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Master in Management Program

CUSTOMERS' BUYING LIKELIHOOD AFTER AN M&A DEAL: THE ROLE OF INVOLVING CUSTOMERS IN THE PROCESS

Master Thesis by the 2nd year student Concentration – Marketing

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ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

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_25.05.18_ (Date)

АННОТАЦИЯ

Автор	Рустанович Евгения Игоревна
Название ВКР	Сохранение лояльности потребителей после завершения сделки по слиянию и поглощению: роль вовлеченности в процесс сделки
Образовательная программа	Менеджмент
Направление подготовки	38.04.02 «Менеджмент»
Год	2018
Научный руководитель	Далман Мустафа Дениз
Описание цели, задач и основных результатов	С каждым годом рынок слияний и поглощений (M&A) растёт, вызывая всё больший интерес к данной теме. Однако существенное количество неуспешных сделок M&A заставляет теоретиков и практиков искать реальные причины провалов и возможные решения проблемы. Реакция потребителей на данного рода сделки может быть одним из ответов. Удивительно то, что количество исследований, направленных на данный аспект темы очень небольшое. Особенно это касается способов смягчения потенциальной негативной реакции потребителей на сделки. Одним из решений может быть их вовлечение в процесс сделки. Целью данного исследования является понимание того, какую роль играет вовлечение потребителей поглощаемого бренда в уменьшении их психологического сопротивления сделки M&A и, следовательно, их намерений купить продукты или пользоваться услугами компании. Основываясь на результатах опроса российских потребителей, следующие результаты были получены: а) намерения потребителей поглощаемого бренда о покупке действительно уменьшаются после объявления о сделке; б) психологическое сопротивление играет в этом свою роль, выступая медиатором; в) такие способы вовлечения потребителей, как возможность проголосовать за название бренда или участие в специально созданном совете могут помочь в смягчении сопротивления и, соответственно, повышении намерений остаться клиентом компании, однако исследование не обнаружило какая опция является более эффективным решением.
Ключевые слова	Сделки по слияниям и поглощениям, Бренд, Поведение потребителей, Сопротивление потребителей, Вовлечение потребителей

ABSTRACT

Master Student's Name	Evgeniia Rustanovich
Master Thesis Title	Customers' Buying Likelihood after an M&A Deal: the Role of Involving Customers in the Process
Educational Program	Master in Management
Main field of study	38.04.02 Management
Year	2018
Academic Advisor's Name	Mustafa Deniz Dalman
Description of the goal, tasks and main results	Year by year the global M&A (mergers and acquisitions) market is growing, thus triggering an interest to this topic. However, the large proportion of failure rates of M&As still concerns the researchers and practitioners, encouraging them to find the real roots of such failures and possible solutions. Consumers' reaction to such deals can be one of answers. What is surprising is that research regarding the role of consumer behavior in the final output of M&A deals is rather scarce now. This is especially relevant to the ways of mitigating potential negative reaction of customers. One of the solutions can be involving customers in the M&A process. Thus, the goal of this research is to understand what role target brand customers' involvement in the M&A process plays in the mitigation of their reactance to such deals and consequently in their intentions to buy products or use services of a company. Based on the primary data collected from Russian consumers, several findings were obtained. Research results show that target brand customers do have lower intentions to buy products of a company after an M&A deal. Reactance, acting as a mediator, plays its role in such decrease in purchasing intentions. Moreover, such ways of customers' involvement as giving them an opportunity to vote for a new entity's name or participation in a specially created sounding board can help in mitigating reactance and consequently increasing intentions to stay with a brand. However, research has not revealed which option (voting or board creation) is a more effective solution.
Keywords	M&A deals, Brand, Consumer behavior, Consumer reactance, Customers involvement

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INTRODUCTION

Year by year the global M&A (mergers and acquisitions) market is growing, showing the raise of such deals and their volume (J.P.Morgan, 2018) and thus a growing interest to this topic can be also noted. In Russia, like in the majority of developing countries, M&A deals market has also developed during the last years, showing, for example, the 13% growth in 2017 (Information agency AK&M, 2017; Kasparova, 2018). However, the large proportion of failure rates of mergers and acquisitions (Harvard Business Review, 2016; Forbes, 2015) still concerns the researchers and practitioners, triggering them to find real roots of such failures.

The issue lies in the fact that an M&A deal is a multifaceted process that touches different stakeholders of an organization, and customers are not the exception. However, consumers' reaction to such deals is only partially examined, which may surprise, if we take into the consideration the already mentioned large volume of M&A activities worldwide and in Russia, their high failure rates, and the importance of marketing-related issues for M&A performance. Other than a few noticeable exceptions (Swaminathan et al., 2008; Fong, Lee & Du, 2013; Spilski & Groeppel-Klein, 2015; Thorbjørnsen & Dahlén, 2011), research regarding the role of consumer behavior in the final output of M&A deals is rather scarce now.

It is crucial that M&A deals may not only bring benefits, but also lead to negative consequences. Among them there are changes in the customers' behavior that negatively influence the success of a company after an M&A deal. That is why it is not so surprising that customers reaction to M&As is one of the top reasons for such high failure rates (Harvard Business Review, 2016). The problem lies in the fact that as a result of an M&A deal companies can make seemingly small changes, however, they can make a difference to consumers and lead to the situation when even the most loyal ones reevaluate their relationship with a company or a brand (Talend, 2017).

Such negative for a company changes in consumer behavior are usually caused by the reactance that customers start to feel after the announcement of an M&A deal. Previous research was focusing more on the roots or underlying factors of such reactance like the perceived loss of personal freedom, "status quo bias", "omission bias" (White et al., 2008, Gierl & Huettl, 2010), self-concept congruency, consumer ethnocentrism, attachment styles (Thorbjørnsen & Dahlén, 2011), as well as brand trust, changes to name and logo, country of origin (Fong, Lee & Du, 2013) and so on. Even though the understanding of the factors mentioned above are crucial, what is also important especially for managers is finding the ways of mitigating this reactance.

One of the possible solutions can be customers' involvement. This involvement in the pre- or post-merger phases can be seen by consumers as a partial restoration of their perceived freedom of choice and thus weaken the reactance effects. Involvement can be offered for a customer via

various ways. For example, consumers may be given the opportunity to vote for the new entity's name or give suggestions regarding brand elements (logo, new products' names, etc.), a special sounding board, which allow them to voice their general concerns, can be created or communication with the acquirer brand can be organized and so on (Thorbjørnsen & Dahlén, 2011). In this research the emphasis is on voting for new entity's name and the creation of the sounding board.

Research gap lies in the fact that in Russia, where M&A deals market is growing every year, there are no researches regarding consumer reactions on such deals (and on a global scale this topic still need to be analyzed more thoroughly, because there are still some aspects that have not been studied yet). In particular, the emphasis is on target-brand Russian consumers' intentions to buy products of the company after the M&A deal. Moreover, even though there were several studies where such relationship was examined, no research was found, where the focus was on the potential ways of mitigating such reactance, particularly, consumers' involvement in the M&A process, which is definitely a crucial aspect for managerial decisions. To sum it up, research gap is in the lack of understanding how target-brand consumers' involvement in the M&A process can affect their reaction to such deals and intentions to buy products of a target brand.

Concerning the problem that was mentioned above the following *research questions* can be formulated:

1. How can target-brand consumers intentions to buy a product of the company change after the M&A deal, depending on their reactance?
2. Which role does customers' involvement in the M&A process play in the mitigation of this reactance and, consequently, in purchasing intentions changes?
3. How the mitigating effect of various ways of involvement differs in its effectiveness?

Research goal of this master thesis is to understand what role target brand customers' involvement in the M&A process plays in the mitigation of their reactance to such deals and consequently in their intentions to buy products or use services of a company.

Therefore, the following *objectives* were formulated:

1. To provide the overview of current researches regarding consumer behavior in case of an M&A deal, particularly, customers' reaction to such deals, how potential reactance of consumers can be mitigated, emphasizing the role of their involvement in an M&A process.
2. To conduct the experimental research which focuses on the role of customers' involvement in their reaction to M&A deals.
3. Analyze the results of the research and give managerial implications.

The structure of this paper corresponds to the logic of the objectives mentioned above and consists of three chapters.

In the first chapter the previous theoretical research on M&A and customers' reaction to such deals is presented. The main parts of this chapter are basic concepts regarding mergers and acquisitions and their relationship with consumer behavior, basic concepts of branding (as the M&As of brands will be taken into the consideration), basic information about brand alliances and how they differ from M&As, sources of consumer reactance to such deals and potential ways of mitigating them, namely, involvement customers in the process. The chapter ends with the hypotheses that are formulated based on the literature for this research.

In the second chapter research methodology is described. Its overview is given as well as the experimental design which will be used for this study. The third chapter contains basically the results of the research, discussion and managerial implications in the end.

The quantitative approach will be used. For this purpose the data will be collected through the survey with the experiments inside, which will be distributed among Russian consumers. For the analysis SPSS software will be used.

CHAPTER 1. THEORETICAL RESEARCH ON M&A AND CUSTOMERS REACTIONS TO SUCH DEALS

1.1. Mergers and Acquisitions: Basic Concepts and Relationship with Consumer Behavior

Mergers and acquisitions (M&A) is the process or the sequence of actions of two companies in order to unite their operations for reaching specific business or strategic goals.

Acquisition is the process, during which one company becomes the main shareholder of another company and obtains the control of it, its subsidiary or assets (production plan, for example) (DePamphilis, 2015). Merger, from the law perspective, is the alliance of two companies, as a result of which a new legal entity is created. As for the economic perspective, mergers can be horizontal (when companies from one industry are united), vertical (when enterprises are engaged in different parts of product's value chain) and conglomerate (for the companies from different industries) (Brealey & Myers, 2008).

There are usually two parties in such deals: an acquirer and a target. An acquirer is a company, which is going to acquire another one, the one that buys, while a target, or an acquiring, firm is the one, which will be bought. In the majority of cases a target feels higher resistance to a merger or acquisition and main obstacles merging companies usually face there. The topic that will be discussed in this paper is connected mainly with target firms, namely target brands, and will be presented in the analysis of target brand consumers' reaction to such deals, as it has been already mentioned that not all of companies as well as their customers are happy with the new situation (merger or acquisition) and frequently feel reactance.

All mergers and acquisitions can be also divided in friendly and hostile. In case of a friendly take-over the board of directors of a target company support the idea of M&A and gives recommendations to approve the deal to shareholders. In such situations acquiring company usually offers the target a merger premium (premium to current share prices) in order to make a deal more attractive. If both companies approve M&A deal, an acquirer buys a target by cash, shares or debt (combinations are possible) (DePamphilis, 2015).

In case of hostile M&A the situation is more difficult, as the target company refuses the first offer from the acquirer, however in the end it will be bought, as an acquirer got a controlling stake. It should be mentioned that the success of such deal depends a lot on a variety of factors: board of directors' composition and decisions, merger premium, post-integration process and so on (DePamphilis, 2015).

But why so many companies in the world make M&A deals? Among the main reasons for that researches usually distinguish the following: synergy, diversification, the purchase of undervalued companies and economy through vertical integration. The idea of synergy is that after

the deal the value of a new company will be higher than before. As far as it is concerned, synergy can be reached with the help of economy of scale, the possibility of the increase of prices, the combination of various functional forces, more significant growth in new or existing markets. Such synergy may be helpful not only in terms of finance or production optimization, but also for reaching new customer segments, entering new markets and so on. As for the diversification, it usually means the acquisition of companies from other industries, which can open new customer bases or offer a greater variety of products or services to the current consumers, but at the same time, if it a non-related diversification, it can even ruin a brand or company image. Vertical integration also has its pros and cons, as sometimes customers are not so enthusiastic about company's new opportunities and offers, they might just not need them (Damodaran, 2011).

Another important aspect of this topic is series of main steps of the realization of such deals. The first one is usually a problem statement, when both firms agree on the goals of a M&A deal. During the second step – evaluation of the situation – companies think about conditions, time frame and so on. Third step – analysis and research – consists of the analysis of pros and cons a merger or acquisition and potential pitfalls. Then there is a period of negotiations when all final aspects of a deal are discussed. And, finally, a real integration appears, which mainly includes a port-merger period. What is interested for this paper is that in this period many problems actually occur. They can be internal ones, like communications within a new company, or can be connected to sales decrease, brand suffering and so on, which are the consequences of consumers' reactions.

Going back to the topic of main reasons for acquiring or mergering with another company, from one of the perspectives on that issue, M&A is also about buying capabilities that will help a company to better serve existing consumers or acquire new ones. And from that point of you it is crucial for firms to understand that they really buy customers and that leads to various challenges for both organizations engaged in such deals (Harvard Business Review, 2018).

Surprising statistics shows to us that many M&A deals actually fail: approximately 70-90% of such deals are not successful (Harvard Business Review, 2016; Forbes, 2015), in other words, they create no wealth to the shareholders of a company. Looking at Figure 1 below, it can be stated that even though the number of M&A deals is growing every year, definitely not all of them bring value to the company.
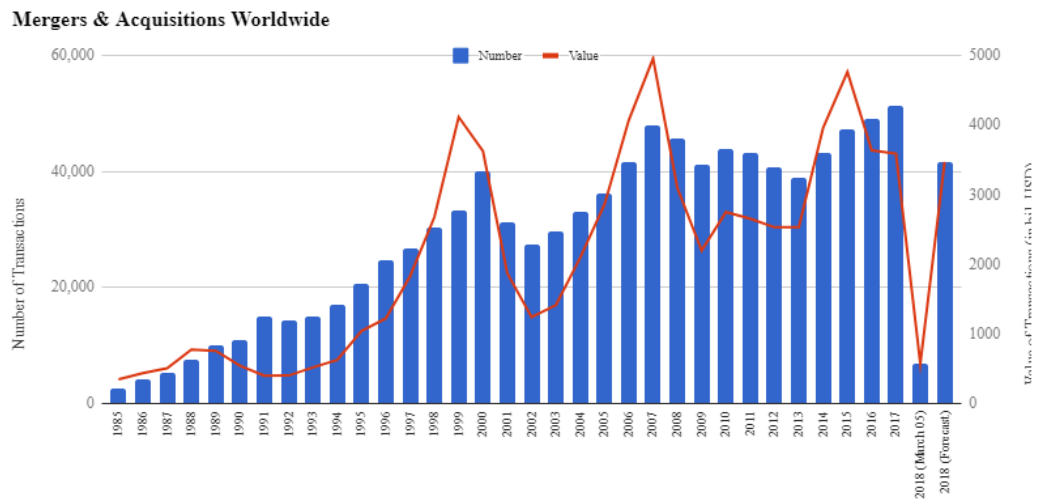
Figure 1. Mergers & Acquisitions Worldwide: Number and Value
Source: IMAA Institute, 2017

More and more researchers and practitioners acknowledge that looking at this issue only from financial or strategic perspective is not a complete explanation of M&A's success or failure (Graebner et al., 2017). That is why the so called "human side" of M&As is attracting more and more attention (Hajro, 2015; Sarala et al., 2016). One part of this "human side" is such actors outside an organization as consumers. Customers reaction to M&As is one of the top reasons for such high failure rates (Harvard Business Review, 2016). The problem lies in the fact that as a result of a M&A deal companies can make seemingly small changes, however, they can make a difference to consumers and lead to the situation when even the most loyal ones reevaluate their relationship with a company or a brand (Talend, 2017).

Imagine the situation when, for example, your favourite tea brand was acquired by another brand. The acquisition led, firstly, to the changes in packaging, but after some period of time you also noticed that nothing was left from that amazing taste that you had especially loved in this tea, and, as a result, you gave up buying it. If you are a loyal customer of a certain brand and one day that brand was acquired by another one, you may feel reactance, as the brand that you loved so much now is owned by another company, which definitely influence the future of your favourite brand.

As for the real-life examples of recent deals, when eBay bought Skype, eBay thought that video chatting opportunity will be happily met by customers. What happened is that the majority of customers did not feel that they need a video chat to conduct online auctions and, even though they did feel that they needed eBay for that. As a result, the deal failed, because the combination was not welcomed by consumers (Harvard Business Review, 2016). As it was previously mentioned, customer defection is one of the main reasons of significant failure rate of M&As (Talend, 2017).

1.2. The Concept of Branding

In the recent years branding has definitely developed and become one of the top management priority, first of all, because more and more practitioners as well as researchers realize that brand is one of the most valuable intangible firm assets (Shankar, Azar & Fuller, 2008; Liu et al., 2017). In some literature the authors highlight building a strong brand as the primary goal of business (Keller, 2008).

Branding is also important nowadays, because consumers' way of interacting with and assessing products and services has been changed significantly in recent years: customers more and more turn out marketing and advertising and dig dipper to better understand the brand, which stands behind the product or the service (Manternach, 2015).

In general, branding is an effective tool for companies to identify and differentiate products or services in consumers' minds. They do play an essential role in customers' decision-making process and in their behavior regarding their choices (Erdem & Swait, 2004). It can be especially crucial in such markets, where quality is not easily observable, thus customers feel uncertainty, resulting in the reluctance to buy products or use services of a company (Kim et al., 2008). The use of brands as signals to effectively provide people with information about the quality may help a firm to solve this problem (Erdem et al., 2002; Jeng, 2016).

Nowadays companies use brands for building long-term relationships with consumers. The importance of branding in the development of customer relationships has been already widely noted (Aaker, 1996; de Chernatony, 2010). Firms are motivated by the potential positive outcomes of such relationship-building efforts (Park et al., 2010; Golob, 2013). When customers develop deep, meaningful relationships with a brand, it usually results in increased brand purchase (Park et al., 2010), reduced customer price sensitivity and lower marketing costs (Mizik & Jacobson, 2008).

Branding is usually defined by name, design, symbol, colors, slogan, sound or a combination thereof (Tumber, 2012). The perception of brand personality in consumer's mind can be modified by any direct or indirect experience, which a consumer has with a brand (Aaker, 2010). Brand endorsers, firm's employees (CEO as well), and brand users in general affect perception of brand personality directly. The indirect effect comes from associations with the brand attributes such as name, logo, package, way of communication, colours, advertising style, price, communication, etc. (Aaker, 1997). For example, brand name is considered to be the most seen information by customers (De Chernatony, 2010) and be the basis for brand awareness, brand image and communication. Logo is an essential brand's visual identity element, which also influences brand awareness and recognition (Seimiene & Kamarauskaite, 2014). It can shape the

brand reputation, consumers' attitude, their purchase intentions and brand loyalty (Müller, Kocher, & Crettaz, 2011). Previous studies also proved the importance of colours and packaging (Seimiene & Kamarauskaite, 2014).

The main components of brand perception are the following: brand association, perceived quality, brand awareness, brand image, brand fondness, and product country image. Brand association is an important ingredient of brand perception, and a crucial component of brand equity (Aaker, 2009). It generally means all the thoughts in consumers' minds related to a brand. In other words, it can be said that brand association also refers to the intangible characteristics of a product, for instance, its distinctiveness among various brands, or prestige (Yasin et al., 2007). Brand associations arise from brand image and brand knowledge (Cheng-Hsui, 2001).

Perceived quality is another crucial element of brand perception. It refers to intangible perceptions, beliefs, thoughts, and so on about the quality of a product. Perceived quality is definitely a driver for positive attitudes towards a brand (Fatima, Jahanzeb, & Mohsin, 2013). Brand are distinct from other marketing mix elements that signal quality in the sense that brand "show" the cumulative effect of the previous activities of a firm, in other words, reputation. Brands help consumers form quality, because they allow consumers to draw on their previous experience with the product. Brand as a quality signal plays an important role in shaping consumer preferences and purchasing behavior, in particular, for credence where consumers rely on brand images, labels, advertising, etc. to form their opinions. Brand trust is the feeling of security that consumers have, interacting with a brand, which is based on perceptions that a brand is reliable and responsible for the interests, welfare of customers (Delgado-Ballester et al., 2003). Brand trust is an essential issue to which companies should pay attention, as it influences customers confidence in credence that impact brand loyalty (consumer commitment to repurchase a brand in the future consistently), which definitely has its effect on their future purchase intentions and decision-making overall (Lassoued, Hobbs, 2015).

Brand awareness is the presence that a brand has in the consumers' minds (Cornwell et al., 2011). The importance of brand awareness for brand equity is proportional to the level of awareness that the brand generates: the higher the level of awareness, the higher the brand perception (Yasin et al., 2007). Brand awareness involves two main elements: recalling and recognizing (Keller, 2008). Brand recall refers to the ability of the consumers to correctly generate and retrieve the brand in their memory (Keller, 1993). Brand recognition is when consumers differentiate a brand when there are other options (Homburg, Klarmann, & Schmitt, 2010).

Another element, brand image, is a commonly recognized and a salient component of marketing (Dirsehan & Kurtulus, 2018). It refers to the associations within consumers' minds, beliefs, which are built around the brand, some uniqueness that can differentiate a brand from

others, personal symbolism that customers associate with it, and general impressions about the brand, more than the product (Aaker, 1991; Kotler, 1998). Even though brand image is related to brand identity, which is also described in this chapter, it is more about individuals' perceptions and construction of a brand representation (Voyer, Kastanakis & Rhode, 2017). Keller (1993) proposed three dimensions for brand image: attributes, benefits, and attitudes. A positive brand image can be created when brand associations are strong, favourable and unique (Keller, 2016). Positive brand image is essential, because it, first of all, helps to create customer loyalty (Jin et al., 2012). It is used to show consumers the benefits of a product or service that are provided to them in order to satisfy the needs and wants (Merz et al., 2009). What is more, it is helpful for customers in recognition of a product, quality evaluation, the analysis of purchase risks, etc. (Nagar, 2015).

Brand fondness is essential because it allows to identify which aspects are important for consumers in terms of perceptions and purchase intentions (Jung & Sung, 2008). Brand fondness is defined mainly by consumers' emotions (Foroudi et al., 2018).

Finally, product country image can create positive beliefs and ideals for a brand (Foroudi et al., 2018). To sum up, all that elements are crucial for the analysis as a part of branding, thus influencing consumers perceptions regarding products or services of a company, their intentions to buy these goods, etc.

Companies are working on brands more and more also with the goal of increasing brand credibility which is important for customers. Strong brand credibility leads to the decrease of consumer uncertainty as well as decision-making cost (Shankar, Azar & Fuller, 2008; Akdeniz et al., 2013). That is why by some researchers it is considered to be the most important characteristic of a brand signal (Spry et al., 2011). In general words, brand credibility is the believability of product or service position information, which is contained in a brand (Erdem & Swait, 2004). It is established through the past direct or indirect experience of consumer with a brand (Kim et al., 2008). That is why brand credibility can be created and shaped by the consistency of marketing mix over time, through the clarity of the information that is contained in a brand and by brand investment (for example, brand image advertising) (Erdem et al., 2006).

Based on previous studies (Spry et al., 2011; Jeng, 2016), researchers consider expertise and trustworthiness to be sub-dimensions of a higher order brand credibility construct. Trustworthiness basically means the willingness of a firm to deliver what it has promised to consumers. Expertise, in turn, is the ability of a company to deliver the promise. Moreover, brand credibility from one perspective is the sum of brand-to-consumer and consumer-to-brand communication over time (Sweeney & Swait, 2008), thus, it also covers the personal history of brand experience (Erdem et al., 2002). As a result, brand credibility can increase brand utility that consumers expect as well as the probability of brand choice (Edem & Swait, 2004).

As the basis for trustworthiness and expertise of a brand is the cumulative impact of previous marketing actions and strategies, it is also suggested that the antecedents of brand credibility are the constructs of consistency, clarity and brand investment (Erdem et al., 2006; Jeng, 2016). Consistency is the degree of harmony and convergence among marketing actions and the stability of marketing mix strategies during the time (Erdem et al., 2006). Brand investment is a company's spending on brands with a goal to demonstrate long-term brand commitment and to assure people that promises of a brand will be kept (Sweeney & Swait, 2008). Finally, clarity means a lack of ambiguity in the product information which is contained in a brand (Erdem et al., 2002). Thus, brand credibility can be created by the increase of aspects mentioned above: clarity, brand investment and consistency (Jeng, 2016).

Companies should also think about the importance of branding from the perspective of brand personality. In general words, brand personality is the sum of human characteristics that consumers associate with the brand ("brand-as-person" perspective) (Aaker, 1997; Kapferer, 2004). It plays a crucial role in forming favourable attitudes towards the brand, generating consumers' engagement with the brand, ensuring brand loyalty as well as general consumers' satisfaction with brand and enlarging brand equity (Kapferer, 2010; Lin, 2010; Seimiene, Kamarauskaite, 2014). Developing a strong, distinctive, and favourable personality can be beneficial, since it provides emotional fulfilment and may result in increased brand equity (Veloutsou, Taylor, 2012). Moreover, various brand personality traits may influence brand attachment, purchase likelihood, and brand choice (Swaminathan, Stilley & Ahluwalia, 2009).

The previously mentioned aspect is closely related to thinking about branding from the perspective of consumer-based perception: customer's ideals, perceptions and attitudes, appealing to which will make the customer more likely to choose a particular brand over a competitor's or pay a premium price. It is also considered as the added value that is given by consumers to brand name, personality and symbols (Foroudi et al., 2018).

Another essential aspect that makes the role of branding even more important is brand identity, which has been and is still the subject of increased academic interest (Aaker, 1996; Alsem & Kostelijik, 2008; de Charnatony, McDonald & Wallace, 2010). Cohesive, distinctive and relevant brand identity can help in creating preferences in the market place, adding value to company's offerings and establishing premium prices (Bengtsson & Servais, 2005). It is also beneficial for fostering trust, facilitating differentiation (Ghodeswar, 2008), as well as helping in customers' identification with a brand (Baumgarth & Schmidt, 2010).

There is a variety of definitions of brand identity. For example, rather old definition of Aaker (1996) states that it is "how strategists want the brand to be perceived" (p.71). However, it received lots of critics, because it lacks consumer's perspective (Coleman, de Chernatony &

Christodoulides, 2011). In another paper (de Chernatony, 2006) it is defined as "the distinctive or central idea of a brand and how the brand communicates this idea to its stakeholders" (p.45). In general words, it is an internal perspective, is managed by brand management team and created before the presentation to the external stakeholders (Balmer & Greyser, 2006). In addition, it brand identity should not be mixed with brand image (which is more an external view, created in the minds of consumers and is a result of strong brand identity) (Yan et al., 2016).

Important for this research is rather new look at brand identity – its co-creation – which is opposite to traditional marketing perspective stating that managers primarily develop brand identities (Kapferer, 2004). Traditionally researchers think about it from the inside-out perspective: managers communicate to other stakeholders the information about brand identity (Kapferer, 2012). New view highlights consumers' contribution to the co-creation of brand identities and its socially constructed nature (da Silveira et al., 2013; Michel, 2017), at the same time mentioning their dynamic and fluid character (Lucarelli & Hallin, 2014; Michel, 2017). Social interactions, for example, discussions and negotiations between consumers, can shape the meaning of a particular brand (Eckhardt & Bengtsson, 2015).

From another perspective, branding is essential also because customers usually identify themselves with brands, which means that it is crucial to permanently think about the picture that consumers have in their minds about a brand. In general words, consumer-brand identification means the degree to which the brand expresses and enhances consumers' identity or the perception of sameness between a brand and a customer. Thus it is rather obvious that consumers may be more committed to those brands that share their values, sense of who they are and so on, thus strengthening emotional and psychological attachment to brands (Golob, 2013). It has been already proven than consumer brand identification has a significant influence on buying-related decisions, preference of one brand to another (Golob, 2013), consumer satisfaction and a higher possibility of repurchase (Kuenzel & Halliday, 2018), consumers' willingness to pay a price premium (Del Rio et al., 2011, Golob, 2013) etc.

It is also essential to pay attention to so called brand communities, which are also strong tool in influencing consumers' decision-making. Such communities let customers organize "non-geographically bound community based on a structured set of social relationships among admirers of a brand" (Muñiz & O'guinn, 2001; He et al., 2017). Moreover, in recent years Internet development has made brand communities more accessible to various consumers all around the world (Johnson & Lowe, 2015). Marketers can obtain benefits from the activities of such communities as they rapidly disseminate information (He et al., 2017), facilitate the adoption of new products (Thompson & Sinha, 2008), monitor customer information exchange (Adjei, Noble

& Noble, 2010), and maximize customer participation and value co-reaction opportunities (Brodie et al., 2013), thus being one of the crucial parts of branding in companies.

To sum up, branding and brand management has clearly become an important management priority for all types of organizations. Academic research has covered a number of different topics and conducted a number of different studies that have collectively advanced the understanding of brands. However, there is still a room for further research, but what is clear is that it is almost impossible now for companies to work, ignoring the branding concept and its peculiarities (Keller, 2006). And this is especially essential for the research as such brand-consumer interactions definitely play their role in customers' reaction to such deals.

1.3. Brand Alliances

Another topic which is also significantly relevant to this research and should be analyzed is the topic of brand alliances. From one perspective brand alliances and M&As are almost the same things: in both situations the consolidation of companies takes place. However, while in case of brand alliances the combination, first of all, can be just for a certain period of time, and, secondly, this combination still preserve the identity of each brand: their names are saved, they are still discrete, in case of a merger or an acquisition, the identity of one brand disappeared, as such deals usually resulted in the discontinuation of target brand or the creation of a new entity. This may lead to much more consequences for an acquired brand than in the situation of brand alliances.

During the recent years brand alliances have become a widespread branding and market growth strategy thus achieving more and more attention not only from companies but also from academics (Keller & Lehmann, 2006; Lafferty, 2009). They also take various forms: cobranding, composite brand extension, ingredient branding, and dual branding (Keller & Lehmann, 2006). The number of brand alliances is increasing every year, while the percentage of annual revenue that the 1000 largest companies from the USA generate, using this strategy, continues to increase (Lee et al, 2013). Among the most famous brand alliances there are, for example, HP and Canon, IBM and Microsoft, Cisco and HP, etc. (Cao & Yan, 2017).

From its definition a brand alliance is "a short-term or long-term association or combination of two or more individual brands, products and/or other distinctive proprietary assets" (Simonin & Ruth, 1998). As an umbrella term, brand alliances are all forms of marketing activities in which two brands are linked in a such way that is meaningful and visible to consumers (Hao et al., 2013). In other words, in case of brand alliances two or more brands from various companies are presented to customers simultaneously (Hao, 2015).

The importance of studying brand alliances and analyzing them as a unique strategy lies in the fact that they involve not only marketing cooperation, but also development and manufacturing

of co-branded products and thus it could have a different impact from other types of marketing activities (Cao & Yan, 2017). That is why in all brand alliances it is crucial to predict and evaluate the spillover effect – the impact of such alliance on partnering brands after the union was formed (Hao et al., 2013).

Important in that question is the signaling theory. For consumers a brand alliance means that united brands share a common set of values and belong to the same cultural universe (Lee et al, 2013), as well as that they propose a certain quality level (Chiambaretto et al., 2016): customers usually assume that good and strong companies will not form an alliance with bad partners because of potential risks, thus considering that alliance a credible signal of product quality (Hao et al., 2013).

There are lots of benefits of using this strategy. The main idea that encourages many companies all over the world to participate in such agreements is that firms may achieve more in building alliances than they can on their own (Cao & Yan, 2017). Among the advantages that using this strategy may bring there are customer base extension as well as access to partner's customer base (Uggla & Asberg, 2010), facilitated new product introduction, strengthening existing brand associations and adding new associations (brand image transfer), inter-brand cross-fertilization and image enhancement (Chiambaretto et al., 2016), entering new markets, which opens new opportunities (Hao et al., 2013), enhancing position in current markets, decrease of R&D, advertising and production costs as well as risks (Chiambaretto et al., 2016). Moreover, in comparison with direct brand extensions or new brands introduction brand alliances may also offer such benefits as multiple quality and image endorsements and additional brand associations for a new product like incremental product quality (Li & He, 2013).

It has also been found that an unknown brand can have benefits from the "halo of affection" that belongs to the high equity brand, in other words, low-value brand may obtain from the high-value one customer base and consumer awareness, as well as the increase in sales or positive signal to the stock market that may change investors decisions regarding a brand (Cao & Yan, 2017). What is more, adding a credible brand ally enhances consumer evaluation of the new product because of the potential loss that the brand partner would incur by "consumer punishment" – not buying products from the local brand – if not meet consumer expectations (Li & He, 2013).

That plays even more important role in global (international) brand alliances – brand alliances where at least one brand is a foreign one: customers usually evaluate unknown foreign brand higher if it enters the market through alliance with reputable local brand than just enter it (Hao et al., 2013). In addition, international brand alliances offer other benefits such as ease of international market entry, immediate brand awareness and equity for local customers as well as mitigating the effect of consumer ethnocentrism (consumers' beliefs regarding the morality and

appropriateness of buying foreign-made products) in their responses to international brands (Li & He, 2013).

That fact that brand alliances have their advantages may be proved by the fact that companies even use coopetitive branding – "voluntary strategy that consists of combining and presenting jointly two or more independent brands from competing firms on a product or service" – that leads to partial or total sharing of brand resources. Such strategy allows firms to obtain an access to key resources or technologies and create new products or enter new markets. Coopetition even suppose to result in better performance than alliances with not competitive firms, however, the conflict between generating common benefits and capturing private ones makes that strategy rather questionable one.

As it has been already mentioned, the combination of opportunities and challenges makes brand alliances a complex undertaking that must be properly managed. What is more, the number of failed brand alliances shows that there are lots of difficulties and drawbacks in such endeavors (Uggla & Asberg, 2010). Among potential disadvantages of participating in brand alliances researchers there are those that are more associated with the brands itself such as dilution of partner brand image, cannibalization of partner brand sales, failure of co-branded products (Hao, 2015), and more connected to the management: various time and flexibility issues, the increase of ownership questions and, finally, opportunistic behavior (Chiambaretto et al., 2016). But one of the most crucial issues here is the fit between two brands. It is essential to choose a right partner in order to achieve that fit: at least product (consumers' perception of the compatibility of the two product categories involved in a brand alliance) and brand (relationship between the two partner brands) ones (Hao, 2015). This is consistent with information integration theory (Desai & Keller, 2002) which states that customers' existing beliefs will have an impact on their responses to specific brand alliances and thus in such strategies a minimal perceived fit level is required. In addition, there are many context-specific factors (for instance, one of the participating brands advertising) or personal factors that also may influence customers reaction in the unexpected way (Naidoo, Hollebeek, 2016).

Although brand alliance are in many aspects similar to mergers and acquisitions and that is why this topic is crucial and relevant for this research, in case of brand alliances, both brands save their names and consumers, if they are not so interested in this topic, may even do not know that the brands have united. While in case of mergers and acquisitions, which are studied in this paper, one company acquire or merge with another one, resulting in the case when only one brand continues its existence or a completely new one appears. In this situation consumers may feel that they have lost their brand and feel reactance to the deal.

1.4. Consumer Reactance: Sources and Consequences

Customer reactions to M&As are seldom examined, which is surprising, given the large volume of M&A activities, their high failure rates, and the importance of marketing-related issues for M&A performance. There seems to be considerable risk of losing customers in M&As, however, even bearing this in mind, consumers' reactions are not so well studied. Even if the new entity emerges as a result of a "balanced" merger and not an acquisition, consumers of the smaller brand still might experience negative reactions to being "taken over" by a larger brand. (Thorbjørnsen & Dahlén, 2011). According to one survey, 58-69% of consumers in the categories of consumer products, telecommunications and banking believe they will not have any benefits from M&As and that mergers will cause higher prices and declining customer service (Sikora, 2005). Another research reveals that even two years after the mergers, consumers were significantly less satisfied than they had been prior to the mergers (Thornton et al., 2004).

One of the possible explanation of such reaction of consumers can be the reactance that they feel towards M&A deal. The issue lies in the fact that mergers and acquisitions are externally based incidents, which are outside customers' possible control, and this evidently influences their attitude towards brands involved in the deal. Such deals seem to consumers as their loss of personal freedom, which is one of the main triggers of the reactance (Thorbjørnsen & Dahlén, 2011).

1.4.1. Underlying Factors of Consumer Reactance

The theory of psychological reactance (Brehm, 1966) assumes that people have a predisposition toward preserving and restoring their personal freedoms. When a personal freedom is reduced, eliminated, or threatened with elimination, a person will experience a (unpleasant) state of reactance that induces attempts to recover or reestablish the lost or threatened behavior. A greater threat leads to a greater magnitude of reactance. Consequently, higher levels of reactance will more significantly encourage a person to reestablish the lost or threatened freedom. Such reactance can be even higher, if an acquiring brand made a deal under its name or chose a new name for a merged company (Thorbjørnsen & Dahlén, 2011).

There is a variety of the sources of reactance. First of all, there are lots of psychological ones and they are, probably, the most essential, influencing consumer behavior most dramatically. Among those, for instance, is the loss of personal freedom, as in a new situation consumers may feel that they are locked and the choices are limited. In other words, customers tend to be sensitive to the potential threats of their freedom, whether in terms of promotional influence (White et al., 2008), product unavailability (Gierl & Huettl, 2010), or pricing. There is also another aspect, which is more connected to the preference for maintaining a current activity, that can be attributed in part to an exaggerated preference for inaction, called "omission bias" (Schweitzer, 1994), and an

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exaggerated preference for the current state of affairs, called "status quo bias" (Samuelson & Zeckhauser, 1988).

The status quo bias in general is more about the exaggerated preference for maintaining the current state of affairs. However, this phenomenon was divided into two parts: the first bias – the exaggerated preference for inaction (the omission bias), the second one - the exaggerated preference for the current state of affairs. In reality these two effects are very often hard to disentangle, as in many cases the default status is the current status, thus two effects occur at the same time. When this is not the case, these two biases may lead to different decisions (Schweitzer, 1994).

There is a variety of reasons why people prefer the status quo. The first one lies in the phenomenon that, even though there are some really good arguments for choosing another alternatives, the majority of decision-makers follow the rule that dictates rechoosing their past choice. Another point is that typically changes mean transaction costs, which also do not motivate people to modify the current situation. Also the lack of information about additional new opportunities is also an obstacle that increases potential risks in people's minds. Besides that, there is also an ego involvement, that makes switching decisions harder. Finally, past alternative might be chosen wisely. If the current conditions are almost similar to the previous ones and you know more about the past decision, its retention could be a good option (Schweitzer, 1994).

There are also other psychological sources of reactance, like self-concept congruency (example: 'I'm a Zara girl'), consumer ethnocentrism (example: 'I prefer Russian brand over any American or European brand') and attachment styles (Thorbjørnsen & Dahlén, 2011).

Concerning the topic of attachment styles, it is more reasonable to start from the very beginning. Previous research identified that, even though these attachments are more related to people as human beings and the relationships between them, it can be stated that people also form attachments to brands, sports teams, service providers, and so on (Grinstein & Nisan, 2009; Madrigal, 2008). These relationship styles are manifested in two aspects: anxiety and avoidance (Brennan, Clark, & Shaver, 1998). The interaction of these two dimensions describes four attachment styles (Bartholomew, 1990; Bartholomew & Horowitz, 1991): *secure* individuals are low on both dimensions; *preoccupied* individuals are high on anxiety and low on avoidance; *dismissing* individuals are high on avoidance and low on anxiety; and *fearful* individuals are high on both dimensions. Research in psychology has linked these styles to jealousy, abusive behavior, self-esteem, and reactions to loss. That is why such reactions to loss are particularly interesting in terms of consumer relationships (Thomson et al., 2012).

The results of some research provide support for the hypotheses that, for example, increasing combinations of anxiety and avoidance predict anti-brand actions following the

termination of a brand-relationship, and loss of benefits and self-image significantly mediate this effect (Thomson et al., 2012). That is why it is also crucial to take into the consideration these attachment styles, while analyzing the potential consequences of M&A deals in terms of consumers reactance to them.

Another psychological obstacle can be the level of trust, which influences consumers' reaction in general towards an M&A deal as well as to the "advice" that the company gives to its clients. The problem is that a new company is kind of advice its consumers to buy products and services, and, if they have a low level of trust in this brand, than the level of their reactance is high and thus the problems to the brands occur, which should be also taken into the consideration (Aljukhadar et al., 2017).

Moreover, there are several studies that state that the country of origin also matters. Nowadays the number of cross-border M&A deals increases every year, allowing companies to create strategic brand alliances (SBA). SBA helps companies create new markets and provides an effective means to introduce new products or services. However, since cross-border SBA involves brands from different countries, researchers should understand the role of country-of-origin (COO) and its fit (Fong, Lee & Du, 2013; Lee et al, 2013).

There are also various sources of reactance that are more associated with a brand itself. For example, the level of loyalty is crucial. Results of one study show that loyalty to the target brand moderates the effects of the merger and correlates fairly highly with reactance. Even at the relatively low overall levels of loyalty in this study, the results show that the reactance patterns are more pronounced for more versus less loyal customers (Thorbjørnsen & Dahlén, 2011).

Taking into the consideration what was mentioned in the previous part about branding, it can be one more time highlighted how important name and logo changes are, as they can significantly influence consumer responses to such deals (Machado et al., 2012). Generally, name and logo are considered to be one of the main brand identity signs, as they are critical communication cues (Pittard et al., 2007). Brand name is considered to be the most seen information by customers (De Chernatony, 2010) and be the basis for brand awareness, brand image and communication. That is why its changed may face reactance of consumers.

Logos are the most salient visual elements in a variety of direct and indirect communication tools (Walsh et al., 2010). Design characteristics influence cognitive and affective reactions to logos, before any promotional activity is implemented (Machado et al., 2012). That is why the redesign of a logo, for example, may provoke certain reactions (usually negative) from consumers, as, for instance, in one research it has been found that brand commitment has a negative impact on the evaluation of logo redesign (Walsh et al., 2010, 2011). During the merger organization have various options regarding future corporate identity structure: monolithic (one single corporate

brand), differentiated (two separate, distinct, stand-alone corporate brands) and combined ones (the mix of both corporate brands) (Devlin & McKechnie, 2008, Machado et al., 2012). Obviously consumers will have different responses, depending on the strategy used, so it also should be taken into the consideration.

Other studies also show that the distinction between abstract and figurative logos significantly influences customer preferences in a merger. That is why, it can be stated that the logo choice tends to reflect consumers' evaluations of its aesthetic qualities (Hynes, 2009). However, the choice of name tends to reflect consumers' evaluations of the brand's strength or its presence in the market (Machado et al., 2012).

Another important issue is that there are lots of secondary associations (Keller, 2006) regarding one brand, which can also damage an M&A. The associations that customers have about one brand may not have a fit with the associations regarding another brand, that can increase customers' reactance and increase the desire to switch the relationship.

What is also crucial for consumers is the customer orientation of integration. Many mergers and acquisitions are led by a variety of internal reasons, almost ignoring consumers' perspective on this deal. If clients feel that there will not be any effect, synergy, benefits for them from a M&A deal, the level of their reactance will obviously increase, resulting in the problems to a company. That is why, it is always essential to think about potential bonuses for consumers in 'accepting' such kind of deals. Moreover, the customer my also just feel the desire to switch to completely another brand (Thorbjørnsen & Dahlén, 2011).

1.4.2. Potential Consequences and Mitigating Reactance Solutions

It is also important to evaluate potential consequences of an M&A deal. Previous studies show that customers of the target brand will develop more negative attitudes toward the acquirer brand, while at the same time, bearing in mind all the psychological, brand and other sources of their reactance, will develop more positive attitudes toward the target brand. However, such changes in the companies cause consumers' reactance, which in the end resulted in attitude shifts and increased switching intentions (Thorbjørnsen & Dahlén, 2011).

Speaking more in details about the consequences of M&A deals, the deal leads to the discontinuation of the status quo for target brand's consumers and, as it was mentioned, the potential threat to their personal freedom. Taken into the consideration the theories that suggest that people prefer current state of affairs ("status quo bias") (Ritov & Baron, 1990; Schweitzer, 1994) and are really sensitive to the loss of personal freedom (White et al., 2008; Gierl & Huettl, 2010), it can be assumed that target brand consumers will feel reactance in the situation when as a result of an M&A two companies will be integrated under the acquirer corporate brand or under a

new brand name. This, first of all, will lead to a more negative attitude towards the acquiring brand, as it is considered to be the source of this loss of freedom (Thorbjørnsen & Dahlén, 2011).

Moreover, previous research also states that target brand customers could develop more positive attitude towards the target brand. The roots of such behavior may lie in several psychological reasons. For instance, people tend to like more the threated behavior (Brehm et al., 1966; Lessne & Notarantonio, 1988). This finding is also in line with previous empirical investigations that suggest that difficult-to-suggest goals become more attractive for consumers (Swami & Khairnar, 2003). Moving back to the "status quo bias", potential acquisition is considered by customers as a barrier to their currently preferred alternative, and as a result threatens their freedom and invokes reactance. This effect leads not only to the devaluation of the acquirer, but also to better evaluation of the target (Thorbjørnsen & Dahlén, 2011).

When a consumer is faced with such barrier to their personal freedom, he or she may reestablish the perceived sense of freedom, firstly, through cognitive reorganization – devaluating his or her attitudes towards the acquirer, for instance. However, when the perceived threat to the freedom is increasing, customers' desire to reassert their freedom through behavior (not only by cognitive process) is rising. In M&As consumers basically have two options: to become a customer of a new brand, created as a result of the merger or to finish the relationship and switch to another brand. The second option is becoming more and more attractive to consumers, when the level of reactance is high.

As it can be concluded, the reactance is a crucial trigger of consumers' decisions and behavior, and it is essential to do something with it, if a company want to mitigate it somehow. Involving customers in the (post-) merger process can be a good solution, as for consumers it is a partial restoration of personal freedom. In other words, involving consumers in an M&A process can mitigate reactance and decrease switching intentions as a result (Thorbjørnsen & Dahlén, 2011).

There is a variety of ways, how consumers can be involved in such processes. For instance, companies may give consumers an opportunity of voting for the new entity's name, which can be one of the means of mitigating psychological reactance. First of all, brand name is considered to be the most seen information by customers (De Chernatony, 2010), thus being the basis for brand awareness, brand image and communication. Consumers' intentions to use a product or a service is built on the belief in the brand name in general (Lee et al., 2014). What is also crucial in terms of M&A deals or brand alliances, for instance, is that customers feel less uncertain about the quality of an unknown product, if they are familiar with the brand name (Sethuraman & Gielens, 2014; Geyskens et al., 2018). Summarizing, the name of the new entity is an essential aspect that can significantly influence consumers' attitude towards the brand (Kladou et al., 2017). That is

why giving the opportunity to vote for the new name can be highly appreciated by consumers and helps in mitigating the reactance. Yet, by itself, the mere choice and choice involvement might mitigate reactance and influence preferences and attitudes. Even though it seems that consumers' vote does not influence the final decision, it is still the way to give them an opportunity to make an input and partially restore their freedom of choice (Thorbjørnsen & Dahlén, 2011).

Closely connected to this topic, however, a little bit different one is such way of involvement as giving customers the opportunity of voting or suggestions for some elements of a brand, for instance, logo or names of new products. As it was mentioned earlier, logo is also one of the most important brand elements and can have an impact on brand awareness and recognition (Seimiene & Kamarauskaite, 2014). As a result, it influences brand reputation, consumers' attitude, their purchase intentions and brand loyalty (Müller, Kocher, & Crettaz, 2011). In addition, such opportunity as choosing or making suggestions regarding new products names can be also highly appreciated by consumers and as a result, decreases their reactance (Thorbjørnsen & Dahlén, 2011).

Another way of involvement can be simply given the customer the opportunity to voice their concerns. In general, people love to be heard. When consumers feel heard, they feel valued, as for them it is like a confirmation that their thoughts and ideas matter and worth someone's time (Feifer, 2017). Such "empathy" is really important in terms of customer service in order not to give consumers feeling than no one is truly listening (Stevens et al, 2018). Voice of customers (VOC) is really crucial, as it is basically about the needs and desires that are suggested by consumers, their preferences and aversions, etc. (Roman, 2010). VOC may contain a variety of contents: suggestions regarding products and services, complaints about previous customer experience, etc., so the information is really valuable for a firm. First of all, it provides detailed and useful understanding of customer perceptions of various aspects. Secondly, VOC is helpful in discovering critical areas that needs evaluating and improving. Thirdly, VOC can suggest a strategic direction for the progression of a company, as it provides a shared common language. Actually customers' voice should be considered as a gift to a firm, as it basically allows a company to understand what clients really need and provide them with it, thus preventing the annoyance and alienation that may arise when a company gives a consumer what he or she does not want. Moreover, listening to VOC also encourages customers and increases their satisfaction (Lee, Han & Suh, 2014). Finally, VOC programs is one of the ways to listen systematically to consumers, use this information and monitor the performance afterwards (Hinshaw, 2016).

Among potential methods of listening, structuring and organizing VOC previous research highlighted the creation of so-called Sounding Board, which, in terms of this research, consists of a group of customers who can comment on certain ideas of others while bringing in their own

(Walter et al, 2017). Such Boards may be useful in terms of giving consumers the opportunity to be heard and companies to understand customers' reaction to M&A deals.

Some researchers also suggested that the opportunity to communicate with the acquirer can be also highly appreciated by consumers (Thorbjørnsen & Dahlén, 2011). However, this idea does not seem to be really viable, as probably not all companies are ready to start with such radical actions.

Finally, such mitigation strategy as involvement varies in the effectiveness depending on its relevance and on whether the strategy is personally directed or not. During the M&A process and after it some issues are more relevant to customers that others. For example, the invitation of consumers to vote for the name of the new entity is obviously more relevant for them than asking their opinion regarding internal information systems in a firm. If the issue is close and relevant to consumer-brand interactions, the effectiveness of a mitigating strategy will be higher (White et al., 2008; Thorbjørnsen & Dahlén, 2011). What is more, if a firm asks directly consumers about their personal opinion it will help more in mitigating reactance than just saying that (other) consumers will be potentially consulted in the M&A process. In other words, whether the strategy is personal or no also matters (Brehm, 1966; Thorbjørnsen & Dahlén, 2011).

All in all, involvement of customers in the process can be a good way of attenuating consumers' reactance. It basically means that it can be less painful for consumers, as they will know in advance about an M&A deal, as by doing so the acquirer shows that it cares about the consumers. As a result, the level of reactance should be lower. Yet, by itself, the mere choice and choice involvement might mitigate reactance and influence preferences and attitudes, thus stating that involving consumers in merger and post-merger decisions actually is successful in terms of attenuating reactance and influencing subsequent attitudes and switching intentions. In this study the emphasis will be on such ways of customers' involvement as voting for new entity's name and the creation of sounding boards, where consumers may share their general concerns.

As for the potential ways of mitigating such reactance, the studies suggest, first of all, before an M&A deal think about the product fit, as, if this is ignored, later it may cause lots of problems, one of which is this reactance, as the customers just will not combine particular products in their minds and will feel this negative feeling (Thorbjørnsen & Dahlén, 2011).

Finally, different feedback questionnaires can be used in order to understand customers' reaction to a deal, current pros and cons of a take-over, potential ways of improving the situation and so on.

To sum up, in the world as well as in Russia M&A deals market has grown during the recent years. Although such deals are really widespread nowadays, still not all companies pay attention to the fact that M&A deal is a multifaceted process that touches various stakeholders of

an organization, for example, customers. Their reactions to M&As are only partially examined and there are a variety of different research gaps in this area of study nowadays. This topic definitely still need to be analyzed more thoroughly, because there are some aspects that have not been studied yet, especially in Russia, where the cover of such themes is really poor. Moreover, although there are several studies where such relationship are examined, there is a lack of studies, where the focus is on the sources of customers' reactance, which is a crucial aspect in this area.

1.5. The Role of Involvement in Customers' Reaction to M&A Deals

The world M&A market is growing in the recent years: the number and value of such deals is increasing (Jap, Gould & Liu, 2017; J.P.Morgan, 2018). In Russia, like in the majority of others developing countries, M&A deals market has also developed during the last decade, showing the increase in the number and volume of such deals (Information agency AK&M, 2017). However, the large proportion of failure rates of mergers and acquisitions still concerns the researchers and practitioners, inducing them to find real roots of such failures. However, researchers were mainly concentrated on financial and quantitative aspects of such deals so far and only start thinking about human and behavioral factors (Jap, Gould & Liu, 2017).

M&A deal is a multifaceted process that touches various stakeholders of an organization, for example, customers. Their reactions to M&As are only partially examined, which is surprising, if we take into the consideration the already mentioned large volume of M&A activities, their high failure rates, and the importance of marketing-related issues for M&A performance. Apart from a few noticeable exceptions (Swaminathan et al., 2008; Fong, Lee & Du, 2013; Spilski & Groeppel-Klein, 2015), research on M&As in marketing and consumer behavior is rather scarce now.

It is crucial that M&A deals may not only bring benefits, but also lead to negative consequences. Among them there are consumer attitudes towards acquirer and target brands, that may change after the deal. Particularly in this research it is suggested that when faced with merger situations consumers may feel reactance towards the new company, feeling that their personal freedom of choice is decreased or even eliminated.

What is more, it is also essential to understand the real roots of such consumers' reaction in order to understand how the reactance can be reduced. There is a variety of reasons that can cause such behavior, however, the basic and the most important ones are the loss of customers' freedom and the "status quo bias" (White et al., 2008, Gierl & Huettl, 2010, Thorbjørnsen & Dahlén, 2011). But what is more crucial for managers is to find out the ways that can mitigate the reactance somehow. One of the possible solutions can be customers' involvement. This involvement in the pre- or post-merger phases can be seen by consumers as a partial restoration of

their perceived freedom of choice and thus weaken the reactance effects (Thorbjørnsen & Dahlén, 2011).

Involvement can be offered for a customer via various ways. For example, consumers may be given the opportunity to vote for the new entity's name or give suggestions regarding brand elements (logo, new products' names, etc.), a special sounding board, which allow them to voice their general concerns, can be created or communication with the acquirer brand can be organized and so on (Thorbjørnsen & Dahlén, 2011). In this research the emphasis is on voting for new entity's name and the creation of the sounding board.

Research gap lies in the fact that in Russia, where M&A deals market is growing every year, there are no researches regarding consumer reactions to such deals (and on a global scale this topic still need to be analyzed more thoroughly, because there are still some aspects that have not been studied yet). In particular, the emphasis is on target-brand Russian consumers' intentions to buy products of the company after the M&A deal. Moreover, even though there were several studies where such relationship was examined, no research was found, where the focus was on the potential ways of mitigating such reactance, particularly, consumers' involvement in the M&A process, which is definitely a crucial aspect for managerial decisions.

Summarizing the information that was mentioned above, it can be said that even though mergers and acquisitions are supposed to be a great strategy that brings benefits to all stakeholders of a company, they do not always end up successfully. The high level of their failure rates concerns researchers as well as practitioners, raising questions regarding the roots of such results. According to the previous research, in many cases customers do not believe that they will benefit from such deals, expecting the increase in prices, changes in the service and products, etc. (Sikora, 2005), as well as potential concerns regarding the quality of a product or service (Chen & Gayle, 2018), which, in turn, significantly decreases their satisfaction rates (Thornton et al., 2004).

Imagine the situation when the brand which you really love, to which you are loyal and which is kind of the reflection of your personality, announced that it will be acquired by another brand that you do not really love and with whom you do not associate yourself. The name and logo of the brand that you love will be changed and from that moment all customers of the target brand will be transferred to the acquirer. Very probably you will react negatively to such situation, as you are worrying that the brand identity will be lost, you feel some restrictions to your personal freedom of choice and so on.

In case of an M&A deal customers of a target brand will feel the reactance, when two companies are united under one brand or when new entity has a new name, as thus firms remove the option of being a customer of the target brand and customers' behavioral freedom is threatened. Especially this is essential when consumers do not like the acquirer and do not associate

themselves with this brand. In case when an M&A causes a strong psychological reactance among target customers, they will be more inclined to reassert their freedom by ending the relationship and switching brands (Thorbjørnsen & Dahlén, 2011). As a result, consumers will be increasingly inclined to leave the brand relationship in favor of another brand. Thus, the following hypothesis is proposed:

Hypothesis 1. Customers' intentions to buy products of an acquired brand will decrease when they know about an M&A deal.

When such reaction happens, it is crucial to do something with it in terms of its mitigation. Partial restoration of customers' perceived freedom of choice can be an option for weakening reactance effects. There are various reasons for such reaction and consequently a variety of ways for its mitigation. Consumers are actually empowered and active players in brands development (Payne et al., 2009). They are rather frequently involved in the co-creation of brand products or services with other consumers and companies (Veloutsou & Moutinho, 2009). Consumers empowerment is also increased in today's digital world, where their opinion plays even more crucial role (Hutter et al., 2013; Quinton, 2013). People even tend to believe that they owned a brand, not a company (Cova & White, 2010). Previous studies revealed that consumers who are passionate about a brand they loved can transform business and communication practices (Muniz & Schau, 2007). People admiring certain brands can be so called "working consumers", who contribute significantly to the management and development of a brand (Cova & Dalli, 2009). Thus one of the ways of mitigating reactance is involving customers during the post-merger stage (Thorbjørnsen & Dahlén, 2011). For instance, companies may give consumers an opportunity to vote for the new entity's name, and thus mitigate reactance and, in the end, decrease switching intentions.

Brand name is considered to be the most seen information by customers (De Chernatony, 2010) and be the basis for brand awareness, brand image and communication, thus the name of the new entity is an essential aspect that can significantly influence their attitude towards the brand (Kladou et al., 2017). What is even more essential is the fact that brand name is the reflection of a brand for consumers. It not only helps to identify the product or service, but also acquired a significant set of symbols and meanings that brand and its products implies (Kohli et al., 2005). In addition, customers associate themselves with it, and that is why its change can be perceived by consumers negatively. Product rebranding is becoming more and more popular today, and one of the motives for it is M&A deals (Collange, 2015). Although rebranding can bring some opportunities, the risks are also high, which can be proven by the high failure rate of such marketing practice (Muzellec & Lambkin, 2006; Haig, 2011; Cornelissen, 2011; Collange, 2015). As a brand name is a "cornerstone" of brand identity, existing consumers may think that after

rebranding they will not obtain the same service or product characteristics that they previously enjoyed (Kapferer, 2008). Giving the opportunity to vote for the new name can be highly appreciated by consumers and helps in encouraging them to stay with a target brand after an M&A deal announcement (Thorbjørnsen & Dahlén, 2011). Even though it seems that consumers' vote does not influence the final decision, it is still the way to give them an opportunity to make an input and partially restore their freedom of choice. Thus the following hypothesis is proposed:

Hypothesis 2. If consumers have an opportunity to vote for the new entity's name, their intentions not to buy products of a target brand will be lower.

However, there are also other ways of involving customers in the M&A process. In the recent years the importance of consumers' voices is increasing and many companies are becoming more and more sensitive to diverse voices of their consumers (VOC) and even promote customers' engagement (Lee, Han & Suh, 2014). VOC is beneficial in a sense that it includes expectations related to consumer needs and requirements, and these expectations can be helpful for companies for the improvement of their products or services. Moreover, it can be essential for innovations in a company, as thus customer are encouraged to share their opinion, evaluate the ideas of a firm, etc. (Lee, Han & Suh, 2014; Morgan, Obal & Anokhin, 2018). VOC contains diverse contents such as the advantages of using a certain product or service for a consumer, suggestions of ideas for new products or services, their attitude towards firm actions, or complaints about previous experiences (Lee, Han & Suh, 2014). What is more, paying attention to VOC is the way to systematically listen to customers, use obtained information to take some actions and monitor company's performance over time (Hinshaw, 2016).

The opportunity to be heard and the feeling that VOC is taken into the consideration is really essential for consumers, as for them it is like a confirmation that their thoughts, ideas and experience value something and is important for a company or a brand that they like (Feifer, 2017). This feeling like no one is truly listening, in other words, the lack of empathy, can dramatically influence customers' attitude to a brand and decisions that it makes (Stevens et al, 2018).

One of the suitable ways of listening, structuring and organizing VOC from consumers is the creation of so-called Sounding Board, which, in terms of this research, consists of a group of customers who can comment on certain ideas of others while bringing in their own (Walter et al, 2017). Even today companies sometimes invite the groups of consumers to co-create a brand's ideology, persona and use (Cova & Pace, 2006). Those "working consumers" that were mentioned previously in this chapter are volunteers that devote their time and knowledge to create value for a brand (Bauer & Gegenhumer, 2015). They are constructive and active (Cova, Dali & Zwick, 2011), have skills, helping support the brand (Hu, Zhao & Cheng, 2012), and offer their experience, immaterial labour or information (Cook, 2008). Thus they can be one of the first

people who desire to participate in such Boards. Sounding Boards may help consumers to be heard and companies to understand customers' reaction to M&A deals. Taking everything mentioned above into the consideration the following hypothesis is proposed:

Hypothesis 3. If sounding boards that allows customers to voice their general concerns is created, their intentions not to buy products of a target brand will be lower.

As it has been discussed previously, psychological reactance plays an important role in explaining consumer behavior. In the situation when a customer loses his or her freedom, a variety of options that he or she had, it raises in a customer this reactance (Thorbjørnsen & Dahlén, 2011). The issue lies in the fact that an M&A deal implies the termination of the status quo for the target brand's customers and, consequently, a potential threat to their perceived freedom of choice. In general people prefer a previously chosen option to others (Samuelson & Zeckhauser, 1988). The preference for maintaining a current activity can be attributed in part to an exaggerated preference for inaction, called "omission bias" (Schweitzer, 1994), and/or an exaggerated preference for the current state of affairs, called "status quo bias" (Samuelson & Zeckhauser, 1988).

In fact, M&As are outside consumers' control, as they are externally based events, and this obviously influences their relationship with the brand (Thorbjørnsen & Dahlén, 2011). Customers like to have and feel this freedom to choose among alternatives in many parts of their life and thus they tend to be sensitive to threats to loss of freedom (White et al., 2008, Gierl & Huettl, 2010, Thorbjørnsen & Dahlén, 2011). In other words, people have a predisposition toward preserving and restoring their personal freedoms. And when it is reduced or has a threat of elimination, a person will experience a reactance that induces attempts to recover or reestablish the lost or threatened behavior. A greater threat leads to a greater magnitude of reactance. Thus, the following is suggested:

Hypothesis 4. Psychological reactance will mediate the effects proposed in Hypotheses 2 and 3.

As it has been mentioned above, listening to customers' voice is essential and should be taken into the consideration during the M&A process (Hagen, 2015). It can be done pointwise: ask customers once regarding a particular aspect – brand name, for example - or can be done systematically through the organization of a sounding board where consumers can share their opinion regarding company's actions and so on. However, consumers will potentially evaluate such ways of their involvement differently. Sounding board is a systematic way of collecting the feedback from consumers, it requires more involvement and requires it not once, and this should be more valuable for customers (Thorbjørnsen & Dahlén, 2011; Hinshaw, 2016). Moreover, there is a question of whether customers' opinion regarding the new entity's name will be very probably used by the company, in other words, will the company adhere or not adhere to consumers'

decision. From this perspective constantly working sounding board, presumably, has more power (Thorbjørnsen & Dahlén, 2011). Thus the following hypothesis is proposed:

Hypothesis 5. Creating a sounding board that allows customers to voice their general concerns will be more effective in mitigating reactance and consequently in decreasing intentions not to buy products of a target brand than giving an opportunity to vote for the new entity's name.

All in all, this chapter gives an overview of the previous researches that were done regarding the studied topic. It helps in understanding what are the M&A deals and which peculiarities they have, highlighting that consumers may also play its role in such deals performance. Moreover, the overview of branding theory is presented, as the target brand consumers are concerned, thus it is crucial to understand all these customer-brand relationships, etc. In addition, customers reaction to such deal is described, as well as potential consequences and possible ways of the mitigation of the negative ones. Finally, based on the previous literature the hypotheses for this study are formulated.

CHAPTER 2. RESEARCH METHODOLOGY

2.1. Research Methodology Overview

Imagine the following scenario: You are a loyal customer of a clothing brand A, where you have been a customer for many years. One day, you are informed that this brand has been acquired by another clothing brand B, which you do not really love. The name and symbol of the brand A will be changed or discontinued, and as of today, you are a customer of brand B.

How would you react to this situation? As previous research has shown, there are higher chances that you would perceive some restrictions of your freedom of choice, also worrying about the fact that potentially brand A identity will be lost, and consequently react negatively to brand B while inflating your evaluation of your previously preferred brand A.

But what will happen if the acquired company showed to you that it took into the consideration your feelings and concerns and now gives you the opportunity to take part in the M&A process, for example, by offering to you the voting to the new entity's name option? Probably, your reaction will be changed.

Taking into the consideration the example above, it can be stated that in this paper the potential reaction of consumers on a M&A deal is analyzed, concerning also the issue of how such way of mitigating customers reactance to such changes as consumers' involvement can influence the output. Based on the previous studies of that topic, it can be concluded that in the majority of cases customers feel reactance to such deals, because the feel that their personal freedom of choice is limited after the merger or acquisition, as now they are deprived of the opportunity to buy products or services of a favourite brand (Thorbjørnsen & Dahlén, 2011). Another aspect that also concerns them is the lost of brand identity of the brand that they really love.

As for the involvement as a mitigating strategy, it should be mentioned that there are also various ways of such involvement of consumers. For instance, the opportunity to vote for the new entity's name or logo or new products of a company, creation of the sounding board that will voice customers' general concerns about the deal, giving the opportunity of direct communication with the acquirer to people and so on.

In order to do that an explanatory research will be conducted. In that paper the phenomena that consumers of a target brand feel reactance after an M&A deal and as a result their intentions to buy the products of a company decrease is studied. However, what is more important is the understanding of which role involvement plays in this process.

As for the methods that will be used in this research, those are the following:

a.   Literature review (which is presented in the first chapter of this paper)

b.   Experiments (which are embedded in the survey)

First of all, literature analysis helps with the understanding of the phenomena in general, various sources of consumers' reactance to M&A deals, possible consequences of such reactance, as well as potential ways of mitigating such reactance, involvement in particular.

Secondly, speaking more precisely about the searching and collection of information, it should be, first of all, mentioned that it can be divided into two main directions, depending on the sources of information used: library (or desk) research and field research. The first type implies the use of the secondary data. However, the significant drawback of this method is that the information obtained that way is frequently outdated (Kothari, 2004), which is not consistent with the objectives of this study.

Another research – the field one – is basically the collection as well as the processing of data specifically for the marketing analysis. Such research use for the basis the primary data (the newly received data for a particular study problem). This approach is advantageous in terms of the strict accordance of data collected to the objectives of the research problem. Moreover, the methodology of data collection is strictly controlled. However, it also has its drawbacks and the main one is significant costs of resources. Different tools can be used in a field research, which help to obtain two types of information:

     a. Numerical data that is processed with statistical and computational means (obtained from quantitative research)

     b. Descriptive information that cannot be analyzed in the numerical way (obtained from qualitative research) (Kothari, 2004).

Among the main sources of information regarding consumer behavior and brand management are surveys, experiments, interviews, focus groups, observation. Previous studies regarding the reaction of consumers on M&A deals using such method as an experiment for the research. In this paper the same method will be used. The experiments will be embedded in the survey. This will give an opportunity to cover a large group of people, in other words, it allows to obtain information from many consumers in a rather short period of time. Moreover, afterwards it will be easier to analyze such big amounts of data using SPSS, for example. However, there are some obvious drawbacks of surveys: the quality of the answers, the hastiness of responses and truthfulness of them.

Experiments per se will be beneficial in terms of understanding whether involvement can be a way to mitigate consumers' reactance to M&A deals (Almquist & Wyner, 2009). Particularly, in order to see the effect of involvement, namely, each method of involvement without any possible impacts of other factors, it is necessary to make experiments, where one variable will be manipulated, while others will be fixed. This will help in understanding whether customers' involvement helps as a mitigating strategy or not.

All in all, experiments as a method will help in obtaining more thorough information and understanding of the role of particular factors. But it should be also mentioned that they take more time to conduct and process and still the quality of responses are not always clear.

For this research the quantitative approach is chosen as the most suitable method for answering the stated research questions. This approach requires the knowledge regarding certain analysis tools, which will be described more thoroughly in the next paragraphs. Speaking more precisely about the tools that will be used for the analysis, the first step in the processing and analysis of data is the frequency analysis. It has several elements: for instance, the average mean which is basically the sum of all values divided to their number and it can characterize any sum as a whole (Saunders, Lewis & Thornhill, 2009).

Before the descriptives, however, factor analysis, exploratory or confirmatory with established variables can be used (Janssens et al., 2008). The main objective of the factor analysis is to reduce the number of variables and relationships between variables determining the structure if it is necessary for the study or to confirm the existing construct measures (Field, 2013). By reducing the number of variables, the most essential features of the merged variables become obvious. Classification implies the selection of several new factors of the variables associated with each other. In marketing, this method is used in connection with the in-depth analysis of consumer behavior to identify clearly observable factors. To assess the reliability of the scale, especially assessed on Likert, Cronbach's alpha is usually used. Other statistical methods that also will be used are t-test, ANOVA and mediation analysis, which includes regression analysis actually.

To sum up, in this paper explanatory research will be conducted, where such methods as literature review, survey and experimentation will be used. The information obtained from survey with experiments included will be further analyzed and based on this analysis the practical implications will be stated. For the analysis such tools as t-test, ANOVA and regression will be used.

2.2. Experimental design

As it was mentioned above, for this research experiments are conducted. In the experiment customers' involvement in the M&A process will be manipulated. Basically, there are three versions, thus there are three groups: two experimental ones (where managerial intervention will be used) and the control group. Experimental group is the group that get the experimental procedure. Such group is exposed to changes in the independent variable being tested. Afterwards the values of an independent variable as well as the result that they have on a dependent variable are recorded. It should be also mentioned that an experiment may include several experimental groups at one time. Control group is the group which is separated from the rest of the experiment:

in other words, the independent variable that is tested cannot influence the final result(s) (Helmenstine, 2017).

In this study all three groups are informed that there will be the acquisition, however, the first one will have the option of voting for the new entity's name, the second one will be informed that the sounding board where consumers may voice their general concerns regarding the M&A and its consequences will be created, while the third one that is the control (or the baseline) will not have any options regarding the involvement. What is also essential in the experiments is that all three groups of respondents and each group is the separate one, so it is crucial to ensure that each respondent receive only one version of the survey and is not familiar with other versions of a survey.

Basically, the following scenario is delivered to all respondents of the survey (Appendix 1): there is an airline brand that they really love and with which they associate themselves. One day the company announced that the brand will be acquired by another brand, which consumers do not really love. Very probably, the brand name and logo will be changed or discontinued and all customers including a respondent will be transferred to the acquirer. This acquisition thus raises lots of concerns, as you are worrying that the brand identity will be lost, and you also feel some restrictions to your personal freedom of choice. This will be the basic scenario offered to the control group.

For the first experimental group apart from the situation described above involvement opportunity is introduced. Particularly, respondents are given the opportunity to vote for the new entity's name, as thus the company shows that it understands consumer's needs and feelings (brand name is one of the key attributes of the brand and its lost may lead therefore to the lost of brand identity).

For the second experimental group involvement is presented in another way. Respondents are informed that a special sounding board where consumers may share their general concerns regarding the acquisition, post-deal process, change to the acquired brand and so on, will be created.

In all three situations respondents are asked to answer several questions that can be divided into groups, as they are devoted to changes in consumer behavior (purchasing intentions), reactance and attitudes. So the questions cover the following areas:

1) Buying likelihood
2) Loss of freedom of choice
3) Attitude to M&A
4) Attitude to target
5) Attitude to acquirer

The tables below (Table 1 - Table 5) summarize the questions regarding each aspect, that are used in the survey, showing which questions are responsible for which issue that is interesting for this study.

Table 1. Buying Likelihood Items

Question Number	Question
1	It is unlikely that I will use Brand A airline as much as I previously did it.
2	I am less inclined to use Brand A services.
3	I will use Brand A services as much as before.

Table 2. Loss of Freedom of Choice Items

Question Number	Question
1	In many ways, I feel forced to become a customer of Brand B.

Table 3. Attitude to M&A Items

Question Number	Question
1	I believe this acquisition is … (scale from very bad to very good).
2	I do not think that this acquisition will be beneficial for the Brand A.
3	I do not believe that this acquisition brings any changes that are beneficial for me as a consumer.
4	I believe that it would be better if Brand A continues its existence without the acquisition.

Table 4. Attitude to Target Items

Question Number	Question
1	I like Brand A now.
2	I have a positive image of Brand A now.

Table 5. Attitude to Acquirer Items

Question Number	Question
1	I do not like Brand B now.
2	I have a negative image of Brand B now.

Apart from these questions that are asked in all three versions there are additional questions for the experimental situations. In case of voting for the name option, respondents see additional questions (Table 6), which will help in understanding whether it is essential for them to have such opportunity or not:

Table 6. Attitude to Voting Option Items

Question Number	Question
1	I believe that consumers should be also involved in important company decisions.
2	I appreciate that company gives me such option of voting for the Brand name.
3	I appreciate that the company takes into the consideration my opinion.
4	I believe that my vote will be taken into the consideration for the final decision.
5	I believe that brand name is important in my choice.

While in case of the creation of a special sounding board, where customers may share their concerns about the further changes caused by the M&A, the following questions (Table 7) will be added in order to understand how important it will be for consumers to have such opportunity, how they evaluate it:

Table 7. Attitude to Board Option Items

Question Number	Question
1	I believe that consumers should be also involved in important company decisions

2	I appreciate that company gives me such option of participating in the sounding board.
3	I appreciate that the company takes into the consideration my opinion.
4	I believe that by participating in such sounding boards I can affect decisions concerning the Brand A.
5	The existence of such boards in the company and the opportunity to participate in them is important in my choice.

All the questions that were mentioned above will be measured using Likert scale, where answers will vary from 1 (strongly disagree) to 7 (strongly agree). Likert scale exclusively was chosen in order to make the survey more uniform in general and facilitate the task of respondents.

Moreover, additional questions (Table 8) about the industry will be also asked in order to understand how attached are consumers to particular brands there, how using a particular airline brand help customers to show their identity and so on. That is why the following questions are also added:

Table 8. Industry Items

Question Number	Question
1	A lot of can be said about a person by the airline he/she uses.
2	I spend a lot of time before choosing the right airline for me.
3	I am committed to the airline I use.
4	Choosing the right airline is an important decision for me.

Respondents also answer these questions using Likert scale.

Finally, some general questions about gender, age and the city of residence will be asked.

In the situation that will be given to respondents for the example the airline industry will be taken into the consideration. Very probably, results of the experiments will vary depending on the sector about which consumers will be asked. That is why it is not correct to ask respondents to think about a brand in any industry. For this reason in this research the emphasis will be on the airline industry, afterwards the results can be also used for further studies regarding other sectors, for instance.

One of the reasons why this industry was used was the fact that every person at least once in his or her life uses airline services, so it will not be difficult for this person to imagine the situation that will be provided to him or her in the experiment. People can easily understand their

relatedness to the category, how there are involved, when they make choices regarding the airline that they want to use and so on.

Moreover, in such industry as an airline one strong brand image is essential for a firm that want to increase passenger confidence in a carrier (Lin & Ryan, 2016). Branding is important in this industry also because of a strong competition, as well as the fact that consumers are more familiar with some brands than with others (Dirsehan & Kurtulus, 2018). In addition, there is a high level of uncertainty among consumers of airline services (Boksberger et al., 2007), which is associate with the safety and reliability of an airline and the baggage handling, the punctuality of flights, etc. (Wu & Cheng, 2013).

What is more, the history of this industry has already showed that consumers not always positively react to such deals. For instance, after the merger of Continental Airlines and United Airlines in 2010 which resulted in the United-Continental Holding was supposed to be beneficial for both companies. The idea was to combine Continental's reputation for strong customer service with such competence of United as broad reach of the airline's domestic and international network. However, the merger resulted in the lower satisfaction of consumers, their frustration and desires to switch to another airline. The customers of Continental airlines had a specific brand identity of the this airline brand, which was associated with the high quality of the service in general, appreciation of frequent fliers and so on, while after the merger all this almost comes to the end: customers face frequent delays, lost bags, bad Wi-Fi, little appreciation of loyal clients and so on (Mouawad & White, 2015).

Apart from the merger that was described above there were also other famous acquisitions like those between Delta and Northwest or American Airlines and US Airways that also caused lots of customers complains and intentions of target brand customers to stop using these airlines. The case of U.S. Airways is interesting in that sense that in the following the acquisition years consumers felt to be lost, as they were confused with the dilution of the brand identity, as in their eyes US Airways remains something of a weird half-airline. It was possible to buy a flight on the website of American Airlines, then check in at a US Airways kiosk and board a plane which is painted with the logo of US Airways. The same was regarding the services on board (Washington Post, 2018).

All in all, such cases provoke the discussion whether mergers and acquisitions are always met positively by consumers, thus triggering reactance to such deals. That is why this industry was chosen for this research in order to analyze the potential consequences of M&As for customers' reactance and behavior afterwards.

CHAPTER 3. RESULTS OF THE ANALYSIS AND DISCUSSION

3.1. Data Analysis and Research Findings

Three different versions were distributed among different groups of people. In general, 186 people participated in the experiment. In the first (control) version 65 people participated, in the second one about the voting option – 60, and in the third one about the creation of the sounding board – 61. Even though there is the number of respondents is not completely the same in all three groups, such small variations are allowed in the experimental procedure.

The distribution of respondents by age was the following: male – 38%, female – 62% (Figure 2). Such distribution was presented in all three versions approximately. Concerning the age, all groups mainly includes young generation (from 18 to 35 years old). Participants were from various regions of Russia, however, mainly – Saint Petersburg and Moscow.
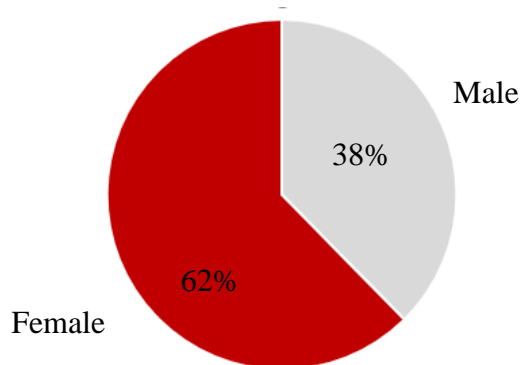
Figure 2. Gender of respondents

After the general description of the sample and before analyzing the results of three different versions it is necessary to check whether the manipulation that was used in this experiment did work. In the experiment it was stated that respondents do not like the acquirer and love the target brand, which was explained for them in the given situation. In order to be sure that consumers do have the same attitudes it is necessary to verify this. For that purpose a simple t-test was conducted, where the means for attitude to the target and attitude to the acquirer were compared to scale midpoint - 4.

Attitude toward the target brand was measured on a two-item, seven-point Likert scale adapted from the work of Thorbjørnsen and Dahlén (2011) and can be seen in Table 4, which was presented previously (Cronbach's $\alpha = 0.81$). The same logic was used for the attitude towards the acquirer (adapted from the work of Thorbjørnsen and Dahlén (2011) and can be seen in Table 5) (Cronbach's $\alpha = 0.76$) (output from the SPSS is presented in Appendix 2). Based on the obtained results, it can be said that attitude to target is on average positive: significantly differs from the scale midpoint - 4: (AttTarget $_{control}$ = 5.86 (t = 16.23, p-value = 0.00), AttTarget $_{voting}$ = 6.43 (t = 21.41, p-value = 0.00), AttTarget $_{board}$ = 6.3 (t = 18.6, p-value = 0.00)), while to the acquirer brand

– negative (also significantly differs from the scale midpoint - 4) (AttAcquirer $_{control}$ = 5.78 (t = 15.74, p-value = 0.00), AttAcquirer $_{voting}$ = 5.94 (t = 22.42, p-value = 0.00), AttAcquirer $_{board}$ = 5.7 (t = 16.8, p-value = 0.00)) (output from the SPSS is presented in Appendix 3).

Moreover, respondents receive questions regarding the industry: how familiar they are with it, about them as airline services' consumers. For measuring this they were asked to answer the following questions that can be seen in the Table 8, which has been already presented in the previous chapter (Cronbach's α = 0.73). Items were adapted from Bruner et al. (2006). Results of the research show that actually people are neither completely involved, no completely uninvolved in it (Mean$_{industry}$ = 3.94; t = -0.68, p-value = 0.498 (>0.05)) (Appendix 3). Thus it can be stated that people are rather involved in the industry, but not too much, and at the same time they are not significantly unfamiliar with the airline industry. It shows that the sample is not biased regarding this aspect, which is necessary for the analysis.

Respondents' intentions to buy products / use services of a target brand were also analyzed. For measuring intentions to buy three questions were asked: "It is unlikely that I will use Brand A airline as much as I previously did it", "I am less inclined to use Brand A services", "I will use Brand A services as much as before" (reverse coded) (measuring at 7-point Likert scale) (Cronbach's α = 0.73) (so the higher the score the higher are the intentions not to use services of a target brand after an M&A) (Appendix 2). The questions are also presented in the Table 1 and are adapted from White et al. (2008).

3.1.1. Results

First of all, it is important for this research to know whether customers' buying intentions after an M&A will decrease when they will know about an M&A deal. For that purpose a special t-test was conducted. The results show that respondents intentions to stop using an acquired brand's services after an M&A deal are significantly higher the scale midpoint – 4 (IntBuy$_{control}$ = 4.51, t = 2.27, p-value = 0.03) (Appendix 3). Thus, Hypothesis 1 is supported.

After that it is necessary to understand whether the proposed ways of involvement can play a role in consumers' decisions regarding further purchases. The two methods of involvement are given customers of a target brand an opportunity to vote for a name and participating in a sounding board. In order to understand whether their purchasing intentions differ after an M&A, depending on the given opportunity ANOVA analysis was conducted. First of all, control version (without involvement option) was compared to the voting version. The results show that intention to buy do differ in two versions (IntentionsToBuy$_{control}$ = 4.51; IntentionsToBuy$_{voting}$ = 3.5; F (1,124) = 11.764; p-value<0.01) (Appendix 4). Respondents' intentions to stop using a target brand airline services were lower, when the voting option were given for them. Moreover, it should be also

stated that respondents were also asked to answer the questions regarding the voting and board options in order to understand their importance for customers, people's attitudes to such opportunities. Voting option importance was measured with five-item, seven-point Likert scale (Cronbach's $\alpha = 0.86$) (Appendix 2), items can be seen in the Table 6 and are adapted from the work of Thorbjørnsen and Dahlén (2011). In general voting option is appreciated by consumers ($\text{Mean}_{voting} = 4.88$) (T-test shows that it significantly differs from 4) (Appendix 3). Which helps to prove the importance of giving customers such voting opportunity. Based on the whole analysis, it can be stated that Hypothesis 2 is supported.

The same analysis was conducted for comparing control and board versions. The results were the same. Again consumers' intentions to leave the relationships with a target brand were higher in the control version than in board one ($\text{IntentionsToBuy}_{control} = 4.51$; $\text{IntentionsToBuy}_{voting} = 3.77$; $F(1,125) = 6.41$; p-value<0.05) (Appendix 5). In this situation board option importance was measured with five-item, seven-point Likert scale (Cronbach's $\alpha = 0.84$) (Appendix 2), items can be seen in the Table 7 and are adapted from the work of Thorbjørnsen and Dahlén (2011). Thus it can be said that in general sounding board creation option is appreciated by consumers, maybe, even more than the voting one ($\text{Mean}_{board} = 5.1$) (T-test shows that it significantly differs from 4) (Appendix 3). Based on the whole analysis, it can be concluded that Hypothesis 3 is supported.

Moreover, we are interested in knowing whether consumers' negative psychological reaction to an M&A deal (reactance) can mediate somehow these intentions to buy. In order to do that such reaction was measured in two ways: by asking questions about respondents' attitude to the deal itself and by asking question about perceived loss of personal freedom. Attitude to M&A was measured by asking the following questions: "I believe this acquisition is … (scale from very bad to very good)" (reverse coded), "I do not think that this acquisition will be beneficial for the Brand A", "I do not believe that this acquisition brings any changes that are beneficial for me as a consumer", "I believe that it would be better if Brand A continues its existence without the acquisition" (Cronbach's $\alpha = 0.80$) (Appendix 2). While the perceived lost of personal freedom of choice was measured by asking respondents the following question: "In many ways, I feel forced to become a customer of Brand B". Questions can be also seen in Tables 2 and 3 and are adapted from the work of Thorbjørnsen and Dahlén (2011).

For understanding whether reactance is the mediator in explaining consumers' buying likelihood, the relevant analysis for mediation was conducted in the SPSS. Mediation analysis is basically a set of regressions. First of all, the dependent variable, which measures respondents' intentions to continue using a target brand services after an M&A, was regressed against the version (model is significant at p-value<0.05; version is also significant at p-value<0.05; Beta = -

0.11). Secondly, reactance ("Attitude to M&A" variable was used), was regressed against the version (the model is also significant at p-value<0.01; version is significant at p-value<0.01). Finally, we regressed intentions to buy against both independent variables: reactance and version (model is significant at p-value<0.01; version became insignificant (p-value>0.05 and Beta is lower (-0.002)); while attitude to M&A, which measures reactance, is significant at p-value<0.01; moreover, R-square of the model is higher). Such analysis show that reactance is actually the mediator in this process. If we use loss of freedom as a measure of reactance, we will see the same results. When freedom is regressed against the version, the model is significant (p-value<0.01), as well as version (p-value<0.01). In the final model we regressed intentions to buy against both independent variables: reactance and version (model is significant at p-value<0.01; version again became insignificant (p-value>0.05 and Beta is lower (-0.02)); while loss of freedom, which measures reactance, is significant at p-value<0.01; moreover, R-square of the model is higher). So the results were proved one more time. Output from the SPSS for that analysis is presented in Appendix 5. All in all, it can be said that reactance, measured both by the attitude to M&A and loss of freedom, really is **the mediator** of respondents' intentions to use products or services of an acquired brand, thus Hypothesis 4 is supported.

To expand the analysis the differences in respondents' negative psychological reaction to an M&A deal (reactance) in different versions can be analyzed. Again ANOVA was used for that reason. The results of the analysis state that reactance do differ, if control and voting versions are compared (AttitudeToM&A$_{control}$ = 4.96; AttitudeToM&A$_{voting}$ = 4.44; F (1,124) = 10.03; p-value<0.01; LossOfFreedom$_{control}$ = 5.52; LossOfFreedom$_{voting}$ = 5.05; F (1,124) = 10.03; p-value<0.05) (Appendix 4). So it can be said that respondents' reactance is lower when the voting option is given. The same results are actually obtained, if we compare control and board options: AttitudeToM&A$_{control}$ = 4.96; AttitudeToM&A$_{voting}$ = 4.42; F (1,124) = 9.34; p-value<0.01; LossOfFreedom$_{control}$ = 5.52; LossOfFreedom$_{voting}$ = 4.66; F (1,125) = 8.69; p-value<0.01 (Appendix 4). Such results even prove the statement that reactance plays its role in customers decision-making and that it differs, depending on the fact whether the involvement opportunity were given to respondents or not.

Finally, it is also interesting to see which way of consumers' involvement works better in mitigating reactance and decreasing consumers intentions not to use services of a brand in the future. That is why at that step of the research voting and board options were compared. Again ANOVA was used. However, the results of the analysis show that, if we compare voting and board options, version does not play a role in respondents' purchasing intentions, as version is not significant (p>0.05) (Appendix 4). And actually, if we compare reactance in two versions, the result will be the same: version does not play its role (p>0.05) (Appendix 4). So it cannot be said

which way of involvement is more effective in mitigating reactance and consequently decrease intentions to stop buying a brand's products. Thus Hypothesis 5 cannot be supported.

3.2. Discussion

This research contributed to previous studies that were devoted to mergers and acquisitions with the emphasis on the human side of it, namely, customers. Even though the topic of M&As is studying more and more, which is not surprising, if we take into the consideration the growth of this market in the previous decade, still there is almost no research, especially on the Russian market, which is concentrated on consumer reaction to such deals. However, thinking about mergers and acquisitions only from financial or strategical perspectives is not the best approach, as customers may also play a crucial role in such deals' success or failure (Hajro, 2015; Sarala et al., 2016, Talend, 2017).

The results of this research, first of all, support previous findings, stating that customers' intentions to buy products or use services of the target brand will decrease, if consumers know about an M&A deal. People like to have and feel this freedom of choice among a variety of alternatives, which is even supported by such psychological biases as "omission bias" and "status quo bias", and its potential loss can be perceived as something negative by consumers (White et al., 2008, Gierl & Huettl, 2010, Thorbjørnsen & Dahlén, 2011). Especially this will be an issue, if the loved brand is acquired by the one, which a customer does not like. This will lead to such negative reactions as higher intentions to leave the relationship (stop buying an acquired brand products and switch to another brands). In other words, when customers feel that their perceived freedom of choice cannot be preserved or restored, a person will experience a reactance that induces attempts to recover or reestablish the lost or threatened behavior, thus leaving the relationship: intentions to buy are lower (Thorbjørnsen & Dahlén, 2011). This study confirms these theory, showing that consumers' intentions not to use services of an acquired brand are higher, when they will know about the M&A.

For a company it is essential to understand how to change such reaction of consumers and encourage them to stay with the brand after an M&A. That is why it can be really beneficial to understand potential ways of mitigating negative reaction. Partial restoration of customers' perceived freedom of choice can be an option for weakening previously mentioned effects. One of solutions can be involving customers in the M&A process (Thorbjørnsen & Dahlén, 2011). Previous research suggests that consumers are empowered and active players in brands development (Payne et al., 2009; Hutter et al., 2013) and that they are ready and happy to be involved in the co-creation of brand products or services with other consumers and companies

(Veloutsou & Moutinho, 2009). That is why customers involvement can be highly appreciated from their side.

One of the options for a company is giving consumers an opportunity to vote for the new entity's name, and thus mitigate reactance and, in the end, decrease intentions to stop buying brand's products or use its services. Previous research suggests that brand name is considered to be a crucial thing for customers and is one of the important aspects that influence their attitude towards the brand and decisions in the end (Kladou et al., 2017). In addition, customers associate themselves with it, and that is why its change can be perceived by consumers negatively. What is more, the theory regarding rebranding show that it not always ends up successfully (Collange, 2015). As a brand name is a "cornerstone" of brand identity, existing consumers may assume that after rebranding they will not obtain the same service or product characteristics as in the past (Kapferer, 2008; Collange, 2015). That is why the literature proposed that giving customers the opportunity to vote for the new name can be highly appreciated by consumers and helps in mitigating the reactance (Thorbjørnsen & Dahlén, 2011), thus increasing their desire to stay with a company. This study supports the hypothesis that customers do appreciate, when a brand involved them in such way as voting for a new entity's name, as their intentions to stay with the target company are higher in that case than when no involvement opportunity is given.

In this research another way of involving customers in the M&A process was also analyzed: giving consumers the opportunity to vote for a new entity's name. Previous literature has shown that customers' engagement, particularly, giving them more opportunities to express their voice (VOC) is becoming more and more important to firms and companies are more sensitive to VOC now (Lee, Han, Suh, 2014). The reason for this is that the management see benefits in it as VOC includes expectations related to consumer needs and requirements, and these expectations can be helpful for companies for the improvement of their products or services, for innovations and in the satisfaction of the greater number of consumers (Lee, Han & Suh, 2014; Morgan, Obal & Anokhin, 2018). In addition, the opportunity to be heard and the feeling that VOC is taken into the consideration is really essential for consumers, showing to them that their thoughts, ideas and experience is valuable for a company or a brand that they like (Feifer, 2017), thus influencing consumers' decisions (Stevens et al, 2018).

One of the suitable ways of listening, structuring and organizing VOC from consumers is the creation of so-called Sounding Board, which, in terms of this research, consists of a group of customers who can comment on certain ideas of others while bringing in their own (Walter et al, 2017). Sounding Boards may help consumers to be heard and companies to understand customers' reaction to M&A deals. That is why, it was also suggested that such method of involvement can be beneficial in decreasing consumers' intentions to stop using brand's services. The research

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supported this hypothesis, showing that consumers intentions not to use company's services are lower, when the creation of a special sounding board is proposed to consumers, thus such involvement opportunity is appreciated by customers and can be helpful in reducing their negative reaction to M&A deals.

Moreover, previous studies also show that consumers' buying likelihood after the merger or acquisition is internally driven by the reactance. In the situation when a customer loses his or her freedom, a variety of options that he or she had, it raises in a customer this reactance (Thorbjørnsen & Dahlén, 2011). In this study it is also stated that such reactance underlies consumers' reaction, namely, the decrease in intentions to buy target brand products. Results of the study show that reactance, which is measured here by customers general reaction to the deal, as well as the reactance to the loss of personal freedom of choice, is a mediator in consumers behavior, namely, intentions to continue use brand's services. So the following hypothesis is accepted, and this is one more contribution to the literature on this topic.

Finally, in support to previous studies in this research it was suggested that consumers should appreciate more the option of creating a special sounding board than just voting for the brand name. The latter is done pointwise: you just ask customers once regarding a particular aspect (brand name, for example), while the sounding board is the systematic listening to the customer (Hinshaw, 2016; Thorbjørnsen & Dahlén, 2011). Moreover, there is a question of whether customers' opinion regarding the new entity's name will be very probably used by the company, in other words, will the company adhere or not adhere to consumers' decision. From this perspective constantly working sounding board, presumably, has more power (Thorbjørnsen & Dahlén, 2011). However, the results of this study states that actually Russian consumers does not evaluate one option more than another. From one side, people may significantly appreciate the voting option, because they have too strong associations between a brand name and the brand itself, which corresponds previous researches (Collange, 2015; Kladou et al., 2017), thus for them this aspect is important. From another side, they evaluate at approximately the same level the creation of a special sounding board, as it is also beneficial for them. In sounding boards they may share their concerns, ideas, thoughts, which is highly appreciated by customers usually, especially if they are brand admirers (Hinshaw, 2016; Feifer, 2017). In addition, probably, people evaluate almost the same these two opportunities, because, on one hand, for consumer the voting for a name option is more clear, feasible and real, and, on the other hand, in Russia consumers are not so familiar with such sounding boards as they are not so widespread in general. So even though this might be highly appreciated by them and more valuable than just voting for a name, as they do not have a clear picture of how it is functioning, is it real to become a part of it, will such idea be

implemented or not. These may be the reasons why the hypothesis is not accepted. However, this definitely should be additionally studied in order to see the whole picture.

3.3. Managerial implications

Previous research on mergers and acquisitions, particularly focusing on the drivers of their success or failure, is rather extensive. However, it does not fully cover all aspects, and what is even more important for this study is that, apart from several papers, literature does not concentrate on the customer perspective in such deals. But this is, probably, a mistake, if we take into the consideration the fact that knowing the mechanisms in consumers that affect their decision-making process, particularly, reaction to M&A deals can be really helpful for managers of a company.

First of all, the findings of this research suggest that customers of the brand, which were acquired, do react to the situation, when their favourite brand was acquired by the one, which they do not really like: their intentions to buy products of a company or use its services in the future decrease. That is why, primarily, this should be taken into the consideration by managers before making the decision about potential M&A. Even though the deal may bring lots of benefits to the target, not all consumers will be happy to know about such changes, showing their negative reaction in the decrease of consumption.

Secondly, previous literature has already proved that customers are essential for brand building and establishing strong communications with them are crucial. Customers should not be taken only as consumers, but also as partners that may help, if they are involved. The fact that people's relationships with a brand could change because of the M&A implementation should be definitely taken into the consideration by the management of a firm. If a customer faces the situation when his or her loved brand is taken by the one, that a person do not like, the level of his or her negative reaction to such change will be significantly high and it can lead to the decrease in the intentions to continue buying products of a target brand, which has been already mentioned. However, there are some ways that can potentially mitigate such reaction and affect the desire to switch the brand. In this study such method as involving customers in the M&A process is suggested, namely, giving them the opportunity to vote for a new entity's name and creating a special sounding board, where consumers may share their concerns, ideas, suggestions. The results show that such intentions to continue use services of an acquired brand are higher, if involvement opportunity is given to people. Thus, managers may use these options for mitigating consumers reactance and for keeping them with the brand.

Thirdly, it should be highlighted that psychological reactance does play its role in the process. That is why understanding of such phenomenon is crucial for potential decisions and actions of managers in such deals. If a company bear it in mind during the M&A process, it can

start doing something with it before the merger actually happened. Apart from the options that are given in that research (voting for a name and the creation of a sounding board), managers may also think about the aspects that were discussed in previous studies. For example, such options as voting for other brand elements (logo, new products' names, etc.) or giving customers the opportunity to communicate directly with the acquirer can be also used (Thorbjørnsen & Dahlén, 2011). Moreover, previous research also suggested that loyalty can plays its role in consumers' reactance: more loyal target brand customers feel higher negative reaction to M&A deals than not loyal, so the research (Fitzsimons, 2008; Thorbjørnsen & Dahlén, 2011) suggests that it can be more beneficial for a firm to firstly pay attention to such consumers. In addition, the relevance of an issue and how personal it is for a customer also plays its role in people's reactance and should be taken into the consideration. If the issue is close and relevant to consumer-brand interactions, the effectiveness of a mitigating strategy will be higher. Moreover, if a firm asks directly consumers about their personal opinion it will help more in mitigating reactance than just saying that (other) consumers will be potentially consulted in the M&A process (White et al., 2008).

Finally, in this study the difference in the effectiveness of two ways of involvement in reactance mitigation and changes in further buying likelihood was also examined. However, the research did not reveal any significant differences, if these two options are compared. Probably, people evaluate almost the same these two opportunities, because, on one hand, for consumer the voting for a name option is more clear, feasible and real, and, on the other hand, in Russia consumers are not so familiar with such sounding boards as they are not so widespread around the country, because it is a rather new thing for the whole world in general. That is why they do not have a clear picture of how it is functioning, is it real to become a part of it, are the companies going to create such boards or not. These may be the reasons why the hypothesis is not accepted. However, this definitely should be additionally studied in order to see the whole picture.

3.4. Limitations

As in all researches, some limitations exist, and they should not be ignored. First of all, it should be mentioned that the sample was presented only by rather young generation (age varies from 18 to 35), which is normal in such studies, but still may play its role in the final results. For further analysis it can be suggested to also pay attention to more older people and see whether the results differ in this situation.

Moreover, in this study the airline industry is chosen as an example. It will be wrong not to concentrate only on the one sector, however, it is debatable whether the findings of the research can be generalized to other industries. In other words, if asking consumers the same questions but concerning clothing, luxury brands or insurance industry, for example, will give the same results.

In addition, this study was focusing on reactance as something fixed, happening once. Actually reactance is a part of a consumer-brand relationship. And as relationships are dynamic, reactance should be also considered as something dynamic, something that can change over time. Even though the reactance was measured in immediate response to a perceived change in the relationship, it can be a good idea to estimate it over time and obtain deeper insights regarding the formation and mitigation of reactance. Moreover, for measuring reactance other factors and, consequently, other questions can be used, which may probably give different results, that is why this can be considered in further research.

What is more, current research focused only on the situation, when the acquired brand is loved by consumers and the acquiring one – not loved. In further studied researchers should investigate the extent to which reactance plays a role in consumers' decision-making in other forms of M&As.

Finally, as in this research only two ways of customers' involvement are presented, it can be also a good idea to analyze other methods of involvement or compare involvement with other techniques of reactance mitigation in further research.

CONCLUSION

This master thesis is devoted to the role of consumers' involvement in the M&A process in their intentions to stay with the company, in other words, to buy products of a target brand or use its services after the deal announcement.

The goal of this research is to understand what role target brand customers' involvement in the M&A process plays in the mitigation of their reactance to such deals and consequently in their intentions to buy products or use services of a company.

The analysis of previous research regarding this topic can be considered as a preliminary part of the research, however, an important one. In the first chapter the literature regarding mergers and acquisitions, its main characteristics, benefits as well as drawbacks, such as consumers' potential negative reaction, is presented. Moreover, this chapter gives an overview of branding and the importance of its role, as the M&A of brands will be studied. There is also a part devoted to brand alliances in order to explain that there is also such phenomenon as a brand alliance and from the first glance it can be considered as something really similar to mergers and acquisitions, however, it is essential not to mix up these things, see the differences, but at the same time bear brand alliances in mind. Moreover, previous studies concerning consumers' reaction to such deals is also presenting, which reveals the sources and potential consequences of such reaction. Finally, possible ways of mitigating negative reaction, particularly, customers' involvement in the process, are described. Based on the literature review the hypothesis for the study are formulated.

In the second chapter research methodology is presented. The chapter covers the theoretical knowledge regarding the methods and tools which will be used in the study, as well as the detailed description of the experimental design. For this research a survey with the experiment inside was distributed among Russian respondents. Three separated groups of people received three different versions of an experiment, so there were two experimental groups (where managerial intervention was used) and the control one. In the control group respondents were just given the information that the brand that they really love will be acquired by the one that they do not like. As an example, the airline industry was chosen. In other versions people were given the same information and additionally the scenario states that they will be given an opportunity to vote for a new entity's name (in one version) and to participate in a specially created sounding board, where they can share their thoughts and concerns regarding the deal (in another version).

As for the results of the research, they show, first of all, that customers' buying intentions after an M&A will decrease when they know about an M&A deal. Theoretically it contributed to previous studies (Thorbjørnsen & Dahlén, 2011), highlighting one more time that customers' perspective on mergers and acquisition should be taken into the consideration, as one of the

drawbacks of such deals can be the decrease of consumers' intentions to stay with a brand and continue purchases of its products or services after an M&A deal announcement.

Moreover, research findings also support previous studies Kladou et al. (2017), Thorbjørnsen and Dahlén (2011), stating the importance of brand name for consumers and that involvement, namely, such option as giving customers an opportunity to vote for a new entity's name, can be beneficial in terms of mitigating consumers' psychological reactance and, consequently, decreasing their intentions not to buy products of a brand or use its services in the future.

The same actually works for another option: the creation of a special sounding board. The results also prove that customers' intentions to stay with the brand are higher, if such involvement opportunity is given, as thus they may feel that the company is listening to their voice and pay attention to their concerns, as well as seeing customers as a valuable source of information (Feifer, 2017; Stevens et al, 2018). From the theoretical contribution perspective these findings can be beneficial in terms of the fact, that no one ever studied the role of such way of customers' involvement in the past, so it may encourage further researches in this topic.

Moreover, results also support the theory (Thorbjørnsen & Dahlén, 2011) that reactance can mediate such purchasing intentions of target brand consumers after the deal. In this study results prove that such reactance underlies consumers' reaction, namely, the decrease in intentions to buy target brand products. Reactance, which is measured here by customers' general reaction to the deal, as well as the reactance to the loss of personal freedom of choice, is a mediator in consumer behavior, namely, intentions to continue use brand's services.

However, the in the study no difference was found in terms of the effectiveness of these two ways of involvement. That is why this question should be analyzed more thoroughly in further research in order to understand potential reasons of such indifference.

As for the managerial implications, first of all, managers before making the decision about potential M&A should take into the consideration that customers of the acquired brand do react to the situation, when their favourite brand was acquired by the one, which they do not really like: their intentions to buy products of a company or use its services in the future decrease. Even though the deal may bring lots of benefits to the target, not all consumers will be happy to know about such changes, showing their negative reaction in the decrease of consumption, so this should be taken into the consideration by a firm's management.

Moreover, it is important for managers to think that customers should not be taken only as consumers, but also as partners that may help, if they are involved. Customers' involvement can be a good way of mitigating their negative reaction and, consequently, increasing their intentions to stay with a brand. The results show that such intentions to continue use services of an acquired

brand are higher, if involvement opportunity (voting for a name or sounding board creation, for example) is given to people. Thus, managers may use these options for mitigating consumers reactance and for keeping them with the brand, encouraging their further purchases after an M&A.

In addition, it should be highlighted that psychological reactance does play its role in the process. That is why understanding of such phenomenon is crucial for potential decisions and actions of managers in such deals. If a company bear it in mind during the M&A process, it can start doing something with it before the merger actually happened. Not only the options proposed in this study, but other ones can be used for mitigating this reactance.

Finally, in this study the difference in the effectiveness of two ways of involvement in reactance mitigation and changes in further buying likelihood was also examined. However, the research did not reveal any significant differences, if these two options are compared. Finding potential reasons of such indifference can be taken into the consideration both by researchers and practitioners.

All in all, the topic is becoming more and more popular nowadays and can have a variety of directions for further research.

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APPENDICES

Appendix 1. On-line survey

Version 1 (Control)

Imagine the following scenario: You are a loyal customer of the airline brand (Brand A). You really love it, this brand is the reflection of your personality and you feel like you are in a relationship with it. One day you learn that it will be acquired by another company (Brand B). You really do not like Brand B, do not associate yourself with this Brand and you are frustrated now. Moreover, most likely, Brand B will change the logo of Brand A, while all customers of target company (Brand A) will be transferred to the acquirer (Brand B). Thus you are worrying that after the deal the identity of your loved brand will be lost. All in all, you have lots of concerns regarding this acquisition.

Now consider the scenario above. Given that Brand A will be acquired by Brand B, please, answer the following questions:

Questions (Version 1)

Buying Likelihood

1. It is unlikely that I will use Brand A airline as much as I previously did it. (7-point Likert scale)
2. I am less inclined to use Brand A services. (7-point Likert scale)
3. I will use Brand A services as much as before. (7-point Likert scale)

Loss of freedom of choice

4. In many ways, I feel forced to become a customer of Brand B. (7-point Likert scale)

Attitude to target

Now, please, consider you company (Brand A) after the acquisition.

5. I like Brand A now. (7-point Likert scale)
6. I have a positive image of Brand A now. (7-point Likert scale)

Attitude to acquirer

Now, please, consider the acquirer (Brand B) after the acquisition.

7. I don't like Brand B now. (7-point Likert scale)
8. I have a negative image of Brand B now. (7-point Likert scale)

Attitude to M&A

Now consider the acquisition itself.

9. I believe this acquisition is … (scale from very bad to very good) (7-point Likert scale)
10. I do not think that this acquisition will be beneficial for the Brand A. (7-point Likert scale)

11. I do not believe that this acquisition brings any changes that are beneficial for me as a consumer. (7-point Likert scale)

12. I believe that it would be better if Brand A continues its existence without the acquisition. (7-point Likert scale)

Industry

13. A lot of can be said about a person by the airline he/she uses. (7-point Likert scale)

14. I spend a lot of time before choosing the right airline for me. (7-point Likert scale)

15. I am committed to the airline I use. (7-point Likert scale)

16. Choosing the right airline is an important decision for me. (7-point Likert scale)

General questions

17. What is your gender?

- Male
- Female

18. Please, indicate your age.

19. Please, indicate the city where you are currently living.

Version 2 (Voting option)

Imagine the following scenario: You are a loyal customer of the airline brand (Brand A). You really love it, this brand is the reflection of your personality and you feel like you are in a relationship with it. One day you learn that it will be acquired by another company (Brand B). You really do not like Brand B, do not associate yourself with this Brand and you are frustrated now. Moreover, most likely, Brand B will change the logo of Brand A, while all customers of target company (Brand A) will be transferred to the acquirer (Brand B). Thus you are worrying that after the deal the identity of your loved brand will be lost. All in all, you have lots of concerns regarding this acquisition.

However, your company understands your feelings and needs, therefore they agreed with the acquirer that Brand B customers will be given the opportunity to vote for the new entity's name. The survey will be distributed to the customers via e-mail.

Now consider the scenario above. Given that Brand A will be acquired by Brand B, please, answer the following questions:

Questions (Version 2)

Buying Likelihood

1. It is unlikely that I will use Brand A airline as much as I previously did it. (7-point Likert scale)

2. I am less inclined to use Brand A services. (7-point Likert scale)

3. I will use Brand A services as much as before. (7-point Likert scale)

Loss of freedom of choice

4. In many ways, I feel forced to become a customer of Brand B. (7-point Likert scale)

Attitude to target

Now, please, consider you company (Brand A) after the acquisition.

5. I like Brand A now. (7-point Likert scale)

6. I have a positive image of Brand A now. (7-point Likert scale)

Attitude to acquirer

Now, please, consider the acquirer (Brand B) after the acquisition.

7. I don't like Brand B now. (7-point Likert scale)

8. I have a negative image of Brand B now. (7-point Likert scale)

Attitude to M&A

Now consider the acquisition itself.

9. I believe this acquisition is … (scale from very bad to very good) (7-point Likert scale)

10. I do not think that this acquisition will be beneficial for the Brand A. (7-point Likert scale)

11. I do not believe that this acquisition brings any changes that are beneficial for me as a consumer. (7-point Likert scale)

12. I believe that it would be better if Brand A continues its existence without the acquisition. (7-point Likert scale)

Voting option

Now we want to ask questions about the attitude towards the voting option.

13. I believe that consumers should be also involved in important company decisions. (7-point Likert scale)

14. I appreciate that company gives me such option of voting for the Brand name. (7-point Likert scale)

15. I appreciate that the company takes into the consideration my opinion. (7-point Likert scale)

16. I believe that my vote will be taken into the consideration for the final decision. (7-point Likert scale)

17. I believe that brand name is important in my choice. (7-point Likert scale)

Industry

18. A lot of can be said about a person by the airline he/she uses. (7-point Likert scale)

19. I spend a lot of time before choosing the right airline for me. (7-point Likert scale)

20. I am committed to the airline I use. (7-point Likert scale)

21. Choosing the right airline is an important decision for me. (7-point Likert scale)

General questions

22. What is your gender?

- Male
- Female

23. Please, indicate your age.

24. Please, indicate the city where you are currently living.

Version 3 (Board option)

Imagine the following scenario: You are a loyal customer of the airline brand (Brand A). You really love it, this brand is the reflection of your personality and you feel like you are in a relationship with it. One day you learn that it will be acquired by another company (Brand B). You really do not like Brand B, do not associate yourself with this Brand and you are frustrated now. Moreover, most likely, Brand B will change the logo of Brand A, while all customers of target company (Brand A) will be transferred to the acquirer (Brand B). Thus you are worrying that after the deal the identity of your loved brand will be lost. All in all, you have lots of concerns regarding this acquisition.

However, your company understands your feelings and needs, therefore it has decided to create a special sounding board where consumers can share their concerns regarding the acquisition, deal process, changes to the Brand A and so on.

Now consider the scenario above. Given that Brand A will be acquired by Brand B, please, answer the following questions:

Questions (Version 3)

Buying Likelihood

1. It is unlikely that I will use Brand A airline as much as I previously did it. (7-point Likert scale)
2. I am less inclined to use Brand A services. (7-point Likert scale)
3. I will use Brand A services as much as before. (7-point Likert scale)

Loss of freedom of choice

4. In many ways, I feel forced to become a customer of Brand B. (7-point Likert scale)

Attitude to target

Now, please, consider you company (Brand A) after the acquisition.

5. I like Brand A now. (7-point Likert scale)
6. I have a positive image of Brand A now. (7-point Likert scale)

Attitude to acquirer

Now, please, consider the acquirer (Brand B) after the acquisition.

7. I don't like Brand B now. (7-point Likert scale)
8. I have a negative image of Brand B now. (7-point Likert scale)

Attitude to M&A

Now consider the acquisition itself.

9. I believe this acquisition is … (scale from very bad to very good) (7-point Likert scale)

10. I do not think that this acquisition will be beneficial for the Brand A. (7-point Likert scale)

11. I do not believe that this acquisition brings any changes that are beneficial for me as a consumer. (7-point Likert scale)

12. I believe that it would be better if Brand A continues its existence without the acquisition. (7-point Likert scale)

Sounding board option

Now we want to ask questions about the attitude towards the option of the sounding board creation.

13. I believe that consumers should be also involved in important company decisions. (7-point Likert scale)

14. I appreciate that company gives me such option of participating in the sounding board. (7-point Likert scale)

15. I appreciate that the company takes into the consideration my opinion. (7-point Likert scale)

16. I believe that by participating in such sounding boards I can affect decisions concerning the Brand A. (7-point Likert scale)

17. I believe that the existence of such boards in the company and the opportunity to participate in them is important in my choice. (7-point Likert scale)

Industry

18. A lot of can be said about a person by the airline he/she uses. (7-point Likert scale)

19. I spend a lot of time before choosing the right airline for me. (7-point Likert scale)

20. I am committed to the airline I use. (7-point Likert scale)

21. Choosing the right airline is an important decision for me. (7-point Likert scale)

General questions

22. What is your gender?

- Male
- Female

23. Please, indicate your age.

24. Please, indicate the city where you are currently living.

Appendix 2. Cronbach's α for different items (Output from SPSS)

Case Processing Summary

		N	%
Cases	Valid	186	100,0
	Excluded[a]	0	,0
	Total	186	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,813	2

Figure 3. Cronbach's α for Attitude to target

Case Processing Summary

		N	%
Cases	Valid	186	100,0
	Excluded[a]	0	,0
	Total	186	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,759	2

Figure 4. Cronbach's α for Attitude to Acquirer

Case Processing Summary

		N	%
Cases	Valid	61	100,0
	Excluded[a]	0	,0
	Total	61	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,802	4

Figure 5. Cronbach's α for Industry

Case Processing Summary

		N	%
Cases	Valid	186	100,0
	Excluded[a]	0	,0
	Total	186	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,728	4

Figure 6. Cronbach's α for Attitude to M&A

Case Processing Summary

		N	%
Cases	Valid	186	100,0
	Excluded[a]	0	,0
	Total	186	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,727	3

Figure 7. Cronbach's α for Intentions to buy

Case Processing Summary

		N	%
Cases	Valid	60	32,3
	Excluded[a]	126	67,7
	Total	186	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,857	5

Figure 8. Cronbach's α for Voting Option

Case Processing Summary

		N	%
Cases	Valid	61	32,8
	Excluded[a]	125	67,2
	Total	186	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,836	5

Figure 9. Cronbach's α for Board Option

Appendix 3. T-test for different variables (Output from SPSS)

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
AVG_IB	65	4,51	1,804	,224

One-Sample Test

	Test Value = 4					
				Mean Difference	95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)		Lower	Upper
AVG_IB	2,269	64	,027	,508	,06	,95

Figure 10. T-test for "Intentions to buy" (Control version)

T-Test

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
AVG_AttTarget	65	5,8615	,92495	,11473
AVG_AttAcquirer	65	5,7769	,91015	,11289

One-Sample Test

	Test Value = 4					
				Mean Difference	95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)		Lower	Upper
AVG_AttTarget	16,226	64	,000	1,86154	1,6323	2,0907
AVG_AttAcquirer	15,740	64	,000	1,77692	1,5514	2,0024

Figure 11. T-test for "Attitude to Target" and "Attitude to Acquirer" (Control version)

T-Test

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
AVG_AttTarget	60	6,4250	,87733	,11326
AVG_AttAcquirer	60	5,9417	,67077	,08660

One-Sample Test

	Test Value = 4					
				Mean Difference	95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)		Lower	Upper
AVG_AttTarget	21,410	59	,000	2,42500	2,1984	2,6516
AVG_AttAcquirer	22,422	59	,000	1,94167	1,7684	2,1149

Figure 12. T-test for "Attitude to Target" and "Attitude to Acquirer" (Voting version)

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
AVG_AttTarget	61	6,3033	,96729	,12385
AVG_AttAcquirer	61	5,7049	,79255	,10148

One-Sample Test

	Test Value = 4					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
AVG_AttTarget	18,597	60	,000	2,30328	2,0555	2,5510
AVG_AttAcquirer	16,801	60	,000	1,70492	1,5019	1,9079

Figure 13. T-test for "Attitude to Target" and "Attitude to Acquirer" (Board version)

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
AVG_Voting	60	4,8833	1,37793	,17789

One-Sample Test

	Test Value = 4					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
AVG_Voting	4,966	59	,000	,88333	,5274	1,2393

Figure 14. T-test for "Attitude to voting option"

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
AVG_Board	61	5,1016	,98090	,12559

One-Sample Test

	Test Value = 4					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
AVG_Board	8,772	60	,000	1,10164	,8504	1,3529

Figure 15. T-test for "Attitude to board option"

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
AVG_Industry	186	3,9382	1,24181	,09105

One-Sample Test

	Test Value = 4					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
AVG_Industry	-,679	185	,498	-,06183	-,2415	,1178

Figure 16. T-test for "Industry"

Appendix 4. ANOVA for different variables (Output from SPSS)

		N
Version	0	65
	1	60

Tests of Between-Subjects Effects

Dependent Variable: AVG_AttMA

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	7,790^a	1	7,790	9,332	,003
Intercept	2761,534	1	2761,534	3308,257	,000
Version	7,790	1	7,790	9,332	,003
Error	102,673	123	,835		
Total	2888,188	125			
Corrected Total	110,463	124			

a. R Squared = ,071 (Adjusted R Squared = ,063)

Estimated Marginal Means

Version

Dependent Variable: AVG_AttMA

Version	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
0	4,954	,113	4,730	5,178
1	4,454	,118	4,221	4,688

Figure 17. ANOVA for "Attitude to M&A" (Control & Voting versions)

Between-Subjects Factors

		N
Version	0	65
	1	60

Tests of Between-Subjects Effects

Dependent Variable: Freedom_1

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	6,983^a	1	6,983	2,446	,120
Intercept	3487,847	1	3487,847	1222,009	,000
Version	6,983	1	6,983	2,946	,020
Error	351,065	123	2,854		
Total	3864,000	125			
Corrected Total	358,048	124			

a. R Squared = ,020 (Adjusted R Squared = ,012)

Estimated Marginal Means

Version

Dependent Variable: Freedom_1

Version	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
0	5,523	,210	5,108	5,938
1	5,050	,218	4,618	5,482

Figure 18. ANOVA for "Loss of freedom" (Control & Voting versions)

Between-Subjects Factors

		N
Version	0	65
	2	61

Tests of Between-Subjects Effects

Dependent Variable: AVG_AttMA

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	9,034[a]	1	9,034	9,339	,003
Intercept	2763,923	1	2763,923	2857,204	,000
Version	9,034	1	9,034	9,339	,003
Error	119,952	124	,967		
Total	2905,750	126			
Corrected Total	128,986	125			

a. R Squared = ,070 (Adjusted R Squared = ,063)

Estimated Marginal Means

Version

Dependent Variable: AVG_AttMA

Version	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
0	4,954	,122	4,712	5,195
2	4,418	,126	4,169	4,667

Figure 19. ANOVA for "Attitude to M&A" (Control & Board versions)

Between-Subjects Factors

		N
Version	0	65
	2	61

Tests of Between-Subjects Effects

Dependent Variable: Freedom_1

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	23,673[a]	1	23,673	8,685	,004
Intercept	3260,371	1	3260,371	1196,163	,000
Version	23,673	1	23,673	8,685	,004
Error	337,986	124	2,726		
Total	3643,000	126			
Corrected Total	361,659	125			

a. R Squared = ,065 (Adjusted R Squared = ,058)

Estimated Marginal Means

Version

Dependent Variable: Freedom_1

Version	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
0	5,523	,205	5,118	5,928
2	4,656	,211	4,237	5,074

Figure 20. ANOVA for "Loss of freedom" (Control & Board versions)

Between-Subjects Factors

		N
Version	1	60
	2	61

Tests of Between-Subjects Effects

Dependent Variable: AVG_AttMA

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	,039[a]	1	,039	,044	,834
Intercept	2380,994	1	2380,994	2662,913	,000
Version	,039	1	,039	,044	,834
Error	106,402	119	,894		
Total	2487,438	121			
Corrected Total	106,441	120			

a. R Squared = ,000 (Adjusted R Squared = -,008)

Estimated Marginal Means

Version

Dependent Variable: AVG_AttMA

Version	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
1	4,454	,122	4,212	4,696
2	4,418	,121	4,178	4,658

Figure 21. ANOVA for "Attitude to M&A" (Voting & Board versions)

Between-Subjects Factors

Double-click to activate	N
	60
2	61

Tests of Between-Subjects Effects

Dependent Variable: Freedom_1

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	4,702[a]	1	4,702	2,052	,155
Intercept	2849,396	1	2849,396	1243,773	,000
Version	4,702	1	4,702	2,052	,155
Error	272,620	119	2,291		
Total	3125,000	121			
Corrected Total	277,322	120			

a. R Squared = ,017 (Adjusted R Squared = ,009)

Estimated Marginal Means

Version

Dependent Variable: Freedom_1

Version	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
1	5,050	,195	4,663	5,437
2	4,656	,194	4,272	5,039

Figure 22. ANOVA for "Loss of freedom" (Voting & Board versions)

Between-Subjects Factors

		N
Version	0	65
	1	60

Tests of Between-Subjects Effects

Dependent Variable: AVG_IB

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	31,682[a]	1	31,682	11,764	,001
Intercept	2000,642	1	2000,642	742,888	,000
Version	31,682	1	31,682	11,764	,001
Error	331,246	123	2,693		
Total	2387,000	125			
Corrected Total	362,928	124			

a. R Squared = ,087 (Adjusted R Squared = ,080)

Estimated Marginal Means

Version

Dependent Variable: AVG_IB

Version	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
0	4,508	,204	4,105	4,911
1	3,500	,212	3,081	3,919

Figure 23. ANOVA for "Intentions to Buy" (Control & Voting versions)

Between-Subjects Factors

		N
Version	0	65
	2	61

Tests of Between-Subjects Effects

Dependent Variable: AVG_IB

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	17,102[a]	1	17,102	6,406	,013
Intercept	2156,467	1	2156,467	807,780	,000
Version	17,102	1	17,102	6,406	,013
Error	331,033	124	2,670		
Total	2519,000	126			
Corrected Total	348,135	125			

a. R Squared = ,049 (Adjusted R Squared = ,041)

Estimated Marginal Means

Version

Dependent Variable: AVG_IB

Version	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
0	4,508	,203	4,107	4,909
2	3,770	,209	3,356	4,185

Figure 24. ANOVA for "Intentions to Buy" (Control & Board versions)

Between-Subjects Factors

		N
Version	1	60
	2	61

Tests of Between-Subjects Effects

Dependent Variable: AVG_IB

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2,213[a]	1	2,213	1,072	,303
Intercept	1598,907	1	1598,907	774,126	,000
Version	2,213	1	2,213	1,072	,303
Error	245,787	119	2,065		
Total	1848,000	121			
Corrected Total	248,000	120			

a. R Squared = ,009 (Adjusted R Squared = ,001)

Estimated Marginal Means

Version

Dependent Variable: AVG_IB

Version	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
1	3,500	,186	3,133	3,867
2	3,770	,184	3,406	4,135

Figure 25. ANOVA for "Intentions to Buy" (Voting & Board versions)

Appendix 5. Mediation analysis (Output from SPSS)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,112ᵃ	,013	,007	1,25445

a. Predictors: (Constant), Version

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3,699	1	3,699	2,350	,027ᵇ
	Residual	289,549	184	1,574		
	Total	293,247	185			

a. Dependent Variable: AVG_IB

b. Predictors: (Constant), Version

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,856	,143		26,979	,000
	Version	-,171	,112	-,112	-1,533	,027

a. Dependent Variable: AVG_IB

Figure 26. Mediation analysis: "Version" is regressed against "Intentions to Buy"

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,229ᵃ	,052	,047	,95182

a. Predictors: (Constant), Version

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9,198	1	9,198	10,153	,002ᵇ
	Residual	166,696	184	,906		
	Total	175,894	185			

a. Dependent Variable: AVG_AttMA

b. Predictors: (Constant), Version

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,881	,108		45,014	,000
	Version	-,270	,085	-,229	-3,186	,002

a. Dependent Variable: AVG_AttMA

Figure 27. Mediation analysis: "Version" is regressed against "Attitude to M&A"

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,481ᵃ	,232	,223	1,10969

a. Predictors: (Constant), AVG_AttMA, Version

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	67,898	2	33,949	27,569	,000ᵇ
	Residual	225,349	183	1,231		
	Total	293,247	185			

a. Dependent Variable: AVG_IB

b. Predictors: (Constant), AVG_AttMA, Version

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,827	,438		1,886	,061
	Version	-,004	,102	-,002	-,036	,971
	AVG_AttMA	,621	,086	,481	7,220	,000

a. Dependent Variable: AVG_IB

Figure 28. Mediation analysis: "Version" and "Attitude to M&A" is regressed against "Intentions to Buy"

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,217ᵃ	,047	,042	1,617

a. Predictors: (Constant), Version

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23,725	1	23,725	9,077	,003ᵇ
	Residual	480,899	184	2,614		
	Total	504,624	185			

a. Dependent Variable: Freedom_1

b. Predictors: (Constant), Version

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,511	,184		29,919	,000
	Version	-,434	,144	-,217	-3,013	,003

a. Dependent Variable: Freedom_1

Figure 29. Mediation analysis: "Version" is regressed against "Loss of Freedom"

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,414[a]	,171	,162	1,15232

a. Predictors: (Constant), Freedom_1, Version

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50,250	2	25,125	18,922	,000[b]
	Residual	242,997	183	1,328		
	Total	293,247	185			

a. Dependent Variable: AVG_IB

b. Predictors: (Constant), Freedom_1, Version

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,141	,318		6,735	,000
	Version	-,036	,105	-,024	-,345	,730
	Freedom_1	,311	,053	,408	5,921	,000

a. Dependent Variable: AVG_IB

Figure 30. Mediation analysis: "Version" and "Loss of Freedom" is regressed against "Intentions to Buy"