the dependent variables. Evaluation of organizational performance post brand deletion was assessed by four 7-point scale items ("The elimination/merger/sale of the brand 'D' is a rational decision for Sony," "Sony has a good reason to eliminate/merge/sell brand 'D'", "Sony will have a better performance in the future after the elimination/merger/sale of the brand 'D'," "Sony's management is making an effort to improve the company;" 1 = strongly disagree/7 = strongly agree; Mao et al. 2009; $\alpha = .78$). Evaluation of corporate reputation post brand deletion was assessed by three 7-point scale items ("My overall perceptions of total experience with Sony is rather good," "My comparative perceptions of Sony with other competitors are very good," "Sony is a strong and reliable company;" 1 = strongly disagree/7 = strongly agree; Wang et al. 2006; Walsh and Beatty 2007; $\alpha = .77$).

Results

Manipulation check

In order to check whether the consumers rated brand 'D' differently in the experiment, the participants were asked to rate the brands' strength on four different 7-point scales ("A/B/C/D is a strong brand;" 1 = strongly disagree/7 = strongly agree). The respondent's perception of the strength of Brand 'D' was significantly stronger in the strong brand strength condition (vs. weak brand strength condition; $M_{strong} = 6.11$ vs. $M_{weak} = 3.89$; $p < .001$). Hence, the manipulation was successful.

Perceived organizational performance

A 3 × 2 × 2 ANOVA revealed a significant effect of type of brand deletion ($M_{elimination} = 4.41$ vs. $M_{merger} = 4.87$ vs. $M_{sale} = 4.74$; $F(2, 468) = 7.33$, $p = .001$), strength of the deleted brand ($M_{strong} = 4.48$ vs. $M_{weak} = 4.86$; $F(1, 468) = 13.31$, $p < .001$), and organizational communication ($M_{communication} = 4.91$ vs. $M_{no\text{-}communication} = 4.45$; $F(1, 468) = 19.37$, $p < .001$). The two-way interaction between type of brand deletion and strength of the deleted brand (H1) is also significant ($F(2, 468) = 3.42$, $p < .05$). Contrast analysis further revealed that brand deletion increased consumer's evaluation of organizational performance when the deleted brand was perceived as weak ($M_{elimination} = 4.63$ vs. $M_{merger} = 4.88$ vs. $M_{sale} = 5.07$, $p < .01$) than when it was perceived as strong ($M_{elimination} = 4.18$ vs. $M_{merger} = 4.85$ vs. $M_{sale} = 4.41$, $p < .01$) (see Fig. 1). The interaction between strength of the deleted brand and organizational communication is significant ($F(1, 468) = 4.49$, $p < .05$), while the interaction between type of brand deletion and organizational communication is not significant ($F(2, 468) = 1.77$, $p > .10$). Finally, the three-way interaction is also significant ($F(2, 468) = 3.71$, $p < .05$).

Perceived corporate reputation

An ANOVA revealed a significant main effect for only type of brand deletion ($M_{elimination} = 5.32$ vs. $M_{merger} = 5.44$ vs. $M_{sale} = 5.56$; $F(2, 468) = 3.69$, $p < .05$). As hypothesized, the two-way interaction between type of brand deletion and strength of the deleted brand (H2) is marginally significant ($F(2, 468) = 2.68$, $p < .10$). Contrast analysis showed that brand deletion increased consumer's evaluation of corporate reputation when the deleted brand was perceived as strong ($M_{elimination} = 5.43$ vs. $M_{merger} = 5.51$ vs. $M_{sale} = 5.65$, $p < .01$) than when it was perceived as weak ($M_{elimination} = 5.22$ vs. $M_{merger} = 5.36$ vs. $M_{sale} = 5.48$, $p < .01$) (see Fig. 2). The interactions between strength of the deleted brand and organizational communication ($F(1, 468) = 3.08$, $p < .10$) and between type of brand deletion and organizational communication are marginally significant ($F(2, 468) = 2.19$, $p = .11$). However, the three-way interaction is not significant ($F < 1$).

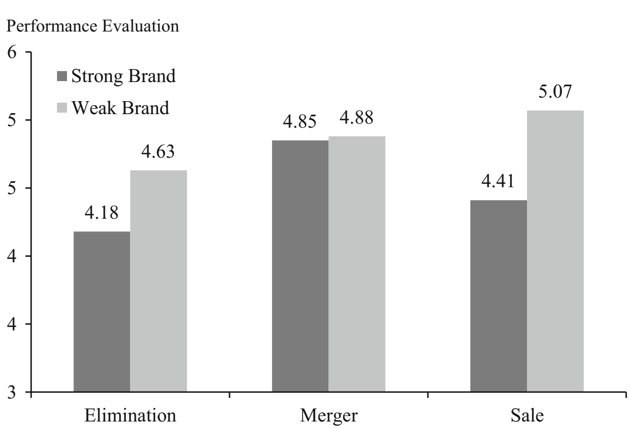

Fig. 1 Study 1: the effect of brand deletion on performance evaluation

Fig. 2 Study 1: the effect of brand deletion on corporate reputation

Discussion

The results of study 1 provided experimental evidence that deleting a brand from the portfolio will lead consumers to form favorable evaluations of organizational performance and its corporate reputation. Specifically, this study finds that when a brand is merged (vs. eliminated or sold), the deleted brand is weak (vs. strong) and the organization communicates the logic of such action (vs. no communication), consumers are more likely to form positive evaluations of organizational performance. On the other hand, when a brand is sold (vs. eliminated or merged), the deleted brand is strong (vs. weak) and the organization communicates the logic of such action (vs. no communication), consumers are more likely to form positive evaluations of corporate reputation.

At this point, it is vital to understand that the hypothesized effects may not be equally pronounced for all consumers. In other words, these effects may be stronger for those with certain characteristics or predispositions. Therefore, a logical question prompted by the findings is whether consumer's relationship with the deleted brand, especially consumer's love and nostalgia for the deleted brand moderate the evaluations of organizational performance and its corporate reputation. Prior research has shown that consumers form relationships with brands (Fournier 1998), particularly, love brands (Carroll and Ahuvia 2006; Batra et al. 2012) and feel nostalgic toward brands (Davis 1979; Holbrook and Schindler 1991; Orth and Gal 2012).

Studies 2A and 2B

Attachment theory explains the inherent human need to form affectionate bonds (Bowlby 1979). Drawing on attachment theory, it has been observed that consumers can form relationships with brands in the same way as they form relationships with interpersonal others (Fournier 1998; Albert et al. 2008). These consumer–brand relationships are based on the tenets of commitment, intimacy, passion, and romantic love (Fournier 1998; Ahuvia 2005; Lastovicka and Sirianni 2011; Batra et al. 2012). Fournier (1998) and Oliver (1999) noted the importance of love in consumer–brand relationships. For instance, consumers have been known to love their Volkswagen Beetle and have shared their intimate experiences with the brand on innumerable websites and blogs. Similarly, Harley Davidson has its own share of devoted brand lovers. In this study, consumer's brand love is defined as, "the degree of passionate emotional attachment a satisfied consumer has for a particular trade name" (Carroll and Ahuvia 2006; p. 81). It is also imperative to note that only a handful of studies have explicitly studied brand love as one of the core elements of consumer–brand relationship (Carroll and Ahuvia 2006; Albert et al. 2008; Ahuvia et al. 2009).

Past research has also demonstrated the effect of nostalgia on consumer–brand relationships (Belk 1990; Hirsch 1992; Holbrook and Schindler 1991, 1996; Holak et al. 2007). Nostalgia has been conceptualized as a "positively valenced complex feeling, emotion, or mood produced by reflection on things (objects, persons, experiences, ideas) associated with the past" (Holak and Havlena 1998). It has got the potential to create an emotional attachment to a brand (Kessous and Roux 2010) and has been utilized to psychologically profile the marketplace (Goulding 2001). For instance, such is the effect of nostalgia that the community of Apple Newton followers has religiously stuck to their brand even after Apple has long eliminated it from its portfolio (Muniz and Schau 2005). Similarly, to cash on the appeal of nostalgia, BMW has reintroduced its cult brand Cooper Mini, while Ford has re-launched its iconic Mustang. In support of nostalgia's potential effectiveness, it is no small wonder that marketers continue to capitalize on the popularity of nostalgia-based themes (Elliot 2009). However, it is surprising to note that little attention has been paid to the concept of nostalgia in the consumer behavior literature (Brown et al. 2003; Holbrook and Schindler 2003).

In an interpersonal context, an individual feels a sense of loss when a relationship ends due to reasons such as physical separation, a break-up, or the death of a partner (Bowlby 1980). A corresponding situation in the marketing context is a brand's deletion from the portfolio. There seems to be a risk that some long established (nostalgic) and well-loved brands could be deleted. When this happens consumers can react differently (i.e., negatively valenced emotions like anger, disappointment, and sadness). These negatively valenced emotions tend to increase with duration of the brand use before its deletion (Martin 2004). Therefore, brand deletion involves emotional issues that must be resolved if the deletion is to be successful. Given that consumers relate to brands in interpersonal ways, intuitively it might appear that consumer's evaluations of organizational performance and its corporate reputation post brand deletion will be moderated by a consumer's brand love and nostalgia for the deleted brand. Hence,

H3a When the love for the deleted brand is low, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to more favorable consumer's evaluation of organizational performance. When the love for the deleted brand is high, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to less favorable consumer's evaluation of organizational performance.

H3b When the love for the deleted brand is low, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to more favorable consumer's evaluation of corporate reputation. When the love for the deleted brand is high, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to less favorable consumer's evaluation of corporate reputation.

H4a When the nostalgia intensity for the deleted brand is weak, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to more favorable consumer's evaluation of organizational performance. When the nostalgia intensity for the deleted brand is strong, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to less favorable consumer's evaluation of organizational performance.

H4b When the nostalgia intensity for the deleted brand is weak, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to more favorable consumer's evaluation of corporate reputation. When the nostalgia intensity for the deleted brand is strong, (a) brand elimination, (b) brand sale, and (c) brand merger will lead to less favorable consumer's evaluation of corporate reputation.

Participants, method, and design

In Study 2A and Study 2B, the same procedure was followed as in Study 1 with three specific changes. First, the moderating role of brand love (Study 2A) and nostalgia intensity toward the deleted brand (Study 2B) were examined. The respondents were asked to imagine Brand "D" (i.e., the deleted brand) to be a brand that they were deeply in love with (in Study 2A) and be highly nostalgic toward it (i.e., consider using it since their childhood; Study 2B) (see Zhang and Schwarz 2012; Townsend and Kahn 2014; for a similar methodology). Second, data were collected through a cross-sectional survey of non-student adults (n = 160 and n = 157 in Study 2A and Study 2B respectively). Third, brand strength and organizational communication were not considered.

The dependent variables, consumer's evaluation of organizational performance (α = .75 and α = .80) and corporate reputation (α = .77 and α = .83) were measured with the same scale used in Study 1. Participants' love for the deleted brand was measured by a six-item scale ("I am emotionally attached to this brand," "I feel connected to this brand," "I am passionate for the brand," "This is a wonderful brand," "This brand makes me feel good," "I love this brand," 1 = strongly disagree /7 = strongly agree; Carroll and Ahuvia 2006; α = .88). These six items were averaged and a median split (Slater and Narver 1994; Argouslidis and Baltas 2007) divided participants into high and low brand love groups. While participants' nostalgia intensity toward the deleted brand was measured by a three-item scale ("This brand reminds me of an experience from the past," "I wish I could relive the experience(s) this brand makes me think of," "I associate this brand with a happy experience yet it makes me feel sad," 1 = strongly disagree /7 = strongly agree; Reisenwitz et al. 2004; α = .82). The three items were averaged and a median split divided participants into high and low nostalgia intensity groups.

Results: study 2A

Perceived organizational performance

A 3 (brand deletion: elimination vs. sale vs. merger) × 2 (brand love: high vs. low) between-subjects full-factorial ANOVA revealed a significant effect of type of brand deletion ($M_{elimination}$ = 4.45 vs. M_{merger} = 5.19 vs. M_{sale} = 4.82; $F(2, 154) = 10.75$, $p < .001$) and brand love (M_{high} = 4.61 vs. M_{low}= 5.03; $F(1, 154) = 8.41$, $p < .01$). The two-way interaction (H3a) between type of brand deletion and brand love is significant ($F(2, 154) = 3.81$, $p = .02$). Contrast analysis further revealed that type of brand deletion decreased consumer's evaluation of organizational performance when love for the deleted brand is high ($M_{elimination}$ = 4.01 vs. M_{merger} = 5.16 vs. M_{sale} = 4.67, $p < .01$) than when it is low ($M_{elimination}$ = 4.90 vs. M_{merger} = 5.22 vs. M_{sale} = 4.96, $p < .01$) (see Fig. 3).

Perceived corporate reputation

A 3 (brand deletion: elimination vs. sale vs. merger) × 2 (brand love: high vs. low) between-subjects full-factorial ANOVA revealed a significant effect of type of brand deletion ($M_{elimination}$ = 5.06 vs. M_{merger} = 4.74 vs. M_{sale} = 4.40; $F(2, 154) = 6.55$, $p < .05$) and brand love (M_{high} = 4.93 vs. M_{low}= 4.54; $F(1, 154) = 4.74$, $p < .05$). However,

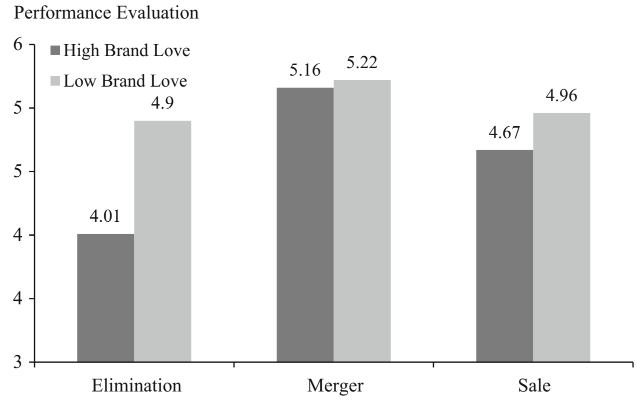

Fig. 3 Study 2A: the effect of brand deletion on performance evaluation

the two-way interaction (H3b) between type of brand deletion and brand love is not significant ($F < 1$).

Results: study 2B

Perceived organizational performance

A 3 (brand deletion: elimination vs. sale vs. merger) × 2 (nostalgia intensity: strong vs. weak) between-subjects full-factorial ANOVA revealed a significant effect of type of brand deletion ($M_{elimination}$ = 4.44 vs. M_{merger} = 4.78 vs. M_{sale} = 4.53; $F(2, 151) = 7.03$, $p = .001$) and nostalgia intensity (M_{strong} = 4.18 vs. M_{weak}= 4.98; $F(1, 151) = 9.04$, $p < .001$). The two-way interaction between (H4a) type of brand deletion and nostalgia intensity is significant ($F(2, 151) = 3.11$, $p = .07$). Contrast analysis further revealed that type of brand deletion decreased consumer's evaluation of organizational performance when nostalgia intensity for the deleted brand is strong ($M_{elimination}$ = 4.15 vs. M_{merger} = 4.34 vs. M_{sale} = 4.06, $p < .01$) than when it is weak ($M_{elimination}$ = 4.72 vs. M_{merger} = 5.23 vs. M_{sale} = 5.01, $p < .01$) (see Fig. 4).

Perceived corporate reputation

A 3 (brand deletion: elimination vs. sale vs. merger) × 2 (nostalgia intensity: high vs. low) between-subjects full-factorial ANOVA revealed a significant effect of type of brand deletion ($M_{elimination}$ = 4.81 vs. M_{merger} = 4.46 vs. M_{sale} = 4.32; $F(2, 151) = 7.69$, $p < .01$) and nostalgia intensity (M_{strong} = 4.41 vs. M_{weak}= 4.65; $F(1, 151) = 4.51$, $p < .05$). However, the two-way interaction (H4b) between type of brand deletion and nostalgia intensity is not significant ($F < 1$).

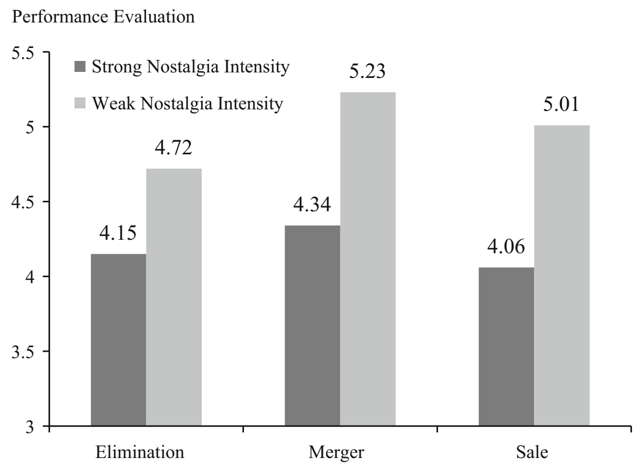

Fig. 4 Study 2B: the effect of brand deletion on performance evaluation

Discussion

The results of studies 2A and 2B have provided experimental evidence that deleting a brand from the portfolio will lead consumers to form favorable evaluations of organizational performance. Specifically, study 2A finds that when a brand is merged (vs. eliminated or sold) and the deleted brand is loved on the lower side (vs. strong), consumers are more likely to form positive evaluations of organizational performance. Study 2B finds that when a brand is merged (vs. eliminated or sold) and nostalgia intensity for the deleted brand is weak (vs. strong), consumers are more likely to form positive evaluations of organizational performance. In both these studies, consumer evaluations of corporate reputation remain unaffected.

General discussion and implications

With the exception of Mao et al. (2009; in the B2C context) and Homburg et al. (2010; in the B2B context), to my knowledge, no study has analyzed the consumer-side reaction of brand deletion. Given the theoretical and managerial importance of the topic, the current paper contributes significantly to the existing research on brand portfolio rationalization. Broadly framing, managers [who generally tend to devote relatively less managerial time and effort to brand deletion (Varadarajan et al. 2006)] can now have a deeper insight into consumer's evaluation of organizational performance and corporate reputation post brand deletion. The findings also throw light on the understanding of the relatively under-investigated field of consumer–brand love and consumer nostalgia's influence on consumer judgments. With the help of three experiments, a comprehensive and integrative consumer-side brand deletion model is put forward. It is imperative to state that today's consumers influence a wide variety of marketing functions and therefore understanding their opinions is of prime importance (Avlonitis and Argouslidis 2012). Brand deletion should be done in such a manner that the inconvenience caused to the consumers be minimized to the extent possible (Argouslidis and Baltas 2007).

Study 1 confirms the presence of certain boundary conditions that affect the specified relationship. Specifically, consumers form comparatively higher evaluation of organizational performance when the brand to be deleted (1) is merged (vs. eliminated or sold), (2) is weak (vs. strong), and (3) the organization communicates the logic of such action (vs. no communication). As such, rather than eliminating or selling the existing brands, organizations should resort to merging their brands. In doing so, organizations will lower their selling and administration expenses by the consolidation of brand teams and sales forces. Secondly, managers should try to merge their weak brands rather than strong ones (in line with Mao et al. 2009). Consumer and retailer backlash for such weak products would be very less (Kumar 2003). Thirdly, in order to reduce consumer speculations about the rationale for the brand deletion, organizations should communicate to the consumers the logic behind such a move. Also, consumers form a comparatively higher evaluation of organizational reputation when the brand to be deleted (1) is sold (vs. eliminated or merged), (2) is strong (vs. weak), and (3) the organization communicates the logic of such action (vs. no communication). Interestingly, organization's deletion of strong brands in the form of brand sale leads to the enhancement of corporate reputation. As such managers should ride the wave when the brand is still performing.

Study 2A shows that consumers are more likely to form positive evaluations of organizational performance when the brand to be deleted (1) is merged (vs. eliminated or sold) and (2) the deleted brand is loved on the lower side (vs. high). Managers should take special care when it comes to the deletion of loved brands from the portfolio and merger is the safest option as consumers still get to continue their romance with their loved brands. Study 2B shows that consumers are more likely to form positive evaluations of organizational performance when the brand to be deleted (1) is merged (vs. eliminated or sold) and (2) nostalgia intensity for the deleted brand is weak (vs. strong). Managers should also take special care when it comes to the deletion of nostalgic brands from the portfolio and here also merger is the safest option as consumers still get to indulge with their nostalgic brands. Remarkably, consumer–brand love and consumer nostalgia have no effect on corporate reputation. Finally, brand managers and policy makers should look at brand deletion as a holistic process and take into consideration the interests of all the stakeholders including the consumers.

Limitations and future research directions

Since this study is among the first few to analyze the consumer responses to brand deletion, the findings of the present study should not be overly generalized. Secondly, although the use of student samples is justified in past research, yet, it poses to some extent a border on the informative value of the experimental findings. Thirdly, a more realistic evidence of brand love and nostalgia intensity would have enhanced the findings. The nascent status of this consumer-side stream of theoretical exploration leads to the call for further studies that may explore, among others, the below-mentioned conditions. Other moderators, for instance, consumer–brand passion; consumer–brand attachment; the existing state of subjective consumer experience (i.e., positive versus negative) with the deleted brand; the size and scale of the deleted brand;[1] effect of brand deletion due to technological shifts; effect of switching costs; awareness about the occurrence of brand deletion; situations when brand replacement for the deleted brand is offered (vs. not offered) can be explored. On the consequences side, it can be linked to cognitive dissonance (Karakaya 2000), consumer satisfaction, and loyalty (Mao et al. 2009). Additionally, spillover effects on the existing brand portfolio can be studied (Varadarajan et al. 2006, p. 199; Wiles et al. 2012).

The findings also give rise to a set of research questions like (1) does the love for the deleted brand fade away? And (2) how long does the nostalgia intensity remain strong? Another set of research can delve deeper into the various sub groupings of the mode of brand deletion (i.e., elimination, merger, and outright sale). For example, brands can be temporarily eliminated or production suspended only to be recalled due to various reasons; deletion in the case of iconic brands or local brands; brands can be merged in a variety of ways (i.e., either with a single “branded house” like Virgin) or a “house of brands” (e.g., Procter and Gamble) (see also Basu 2006, p. 29; Hsu et al. 2016; Shah 2017).

Does a history of prior brand deletions affect consumer-firm evaluations (Tversky and Kahneman 1973)? Does brand deletion among the various product categories like food, apparel, alcohol or automobiles elicit the same levels of consumer-firm evaluations? Do consumer-firm evaluations differ in the context of product versus service? Do consumer-firm evaluations differ in the B2B (Homburg et al. 2010) versus B2C context? The answers are still to be found.

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Compliance with ethical standards

Conflict of interest The corresponding author states that there is no conflict of interest.

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