# CONSUMER RELATIONSHIPS WITH RUTHLESS BRANDS

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## Authors:

John Power Waterford Crystal Centre for Marketing Studies Waterford Institute of Technology Waterford Ireland

Tel: +353 86 8187202 Fax: +353 51 302456 E-mail: japower@wit.ie

Susan Whelan Waterford Crystal Centre for Marketing Studies Waterford Institute of Technology Waterford Ireland

Tel: +353 51 302438 Fax: +353 51 302456 E-mail: swhelan@wit.ie

Gary Davies Manchester Business School Booth Street West Manchester SK12 1XT England

Tel: +44 161 2756457 Fax: +44 161 2756464

E-mail: gdavies@man.mbs.ac.uk

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#### ABSTRACT

The marketing and reputation literature has failed to investigate how brands with negative associations can build trusting relationships with consumers. Research into the measurement of *product* brand image is unbalanced and has focused on using only positive traits (Aaker, 1999; Batra et al. 1993; Bellenger et al., 1976), as the belief was that a brand could have significant brand equity when consumers held a favourable impression of the brand (Keller, 1993). However, it has been argued that *corporate* brands that have negative images or associations are not necessarily destined to receive negative responses (Brown and Dacin, 1997). Hence, in the current study the authors attempt to explain consumer relationships with brands that are perceived to be controlling, totalitarian, dominant, and selfish; collectively known as brands with ruthless characters (Davies et al., 2004).

A theoretically driven model is explored and tested using structural equation modelling on survey data (N=600) for four corporate brands (Ryanair, Microsoft, Virgin and The Sun Newspaper) and the visible leaders of the four companies (Michael O'Leary, Bill Gates, Richard Branson and Rupert Murdoch). These brands were the most frequently quoted brands in preliminary qualitative work conducted to identify brands with ruthless characters. The model explores consumer trust in the corporate brand and the overall attractiveness of the brand (Aaker et al. 2004). A structural model is presented with above adequate model fit along with empirical findings. Managerial implications and a future research agenda are discussed.

**KEYWORDS:** corporate reputation, brand personality, image, brand trust, ruthless(ness), structural equation modelling, character

#### INTRODUCTION

There is a widely held principle in the marketing literature that in order for a brand to be successful that the brand must have a positive image (Aaker, 1999; Graeff, 1997; Belch and Belch, 1987). Having strong, favourable and unique brand associations is seen as essential for building strong consumer-based brand equity (Keller, 1993; 2003). However, this concept of good brand image ignores the growing number of brands that have negative associations but yet are successful. Consumers still enter into relationships with such brands. Our context is that of corporate branding where the associations customers make with the brand are influenced not only by media advertising but also by other experiences and perceptions. In particular we focus on corporate brands where the persona of the leader can have an impact on the imagery of the corporate brand. Such leaders literally personify their brands.

## CORPORATE BRAND ASSOCIATIONS

Much of corporate associations theory is developed from corporate image. Numerous authors and studies make references to the fact that corporate image affects consumer product judgements and responses (Belch and Belch, 1987; Keller and Aaker, 1994; Wansink, 1989). However, all elements that surround and constitute a brand are potential influencers on the associations that consumers have with brands. The consumer behaviour literature identifies that consumers' perceptions about a brand and intentions to purchase are the results of interpreting the sum of associations they can relate to, but fails to identify which associations cause which responses. Brown and Dacin (1997) agree that corporate brand association research stems from the area of belief and attitude formation, because research into corporate associations formation is primarily concerned with the beliefs and evaluations that an individual possesses about a brand.

Berens and van Riel (2004) identify three main schools of thought in assessing corporate brands or corporate reputation i.e. social expectations, trust and personality. Research into human personality is a long-standing and important arena of literature owing much of its pioneering work to Allport (1937), Cattell (1945) and Eysenck (1953).

More recently this literature has recognised that most measures of personality have a limited number of dimensions in common (Digman 1990; Goldberg 1990). This thinking has been applied to branding by evoking the brand as person metaphor (Aaker, 1997; Davies et al., 2002). Brand image can therefore be measured by characterising brands as people. The purpose of the personification metaphor is to aid the easier comprehension of a complex idea, thus allowing brands to be characterised as people with human characteristics (Davies et al., 2001). Corporations develop personalities for brands in order for consumers to build closer relationships with their brands in a bid to increase loyalty and purchase intention (Fombrun and Shanley, 1990; Erdem and Swait, 2004).

In our preliminary work it became clear that some corporate brands derive their negative imagery because of an association with a prominent leader, for example Microsoft and Bill Gates. How strong an influence an organisational leader has on the organisational brand and corporate reputation will possibly depend on the level of public awareness of the individual. Lazarus (2003) argues that today's brands are inextricably linked to the leader's image, which has a direct influence on the reputation of the entire organisation (Hall et al., 2004). Likewise, Whitmeyer (2000) argues that reputations of corporate leaders typically are positively related to trust. Therefore, the image of the organisational leader must be aligned with the image of the corporate brand (Tyler and DeGoey, 1996). Argenti and Druckenmiller (2004) suggest that many corporate brands are directly associated with the individuals who manage them for instance, Richard Branson and Virgin. Mian (2003) further develops this argument and provides evidence that links the image of a political leader to their subsequent political party image. Hence, the image of the leader is strongly associated with the overall corporate brand and reputation of the organisation.

## THE RUTHLESS BRAND

Fombrun (1996) argues that the development of a positive corporate reputation creates strategic advantage or reputational capital and therefore negative associations would serve to harm corporate reputation. Paradoxically, Brown and Dacin (1997) argue that companies with negative images and association are not necessarily destined to receive negative responses from consumers.

Measures of brand imagery tend to be positively valenced. One exception is the Ruthlessness dimension identified by Davies et al (2001). Ruthlessness emerged from the organisational literature that emphasised the dark side of the corporate persona, the sociopathic organisation whose behaviours, while not necessarily immoral, are negative and manipulative (Schwartz, 1987; Daneke, 1985; Kets de Vries and Miller 1984). The ruthless dimension comprises of two major facets namely *egotism* (measured by arrogant, aggressive, selfish) and *dominance* (measured by inward-looking, authoritarian, controlling).

## **Preliminary Research**

Focus groups were shown the items measuring the ruthlessness dimension and were asked to identify brands they considered to be ruthless. Four corporate brands were mentioned frequently: *Ryanair* a low-cost airline, *Microsoft* a blue chip technology firm, *Virgin* a conglomerate of consumer businesses and *The Sun* a leading daily tabloid newspaper. Interestingly, respondents associated the leaders of each company with the ruthless imagery.

For instance, Michael O'Leary of Ryanair ("He (Michael O'Leary) shows no remorse for his bullying tactics and is very arrogant..."), Bill Gates of Microsoft ("Well he (Bill Gates) doesn't leave us much choice but to buy his products"), Rupert Murdoch of the group owning The Sun ("Oh yes The Sun and Murdoch, he is brainwashing us and controlling what we read and see... it's modern day propaganda") and Richard Branson of Virgin ("He (Richard Branson) plays the martyr but it's not like he's doing it for charity, he's an extremely wealthy and a powerful man"). Focus group participants although asked to name a brand that reflects each trait of the ruthless dimension, often listed the leader of the organisation and when questioned they stated that the leader is part of the brand and therefore hard to distinguish from it. It was therefore decided to include the image of the leader in the second empirical stage of the research study.

#### **BRAND TRUST**

Trust in brands is an essential ingredient in order for relationship success (Anderson and Narus, 1990; Berry, 1995). Consumer brand trust is whereby one party in a relationship i.e. the consumer has confidence in an exchange partners reliability and integrity (Morgan and Hunt, 1994). Doney and Cannon (1997) stress that trust is only relevant in situations of uncertainty for instance, where there exists image incongruity, information asymmetry or in brands with traditional negative images. In addition, Moorman et al. (1993) states that brand trust is a willingness to rely on an exchange partner in whom one has confidence. This definition spans the two general approaches to brand trust in the literature. The first approach views trust as a *belief, confidence,* or *expectation* about an exchange partner's trustworthiness that results from the partner's expertise, reliability, or intentionality (Anderson and Weitz, 1992; Dwyer and Oh, 1987; Schurr and Ozanne, 1985). The second approach views trust as a *behavioural intention* that reflects a reliance on a partner and involves elements of vulnerability and uncertainty on the part of the trustor (Coleman, 1990; Deutsch, 1958; Zand, 1972).

Trust acts to reduce perceived risk and to increase confidence in the consumer-company relationship. The brand trust literature takes the stand that consumers trust brands that are good and honourable, and hold positive brand images and personalities (Andreassen and Lindestad, 1997; Fornell, 1992; Chaudhuri and Holbrook, 2001). However, there is an apparent lack of literature surrounding consumer trust and brands that hold negative images. Consumers clearly can have committed relationships with brands that are perceived to have negative images as revealed in the preliminary research.

## CONSUMER-COMPANY RELATIONAL OUTCOMES

Much of the literature on the relationships between consumer and company identify satisfaction as a primary indicator of relationship success. Satisfaction with a brand (organisation or leader) is a subjective evaluation of a chosen alternative brand that meets or exceeds expectations (Bloemer and Kasper, 1995).

Measures of brand personality include elements of trust (Aaker 1999, Davies et al 2001) and such measures appear to have a strong influence on customer satisfaction. Brands that are seen as 'sincere' will earn relationship advantages similar to friendship development between humans, thus increasing relationship strength (Aaker et al., 2004). Sincerity can also spark inferences of partner trustworthiness and dependability (Aaker, 1999), which reduce the feelings of vulnerability and support relationship growth (Moorman et al., 1993). Boyd and Mason (1999) and Aaker et al. (2004) collectively identify two aspects of successful brand relationships namely, Attractiveness and Self-connectedness.

Attractiveness embraces a number of positive outcomes, whether the individual considers the brand to be filling a real need, giving real value and whether it is seen is a great brand (Boyd and Mason, 1999). Self-Connectedness concerns the fit between the person and the brand, whether an association with the brand projects the desired self-concept, whether it can be seen to make a statement about what is important in life (Aaker et al., 2004).

## **HYPOTHESES**

From the literature a negative image will affect trust in the brand, hence:

- **H1:** The more Ruthless the image of the of the corporate brand (created by the image of the leader and the company) the less it will be trusted
- **H2:** The more a brand is trusted the more positive will be the relationship outcome
- **H3:** The more Ruthless the image of the of the corporate brand (created by the image of the leader and the company) the less positive will be the relationship outcome

#### RESEARCH METHOD & SAMPLE

The research study involved the four organisation brands and their respective organisation leaders identified in the preliminary research. The survey method adopted was a personal face-to-face survey using a convenience sample of 600 respondents. This had the advantage of a higher response rate (Hair et al., 1995), but does mean that the data cannot be used to represent the entire sample population. The primary reason for using convenience sampling here is in the interest of data variance (Cramer, 2003), i.e. an interest in obtaining different responses to see if relationships exist between the constructs. Interviewers were instructed to approach the next willing and available person after completing a previous interview, to reduce age and gender bias, but mainly to include a full range of respondents. The only screening criterion was that the respondent had knowledge of the organisation brand and leader and was familiar with the product offering.

#### **MEASURES**

Ruthless Character: The ruthless dimension of the Corporate Character Scale (Davies et al., 2003; 2004) was used to measure organisation image and leader image. This scale dimension was used, as it was the only relevant measurement scale identified from the literature search that was valid, reliable and generalisable. The ruthless dimension has two major facets: egotism (arrogant, aggressive, selfish) and dominance (inward-looking, authoritarian, controlling). Respondents were asked to imagine that brand X "has come to life as a human being" and to rate it using the ruthless dimension traits on a 5-point Likert scale, as shown in Appendix 1.

Trust: A detail examination of the literature identified an abundance of consumer trust measurement scales. We adopted the conceptualisation that trust is indicated by competence, honesty and empathy. Competence and honesty was measured using a mixture of items from the work of Erdem and Swait (2004) and Morgan and Hunt (1994). Empathy was measured using items from SERVQUAL (Zeithaml et al., 1988). In total 16 items were measured using a 5-point Likert scale, as shown in Appendix 1.

Relational Outcomes: Two relational outcomes are measured, attractiveness is developed from the work of Boyd and Mason (1999), and the self-connectedness is developed from the work of Aaker et al. (2004). In total 13 items were measured using a 5-point Likert scale, as shown in Appendix 1.

# **RESULTS**

Table 1. shows the average score for Ruthlessness for all four corporate brands. As expected from the preliminary study, all four score above the average for the scale.

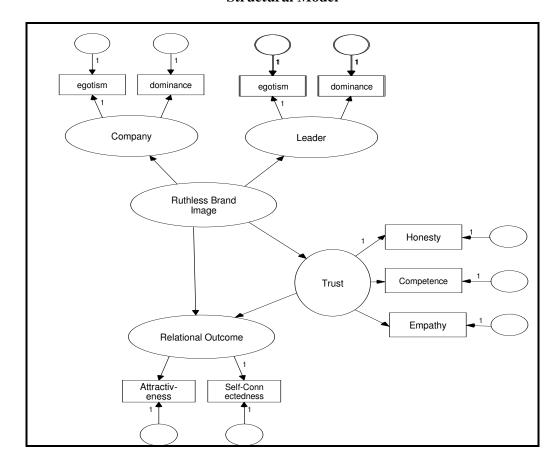
TABLE 1
Average Scores for Ruthlessness

| Brand / Leader  |                  | N   | Mean | Std. Deviation |
|-----------------|------------------|-----|------|----------------|
| Ryanair         | Company Ruthless | 150 | 3.55 | 0.88           |
| Michael O'Leary | Leader Ruthless  | 150 | 3.74 | 0.84           |
| Microsoft       | Company Ruthless | 150 | 3.43 | 0.88           |
| Bill Gates      | Leader Ruthless  | 150 | 3.21 | 0.83           |
| Virgin          | Company Ruthless | 150 | 3.15 | 0.70           |
| Richard Branson | Leader Ruthless  | 150 | 3.24 | 0.84           |
| The Sun         | Company Ruthless | 150 | 3.57 | 0.67           |
| Rupert Murdoch  | Leader Ruthless  | 150 | 3.77 | 0.73           |

Our main objective was to identify if there is a significant link between ruthless brands and relational outcome (attractiveness and self-connectedness) or whether this link must be mediated by trust in the brand. A model was created and tested using Structural Equation Modelling, as shown in Figure 1.

The link from Ruthless Brand Image to Relational Outcome proved to be non-significant (Critical Ratio<1.98) and was removed. The overall fit of the model was improved to acceptable levels by deleting Empathy and creating a covariance between Company Dominance and Leader Dominance (Chi<sup>2</sup>= 65, df= 15; GFI= 0.97, NFI= 0.97, CFI= 0.97, RMSEA= 0.075, Hoelter 0.01= 282).

FIGURE 1 Structural Model



Of our hypotheses H1 and H2 were supported but as the link from Ruthlessness Brand Image to Relational Outcome was not significant H3 was not obviously supported. The link from Ruthless Brand Image to Relationship Outcome is fully mediated by Trust. The standardised total effects showed that the indirect effect of Ruthlessness on Relational Outcome was –0.35 while the effect of trust was 0.82. So the hypothesis does have support if the effect is on the main cause of a positive relational outcome, trust.

## **DISCUSSION & CONCLUSION**

Brands and in particular, corporate brands can have their negative connotations. These in turn can be due to the imagery of the leader. The stronger these images the less likely are the brands to be trusted, but there is no direct link between ruthlessness and relationship outcome. There is an indirect effect via trust.

That said, if the brand were trusted due perhaps to the positive experience, the negative influence of a ruthless imagery would not dominate the relational outcome. However, the indirect influence is far from insignificant. Of the two components influencing the image of the corporate brand, the effects were similar, standardised total effects of 0.72 for the leader and 0.86 for the company. There is some spillover between the leader and brand imagery as a covariance was needed to maximise the fit of the model to the data, but the two images do appear to be distinct. In the case of Ryanair the image for ruthlessness of the leader, Michael O'Leary, is higher than that for the company he leads. This imagery is reflected in his personal business practices and general attitude to competing airlines along with him benefiting from others misfortunes i.e. bulk buying aircraft after 9/11. The same is true for Rupert Murdoch and The Sun. Murdoch is viewed as being dominating and controlling over his influence with the media and the manipulation tactics he introduces. Richard Branson on the other hand and Bill Gates enjoy lower scores for Ruthlessness than their companies. Both present more positive images in the media, Gates through his philanthropy in supporting work in AIDS related causes and Branson with his apparent championing of consumer causes. However both were scored above the mean point for ruthlessness indicating that neither enjoys a totally unruthless reputation.

To the best of our knowledge, no previous study has examined or measured successful ruthless brands that have positive relationships with consumers. Therefore, the major focus of this article was to identify if consumers can in fact have lasting and positive relations with brands that hold ruthless images and whether trust is the mediator to relationship strength when negative associations are evident. We have shown that for four brands with negative associations that consumers can have positive relational outcomes due to the development of trust between the parties. We have also highlighted the spillover of imagery between company image and leader image and notably argued that corporate brand image is the aggregate of company and leader image in instances where the leader is a visible character.

In other words, where consumers are familiar with the leader, they find it difficult to distinguish their character from the overall brand; hence the leader is a significant association to the corporate brand.

Our study confirms that trusting relationships with brands with ruthless images are based predominantly on the competence and honesty of the brand. Competence can be seen to reflect belief in one's skills, whereas honesty is belief in one's promise.

Our work has implications for practitioners. For far too long marketers and brand manager alike have argued in favour of 'sincere', 'agreeable' brands that offer consumers a relationship reflective of relationships between humans under the assumption that good brands have good images. Similarly, the literature has argued for decades that good image is responsible for profitable and successful brands (Keller, 1993; Aaker, 1999). Interestingly enough our research has highlighted that brands with traditional negative images can be successful, profitable and often market leaders or challengers in their respective industries. That said, surely it is more cost effective to reduce the effort necessary to develop a sincere brand and spend it being competitive and meeting consumers needs i.e. Ryanair – affordable flights. Ruthless brands grab much wanted attention in the media and hence this is at times a free form of promotion and brand exposure. In our context, we suggest that brands today no longer need to be totally sincere but can in fact have negative associations and still receive the benefits that sincere brands all too often spend a long time developing.

As a significant spillover effect was evident between company and leader image we belief that trust in the leader should be further explored. Identifying if trust in the leader or the company is the greater driver of relationship strength would provide insight into the importance of the leader's role within the organisation and whether marketing spend should be directed towards promoting corporate executives in the media. The issue identified clearly here and supported qualitatively in the preliminary focus groups is that many prominent leaders are seen as ruthless and that this has a negative impact on their company's brand image. Using the leader as the company representative in the media may appear cost effective in putting the company in front of the customer (and in our opinion this is a deliberate ploy by companies) but their power appears to be something that customers find less attractive. One possibility is that as companies get bigger we assume them to be more ruthless. If so, then the economic argument in favour of establishing large corporate brands may have a downside that big is not beautiful.

Another explanation may come from the so called 'fat cat syndrome' where leaders of large companies are thought to be overly rewarded and to be too focused on their own remuneration at the expense of customers and other employees.

Furthermore, relationship strength is more complex than just attractiveness and self-connectedness and therefore future research should quantify other more frequently measured factors for both the company and leader i.e. satisfaction, brand loyalty and purchase intention. Finally, our study identified that some sort of interaction is present between the leader and the company brand and this relationships should be explored to identify if the sum of the (corporate) parts is in fact of greater significance.

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#### APPENDIX 1

## **Construct Measurement**

#### **RUTHLESS CHARACTER:**

(Organisation & Leader)

(1 = Strongly Disagree, 5 = Strongly Agree)

Egotism: Arrogant \*

Aggressive \* Selfish \*

Dominance: Inward-looking \*

Authoritarian \*
Controlling \*

#### TRUST:

(1 = Strongly Disagree, 5 = Strongly Agree)

Competence: X reminds me of someone who's competent and knows what he / she is doing +

X has the ability to deliver what it promises +

Honesty: X is someone that I have great confidence in #

X delivers what it promises +

X's product claims are believable +

Over time, my experiences with X have led me to expect it to keep its promises, no

more and no less +

X has a name you can trust +

X doesn't pretend to be something it isn't + X cannot be trusted at times # X is perfectly honest and truthful #

X can be trusted completely #
X has high integrity #

Empathy: X gives me individual attention -

X gives personal attention -

X has your best interests at heart -

X understands your specific needs -

## RELATIONSHIP OUTCOME:

(1 = Strongly Disagree, 5 = Strongly Agree)

Attractiveness: X is a great brand ◊

X would be fun to own  $\Diamond$  X is here to stay  $\Diamond$ 

X fills a real need for me ◊

X is a big improvement over existing products  $\Diamond$ 

X can give me real value ◊

 $\boldsymbol{X}$  fills a need for many people  $\Diamond$ 

Many people believe X is worth the cost  $\Diamond$ 

Self-Connectedness: The X brand connects with the part of me that really makes me tick o

The X brand fits well with my current stage of life  $\!\circ$ 

The X brand says a lot about the kind of person I would like to be  $\circ$ 

Using X lets me be a part of a shared community of like-minded consumers  $\circ$ 

The X brand makes a statement about what is important to me in life o

<sup>\*</sup> Davies et al. (2004)

<sup>+</sup> Erdem and Swait (2004)

<sup>#</sup> Morgan and Hunt (1994)

<sup>-</sup> Zeithaml et al. (1988)

<sup>♦</sup> Boyd and Mason (1999)

o Aaker et al. (2004)