Consumers' Resistance to Retailer Brand Substitution: Antecedents and Consequences

Ahmed KANNOU, Rym ELAMRI TRABELSI, Kaouther SAIED BEN RACHED

University of Tunis El Manar

DOI: https://dx.doi.org/10.47772/IJRISS.2023.7012100

Received: 27 November 2023; Revised: 12 December 2023; Accepted: 15 December 2023; Published: 10 January 2024

ABSTRACT

Since the economic and social crisis in Tunisia, consumers have grown skeptical and suspicious of developments and changes coming from companies. Brand substitution is a strategy that has captured consumers' attention, prompting numerous inquiries. The purpose of this research is to understand how consumers perceive and react toward a store brand name substitution and, consequently, a change in their retailing mix and to identify antecedents that can generate consumer resistance. A qualitative approach analysis with 15 consumers highlighted three main antecedents such as (1) surprise, (2) negative emotions, (3) attachment to the old store brand. These antecedents influence buying behavior and, in some cases, generate resistance to substitution, negatively affecting the relationship between customers and the new store brand.

INTRODUCTION

Similar to brand substitution and given that the store is primarily a distributor's brand (Ailawadi and Keller, 2004; Pappu and Quester, 2006; Fleck and Nabec, 2010), the substitution of store brands has become a common managerial practice. This involves capitalizing on a single name (Lachaud et al., 2012) by substituting less well-known or non-strategic store brands with others that are stronger or international (Pechpeyrou et al., 2013; Descotes and Delassus, 2015). In Europe, as part of a "multiformat" and "mono-store" strategy, the European leader in food distribution, "Carrefour," decided in 2007 to substitute the brand of its supermarkets "Champion" with the brand "Carrefour-Market" to optimize its expertise and better serve its customers in France, Spain, Argentina, Poland, Brazil, and Turkey. These changes also affected North African countries, notably Tunisia, where the "Promogro" brand was substituted with "MG" (Magasin Général), one of the well-known national brands in Tunisia. The objective of this change was to modernize all its points of sale, benefit the brand with a new image under the umbrella of "MG," and reposition it in the Tunisian market. Although this strategy represents an opportunity for the brand in terms of competitive advantage and profitability, it nevertheless entails risks, particularly related to the perception and reaction of regular customers of the old brand. Such a change is likely to generate resistance among consumers who see their habits disrupted (Kapferer, 2007). This resistance can lead to negative repercussions on the brand image and damage the relationship that customers have built with it (Muzellec and Lambkin, 2006). Marketing studies on consumer resistance to brand substitution are not numerous, hence our interest in this research. In this study, we will attempt to address the following issue: what are the antecedents that generate consumer resistance to store brand substitution?

THEORETICAL FRAMEWORK

Considering the store as a genuine retailer's brand (Arnett et al., 2003; Ailawadi and Keller, 2004; Pappu and Quester, 2006), several retailers today opt for different rationalization strategies through which they can enhance their performance and strengthen their attractiveness (Lachaud et al., 2012). Store brand substitution is one of the strategies that falls within this rationalization context and involves, by analogy, the substitution of brands, "abruptly (big bang) or smoothly (crossfade) abandoning one store brand (initial brand) for another store brand (target brand)" (Lai, 2005). This strategy is "synergy-creating" (Lachaud et al., 2012) as it allows commercial enterprises to consolidate various formats and concepts under a single store brand (Pechpeyrou et al., 2013), strengthen the store brand capital (Fleck and Nabec, 2010), and reduce the number of competing store brands to achieve economies of scale. Although this strategy is an asset for large retailers, it can conceal risks related, notably, to the reaction of regular customers of the initial store brand (Delassus et al., 2014; Descotes and Delassus, 2015; Collange and Bonache, 2015). Such an undesirable change in one of the elements of the "Retailing-mix" can lead to a disruption of habits, destabilization related to the loss of reference points perceived by consumers, who may believe that the values and services of the past have disappeared, generating resistance. Resistance to brand change involves developing a resistant attitude toward the change (Delassus et al., 2014). It is defined as "consumers' propensity to oppose change" (Roux, 2007; Delassus et al., 2014). Many antecedents of resistance to brand change have been identified in marketing literature. Collange and Bonache (2015) observe that surprise, incomprehension of change, and all resulting negative emotions negatively affect consumers' attitudes toward change, generating consumer resistance. Delassus et al. (2014), on the other hand, demonstrate that concern, nostalgia for the disappeared brand, the emergence of negative emotions, and the lack of understanding of the reasons for change also generate resistance among consumers and employees. The substitution strategy, therefore, proves difficult to implement and is an extremely risky exercise that can generate resistance (Muzellec and Lambkin, 2006).

METHODOLOGY

Given the objective of our research, which aims to identify the antecedents of resistance to store brand substitution, a qualitative study using semi-structured interviews with consumers was conducted. We chose to study two well-known food retail brands, namely "PROMOGRO" and "MG" (Magasin Général). The sample was constructed using the "snowball" method, which involves asking initial respondents for contacts of other individuals who have frequented both brands (Marpsat and Razafindratsima, 2010). The research continued until reaching theoretical saturation, the point at which no new information emerges from data collection (Thiétart et al., 2007).

In total, 15 individuals aged 28 to 65 were interviewed face-to-face through semi-structured interviews. Each interview lasted between 30 and 50 minutes and was conducted following an interview guide validated by two experts. The respondents' statements were recorded and then transcribed for the purpose of content analysis.

RESULTS

The primary conclusions of our qualitative study, based on interviews with 15 participants, reveal that the discourse of some respondents highlights three main triggers for a resistant attitude to substitution: (1) surprise, (2) the emergence of negative emotions during substitution, and (3) attachment to the initial store brand.

Surprise

Analysis of our interviews allowed us to identify surprise as the first variable that appears in the respondents' discourse. Participants believed, during the closure of the "Promogro" store, that there were only minor internal structural changes in the store. They spontaneously claimed to have been surprised by this sudden change without prior notification. This surprising event leads consumers to question the reasons and motivations behind a store's decision to implement brand substitution because, in reality, no one expected it to happen. Since the substitution of "Promogro" with "MG" is an unexpected event, respondents reacted differently. Some neutral interviewees spontaneously mentioned certain reasons that might prompt a retailer to change its brand: (COSM 15): "Since the Tunisian revolution, the economic context has become very difficult, either on the consumer's purchasing power or on some companies that are forced to close or sell their brand to other retailers." Other respondents who are against this substitution justify their reactions by not understanding the objective of this change. For them, brand substitution is an unwelcome surprise. They generally thought that retailers are mostly seeking power and hegemony, neglecting the impact of the change on their purchasing power. (COSM 12, COSM 14): "Retailers are always looking for more profitability and power to minimize competition and achieve economies of scale."

Negative Emotions vs. Positive Emotions

Upon reading all the discourses, we noticed that some interviewees expressed positive feelings towards the substitution, welcoming the new "MG" brand due to the improvements they observed. (COSM 7 and COSM 9): "It's an extraordinary change, several modifications have been added to this store: the organization of staff work, the multiplication of cash registers to avoid congestion, the shelves and products are well organized, the appliance section has been significantly improved, and it offers good promotions." We also observed that some develop negative feelings towards a brand they have always known and frequented but has changed its name: anger, disappointment, and financial fear related to store brand substitution. For them, substitution could not preserve their purchasing power, which has been declining since the "Arab Spring," nor their core values and benefits after the change (COSM 8): "It's been more than two years since my last visit to the MG brand because I noticed that their service quality was declining, and the brand could no longer provide the same values for me."

Anger

According to the results of our interviews, some respondents remember expressing their anger about this change. They still have in their minds the old "Promogro" brand and continue to call it by its name, even though it has been rebranded. How they express this feeling of anger varies from one respondent to another. Some spread negative word-of-mouth, thus destroying the image of the MG brand, while others suggest that it is essential to find alternatives that better suit their needs. (COSM 3): "I spoke ill of the new brand" (COSM 8): "I advised my family and even my friends not to visit MG because of their high prices." (COSM 10): "I didn't hesitate to tell my friends what I thought of the new brand."

Disappointment

Another type of feeling expressed by respondents concerns their disappointment with this change. After having a strong relationship with the "Promogro" brand, respondents faced changes in the elements of the retailing mix that they find disruptive, requiring time and effort to adapt. Indeed, the substitution of "Promogro" with "MG" was perceived negatively, generating a sense of disappointment towards a brand they had always known and loved but that no longer meets their expectations. (COSM 3): "I felt a big disappointment towards a brand that I have always loved and frequented." (COSM 10, COSM 11): "I was disappointed to see my favorite store completely transformed."

Financial Fear: Price, an Important Element of the Retailing Mix

In all discourses, all respondents evaluated the price of their usual shopping baskets in the new store, comparing it with that of the old store. Most of them seem to consider the "MG" brand more expensive than "Promogro." (COSM 1): "The same basket when I used to shop at Promogro allowed me to save at least 12 or 15 dinars compared to MG." (COSM 3): "After the change, I was unable to buy all the products I needed from the new MG brand." For them, regardless of the improvements made, if they do not translate into a real economic benefit allowing them to optimize their purchases and manage their budgets well, these improvements do not matter. Price, which is one of the important factors of the retailing mix (Djelassi et al., 2009; Baalasescu, 2014; Karma, 2017), seems to be one of the main criteria for continuing to visit the new brand. Regarding the promotional activities of the new brand, some respondents considered them not credible. They believed that the store displays promotion signals only to attract consumers and that they often did not find most of the items on promotion. Some others claim that most promotions are not advantageous and involve products they do not seek. Comparing with the promotional activities of the initial brand, several respondents claim not to find their usual products on promotion, accentuating the feeling of an increase in prices practiced by the new "MG" brand. (COSM 8): "After the substitution, I reduced the quantity of my purchases to manage my budget well" (COSM 10): "I was afraid after the substitution that my budget allocated for my weekly basket at Promogro would not allow me to have the same products at MG." This situation creates distrust that can lead to dissatisfaction, thus constituting a barrier to purchasing products and potentially transforming into resistance among customers. This resistance identified in the discourse of some respondents is explained by the fear of spending an amount of money that they were not used to spending. Some marketing authors, such as Hampson and McGoldrick (2017), have labeled this sensation as financial fear. Indeed, some interviewees feel financially affected after the substitution, expressing their reservations and concerns about the pricing policy practiced by the new "MG" brand, leading them to negatively evaluate their future financial situations by visiting the new brand.

Attachment to the Initial Retailer Brand

In general, customers emotionally attached to a brand have a strong desire and increased motivation to maintain their relationship with it (Batra et al., 2012). The results highlight that some respondents, loyal and attached to "Promogro," claim to have definitively abandoned the brand after the substitution because the new one no longer corresponded to their desired image. These respondents also express disinterest, or even rejection, towards change in general. (COSM 3): "I was very attached to Promogro, and sincerely, I would like it to come back." (COSM 11): "We experienced pleasant moments frequenting this brand, and we don't want to see it disappear." Attachment to the old store brand could pose an obstacle for the retailer, as the new brand no longer meets their expectations, especially in terms of service quality and price. This issue may prompt other brands to become aware of the situation, potentially better satisfying these customers.

CONCLUSION

Since the Tunisian revolution in 2011 and the resulting economic difficulties, Tunisian consumers have become skeptical, mistrustful, and doubtful about any changes or modifications from businesses. Store brand substitution represents one of the forms that can provoke these reactions. However, our research aims to provide some improvement suggestions to better implement a store brand substitution strategy.

Indeed, for customers to quickly become familiar with the new brand, managers must simultaneously follow two important steps for the change to be successful. First, store brand substitution must be done gradually by juxtaposing the two store brand names together for a well-determined period. During this period, managers must communicate transparently about the change, providing explanations and additional information so that consumers take their time to better understand and assess the significance of the change, its nature, and its likely consequences.

Furthermore, the results of our qualitative study also allowed us to observe that a consumer is more interested in the change if the prices and promotions perceived in the new store brand are deemed acceptable. Attempts at change or modifications by businesses appeared to consumers as strategies that negatively impact their purchasing power. Our results suggest that when considering implementing a substitution strategy, some retailers must take into account the consumer's purchasing power.

Price image is a central variable for retail brands that must be carefully managed by managers, as it can influence consumer perceptions and, consequently, their decisions. Managers must pay special attention to three main dimensions of store price image, namely promotions, price certainty (Diallo et al., 2014), and price safety (Zielke, 2010), to enhance the perceived value of the store brand.

Moreover, communication should not be limited to the change and its reasons but also to their price image (Djelassi et al., 2009, Zielke, 2010) compared to the old store brand and even other store brands to ensure a successful transfer of customers.

REFERENCES

1. **A**ilawadi. K.L. et Keller. K.L, (2004). Understanding retail branding: conceptual insights and research priorities, *Journal of Retailing*, 80, 4, pp.331-342.
2. **B**aalasescu S. (2014). Contribution to the foundation of the marketing mix for retail companies. *Economic Sciences*, Vol. 7 (56) 1:17-24
3. **B**atra, R., Ahuvia, A et Bagozzi, R.P. (2012), Brand love, *Jornal of Marketing*, 76(2),1-16
4. **C**hangeur. S. (2004). Stratégies de marque et richesse des actionnaires: une approche financière du capital-marque, *Recherche et Applications en Marketing*, Vol. 19, No. 4, Décembre,pp. 23-38
5. **C**ollange. V et Bonache. A. (2015), Overcoming resistance to product rebranding, Journal of Product & Brand Management, Vol. 24 Iss 6 pp. 621 – 632
6. **D**elassus. V., Leclercq Vandelannoitte. A. et MogosDescotes. R. (2014). Resistance to brand name change: antecedents and consequences on brand equity. *Management Interntional/International Management/Gestion Internacional*, 18(3), 45-59.
7. **D**escotes, R et Delassus. V. (2015),"The impact of consumer resistance to brand substitution on brand relationship", Journal of Consumer Marketing, Vol. 32 Iss 1 pp. 34 – 42.
8. **D**jelassi, S., Collin-Lachaud, I., &Odou, P. (2009). Crise du pouvoir d'achat: Les distributeurs face au «wise shopping». *Décisions marketing*, 37-46.
9. **F**leck. N. et Nabec. L. (2010). L'enseigne: un capital pour le distributeur, *Management & Avenir*, n° 38, pp. 14-32.
10. **H**ampson, D. P., et McGoldrick, P. J. (2017). Antecedents of consumer price consciousness in a turbulent economy. *International Journal of Consumer Studies*, 41(4), 404-414.
11. **H**amilton, R., &Chernev, A. (2010). The impact of product line extensions and consumer goals on the formation of price image. *Journal of Marketing Research*, *47*(1), 51-62.
12. **K**apferer. J.N. (2007). *Les marques, Capital de l'entreprise*, 4è édition, Paris, Les Editions d'Organisation.
13. **K**arma. Nourchéne. (2017). Impact de la standardisation /Adaptation du Retailing-mix sur le capital-Enseigne des distributeurs application à deux pays arabes. *Thèse de Doctorat en Sciences de Gestion*, Université Tunis el Manar.
14. **L**achaud. I., Herbert. M. et de Pechpeyrou. P. (2012). Substitution d'enseignes et création de valeur pour les clients, *Décisions Marketing*, n° 65, janvier-mars, pp. 57-69.
15. **L**ai. C. (2005). La marque, Paris, Dunod.
16. **M**arpsat, M., &Razafindratsima, N. (2010). Survey methods for hard-to-reach populations: introduction to the special issue. *Methodological Innovations Online*, *5*(2), 3-16.
17. **M**baye Fall DIALLO, Patricia COUTELLE, Arnaud RIVIERE, Stephan ZIELKE. (2014). How does price image perception affect store loyalty across different formats and brand types? *Actes du 30ème Congrès International de l'AFM*, les 14, 15 et 16 mai. Montpellier
18. **M**uzellec. L. et Lambkin. M. (2006). Corporate rebranding: destroying, transferring or creating brand equity? *European journal of marketing*, 40(7/8), 803-8

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS |Volume VII Issue XII December 2023

19. **P**appu R. et Quester P. (2006). A consumer-based method for retailer equity measurement: Results of an empirical study, *Journal of Retailing and Consumer Services*, 13, 5, 317-329.
20. **P**echpeyrou (de) P., Collin-lachaud I. et Herbert. M. (2013). Substitution d'enseignes impact sur l'image de marque du distributeur, *Revue Française de Gestion* – n° 231, pp.57-69.
21. **R**oux D. (2007). La résistance du consommateur : proposition d'un cadre d'analyse, *Recherche et Applications en Marketing*, 22, 4, 59-80.
22. **T**hiétart et al. (2007), *Méthodes de recherche en management*, 4 éme Edition, Paris : Dunod.
23. **Z**ielke, S. (2010). How price image dimensions influence shopping intentions for different store formats. *European Journal of Marketing*, *44*(6), 748-770.