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When Goliath Acquires David

An Inquiry into the Consumer Brand Perception of Coca-Cola's
Acquisition of Innocent

by

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Abstract

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Purpose: The purpose of this study is to examine how consumer brand perception of an ethical brand changes once the consumer is made aware of the fact that the ethical brand has been acquired by a more unethically perceived MNE.

Methodology: The study was conducted with a quantitative, deductive approach in line with the descriptive research methods utilised. A cross-sectional survey was done with a non-probability sampling method. Through the use of five-point Likert scales, respondents were asked to assess statements on ethical consumption, perceived brand equity of both Innocent and Coca-Cola and possible reaction to the acquisition.

Theoretical perspectives: The research is based on brand equity theory, ethical consumer theory, as well as previously formulated hypotheses and conclusions on the effects of M&As on consumer perception.

Empirical foundation: The data set for this study was collected through an online survey that was spread using social media channels. In total, 231 answers were obtained out of which 228 were used for this data analysis.

Conclusions: Consumers react predominantly negatively to the acquisition of an ethical brand by an MNE, although not as strong as previous research might have led one to believe. Although there is a change in consumer perception of elements of brand equity, this does not translate into substantially lessened purchasing intention.

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Lisa-Marie Borne & Dora Tolstoy,

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Key Terms

Brand: The name, visual image, or logo of a company that help identify its goods or services

Brand Equity: The value of having a recognised brand

Brand Image: The image or perception of a brand in the consumer's mind

CSR: Corporate Social Responsibility: responsibilities a firm has, which go beyond its legal and economic requirements

Ethical Brands: For-profit businesses that have a social purpose as part of their core business objectives

MNEs: Multinational Enterprises: companies that operate in more than one country

M&As: Mergers and Acquisitions: a form of consolidation between companies

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1 Introduction

1.1 Background

Over the past decades, there has been an increasing interest in ethically well-sourced products. Consumers are no longer only concerned with what they buy but also with how the products they buy are produced and who is benefitting from their purchase (Strong, 1996). Following this increased concern about the ethicality of a product, companies have started to reassess their business practices and started to incorporate ethical components into the bundle of characteristics of their products. Through this, they hope consumers can feel a reflection of their values in the products they consume (Bird & Hughes, 2002).

However, consumers are not the only ones shaping the ethics of companies' business practices. Governments, non-governmental organisations (NGOs) and the media, have also started to increasingly put pressure on companies to be held accountable for the consequences of their business activities. As a result, companies founded over the past 20 years have ingrained ethical practices and corporate social responsibility (CSR) into the DNA of their businesses (Porter & Kramer, 2006).

An example of a company that has capitalised on this trend, is the smoothie and juice manufacturer Innocent. Innocent was founded in 1999 by three Cambridge University graduates, who had the aim of “...want[ing] to leave things better than [they] found them.” (Innocent, 2020a, n.p.). Since its inception, Innocent has taken a strong environmental and ethical stance (Wray, 2004), and built up a strong brand image as an environmentally and socially conscious business.

The growth of ethical brands like Innocent catalysed a new trend in mergers and acquisitions (M&As). Large multinational enterprises (MNEs) began acquiring smaller firms that had substantial brand equity and strong ethical and sustainable propositions. Examples of such acquisitions range from the transnational consumer good company, Unilever, who bought up

Ben & Jerry's, an ice cream brand with a strong social mission (Hays, 2000), to the world's largest cosmetics manufacturer L'Oréal, acquiring The Body Shop, a cosmetics brand known for their ethical ingredients (Booth, 2006). Often, the social images of these small iconoclastic companies are rooted in values and practices that might seem incompatible to the consumer with those of typical large MNEs (Austin & Leonhard, 2008). As a result, the reactions to these types of mergers are predominantly negative. The media and individuals online often denounce them, accusing the smaller ethical brand of selling out and the larger multinational enterprise of merely "buying CSR" (Wickert, Vaccaro & Cornelissen, 2017).

Coca-Cola is another example of an MNE that began acquiring brands that convey an ethical or health-conscious image (Stern, 2018). Coca-Cola's M&A strategy is not only to capitalise on new consumer trends but can also be viewed as a response to an increased global health concern that directly affects its original product range. One of Coca-Cola's most prominent concerns over the years has been what has been coined as the "global obesity epidemic" by the World Health Organisation (WHO) (2020). The WHO (2020) reports that obesity is a public health problem and estimates that 1.9 billion people in the world are currently overweight, with 650 million of them obese. Governments have reacted to this with countries like the UK introducing sugar taxes (BBC, 2018).

This increased health awareness has also impacted customer preferences, and the sales of full-calorie soda have plummeted by over 25% over the last 20 years in the United States (Stern, 2018). Additionally, a Gallup Poll shows that today, over 60% of Americans are trying to avoid drinking soda (Nestle, 2015). As a consequence, large soda brands like Coca-Cola and Pepsi have lost market share to smaller beverage companies that are branded as "healthy" or at least "healthier". To make up for lost market share and to not fall behind in customer preference, traditional soft drink companies have begun diversifying their portfolios by acquiring healthier and more trendy brands (Stern, 2018).

An example of this trend is Coca-Cola's acquisition of Innocent, in which Coca-Cola has held a 90% majority share since 2013 (Neate, 2013). Like previous reactions to MNEs acquiring smaller ethical brands, the media did not react favourably to this acquisition. Journalists highlighted that the two companies were "unlikely bedfellows" and that Coca-Cola's investment in Innocent would dilute the juice brand's ethical ideals, calling the acquisition a

“sell-out” on Innocent’s part (Lucas, 2013; Wilkinson, 2009). Innocent responded to these claims by insisting that their promises and values would remain the same and that they would “run their business in the same way that we have always done, independently.” (Innocent, 2020b, n.p.).

However, the media were not the only ones to react. NGOs also frowned upon Coca-Cola’s acquisition of Innocent. The Ethical Consumer and The Ethical Company Organisation, two NGOs who rank companies on their ethicality to help consumers make better consumption choices, both rated Innocent’s products as “unethical” after the acquisition. The Ethical Consumer gives Innocent an ethiscore of 6.5 out of 20 and further argues that the brand should be avoided as it is owned by the Coca-Cola Company (Ethical Consumer, 2020). The Ethical Company Organisation currently gives Innocent a score of 57/100 in their Good Shopping Guide, which puts Innocent in the lowest score category in their ethicality audit (The Good Shopping Guide, 2020).

1.2 Problematisation

The media and NGOs might have been quick to condemn Coca-Cola’s decision to acquire Innocent, but how do consumers react to this change in ownership? The increasing trend of consumers wanting to buy ethically well-sourced products may cause a surge in acquisitions of ethical brands by MNEs in the coming years. Even though there has been extensive research done on the effects of CSR on consumer brand perception and buying behaviour, there is a gap in the research regarding how perception and buying behaviour may change as the result of an acquisition of an ethical brand through an MNE.

This thesis seeks to explore how consumer brand perception changes as a result of an acquisition and aims to give insight into how the self-assessed ethicality of the consumer might affect this change in perception. We believe that this is especially crucial regarding ethical brands, where the alignment of company values and consumer values are one of their unique selling points (Austin & Leonhard, 2008). Previous research in this area has majorly focused on the internal effects of M&As, but little attention has been spent analysing the reaction of the consumers to the acquisition.

1.3 Research Purpose

Since there is a significant research gap in deciphering how consumer perception of an ethical brand is affected by an acquisition, we hope to contribute to filling this gap with our research. This research discusses an acquisition where the two companies in question are perceived to have different images by their consumers regarding ethical conduct. Therefore, we hope to explore how consumer brand perception is affected by the acquisition if said acquisition is of an ethical brand that runs their business model on being perceived as ethical and right. Through the use of quantitative measures, the purpose of this thesis is to test the hypotheses and contribute to understanding the changes in consumer perception after an M&A.

Accordingly, the scope of this study proceeds to the main research questions:

RQ1: How does consumer brand perception of an ethical brand change after an acquisition by an MNE?

With the above-mentioned research question in mind, a second research question is formed to obtain more insight into the matter:

RQ2: Is the general ethicality of a consumer an indicator for how consumer brand perception could change after an acquisition?

1.4 Delimitations

This thesis focuses solely on one case, this being Coca-Cola's acquisition of Innocent, and as such is only representative for the beverages industry. Consequently, the results of this research may not apply to M&As in other industries. The discussion of whether a subsidiary can and should be held accountable for the business behaviour of its parent company will also be excluded.

Furthermore, brand equity, as part of this thesis, is only examined through customer-based brand equity models created by Aaker (1991; 1996) and Keller (1993; 2003). As such, any other perspective of brand equity is out of the scope of this thesis.

1.5 Outline of the Thesis

This thesis starts with an introduction to provide the reader with sufficient background knowledge of the subject. The introduction contains the relevancy of the study and information about important terms. After the background is established, the thesis' problematisation is introduced as well as its research purpose and the delimitations.

The second chapter of the thesis presents a literature review, which synthesises previous research conducted in the fields that are relevant to the study. The first part of the literature review discusses customer-based brand equity and its components. The following part examines CSR and its effect on consumers as well as the interaction between consumers and ethical brands. The fourth part reviews the motivations behind M&As, as well as consumer perception regarding M&As. The last part of the literature review presents testable hypotheses that were formulated based on the previously reviewed literature. It also presents a conceptual framework that helps in guiding the data analysis.

The third chapter of this thesis discusses the methodology that outlines how the hypotheses are tested and the validity of the conceptual framework. This chapter additionally defines the research approach, research design, data analysis, and discloses the validity and reliability as well as the limitations of this research.

The fourth chapter of this thesis presents the results and the analysis of the quantitative research. The experimental results obtained are discussed and contrasted with past research and theoretical contributions, in hopes of adding to further discussion of the results. A descriptive analysis is run to gather insight into the general answers of the respondents. Following the descriptive analysis, a bivariate analysis is done to explore relationships between the variables.

The last part of this thesis includes a discussion that combines the outcome of the research with the existing knowledge presented in the literature review. Finally, a conclusion is presented, summarising the research results of the thesis. This thesis ends by reporting on its practical implications and by giving recommendations for further development in this research stream.

2 Literature Review

2.1 Chapter Introduction

The following literature review presents the theoretical frameworks and previous research used to analyse the empirical material. First, definitions and concepts around brand equity and brands are introduced, to aid the reader in gaining a better understanding of the subsequently formed conceptual framework. The second part of the literature review dives into the effects of CSR on brand value and consumer perception. In the following part, this literature review continues to compare and contrast the research done on green consumption and ethical consumerism.

To understand how consumers react to large multinational companies acquiring ethical brands, the fourth part of the literature review begins by exploring motives behind M&As. It also reflects on previously conducted studies that aimed to uncover how consumers react to acquirer-dominant M&As, where the two merging companies are perceived in vastly different ways. Finally, the literature review ends with a presentation of the hypotheses formulated based on the previously discussed research, and with a proposed conceptual framework used to analyse the empirical findings.

2.2 Ethical Brands

Brands are argued to be incredibly crucial in the consumer market as they constitute as the interface between the consumer and the company (Lau & Lee, 1999). They help consumers in making purchasing decisions as they enable them to trust a company (Kotler & Pfoertsch, 2006). Although brands are often described to be merely the visual images of a company, such as a name, logo or design that help identify its goods or services (Lau & Lee, 1999), Kotler and Pfoertsch (2006) argue that this view of a brand is too narrow. In their eyes, a brand “is a promise, the totality of perceptions – everything you see, hear, read, know, feel,

think about a product, service, or business.” (Kotler & Pfoertsch, 2006, p. 13). As ethical brands promise the consumer an ethically sourced product that allows them to act on moral, social and ethical grounds, Kotler and Pfoertsch’s (2006) definition of a brand especially fits in the context of this research.

Brand value is a crucial component for ethical brands as it represents a distinctive value proposition to the consumer, combined with powerful brand integrity (Austin & Leonard, 2008). Ethical brands, also called social enterprises by some researchers, are for-profit businesses that have a social purpose as part of their core business objectives (Austin & Leonard, 2008). Ethical brands believe that traditional business models cannot address the social and environmental issues we are facing in the world today. Therefore, they see their purpose in being both market-oriented and mission-centred (Hoffman, Badiane & Haigh, 2010).

2.3 Brand Equity

In his widely accepted definition of brand equity, Aaker (1991) describes the construct as:

a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or detract from the value provided by a product or service to a firm and/or to that firm's customers (David Aaker, 1991 cited in Zinkhan & Smith, 1992, p. 125).

Brand equity is also argued to be the overall value of a brand that is controlled by five components: brand loyalty, brand awareness, perceived quality, brand image/association and other proprietary brand assets (Aaker, 1991).

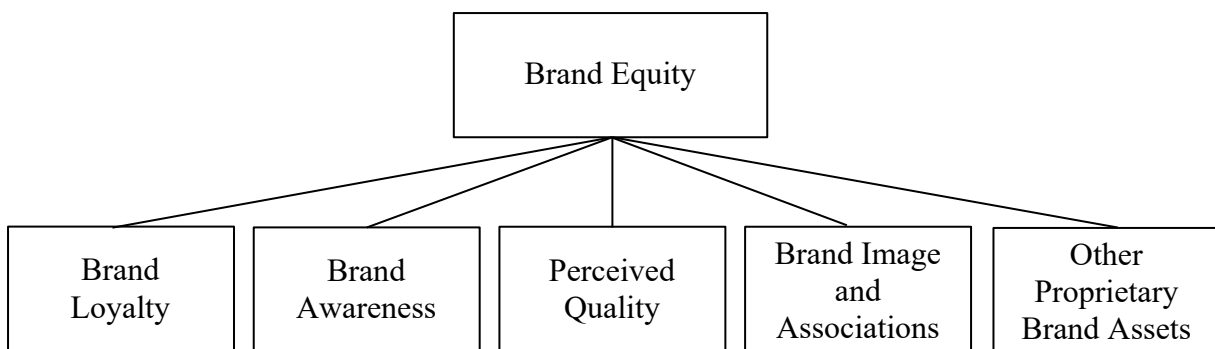


Figure 1. Aaker's Model of Brand Equity (adapted from Aaker, 1991)

The components shown in Figure 1 are the associations that are triggered in the mind of the consumer through a brand. They also encompass the extent to which people are loyal to a brand and the extent to which the general public is aware of it (Aaker, 1991). Generally, high brand equity allows companies to charge a higher price premium, due to consumers perceiving the brand as having high-quality products, and because of a positive brand image and brand associations (Aaker, 1991).

For the purpose of this study, two of the elements of Aaker's model of brand equity – brand loyalty and brand image and associations – will be elaborated on further. Brand loyalty reflects the consumer's attachment to a brand (Aaker, 1991) and is what ultimately allows companies to charge a price premium without deterring consumers from their purchase (Aaker, 1996). Trust is often cited as an underlying factor of brand loyalty. Trust here signifies the inclination of the consumer to act without calculating the direct costs and benefits of the action (O'Shaughnessy, 1992, cited in Lau & Lee, 1999). As trust is usually built as a result of person-to-person relationships, firms cannot provide this in the consumer market.

As a result, companies need to rely on their brand to build this relationship (Lau & Lee, 1999). By trusting a brand, the consumer shows its willingness to rely on the brand in the face of risk, as they trust that the brand will generate a positive outcome for them (Lau & Lee, 1999). The integrity of the company behind the brand and whether the consumer perceives the company as keeping its promises and being honest, is crucial for consumers to be able to trust in brands (Lau & Lee, 1999).

Another critical factor of brand equity is brand image and brand associations. In his 1991 book, Aaker describes a brand image as a “set of associations usually organised in some meaningful way” (Aaker, 1991, p. 109). It can also be defined as the thoughts and feelings the consumer holds towards a brand (Roy & Banerjee, 2007). A brand image allows the consumer to decipher what type of person would buy the brand and as a result, decipher its brand value. This allows the consumer to decide whether there is a reason to buy a particular brand over another (Aaker, 1996).

However, brand image and associations are not the only things guiding consumer behaviour, as consumers are also guided by the general organisational associations they have with a company. When a corporate brand is involved, it is especially important to consider another dimension of brand association (Aaker, 1996). This other dimension is how the consumer considers the entire organisation, that is the people, values, and programs, that are behind the brand and how they affect the product or service (Aaker, 1996).

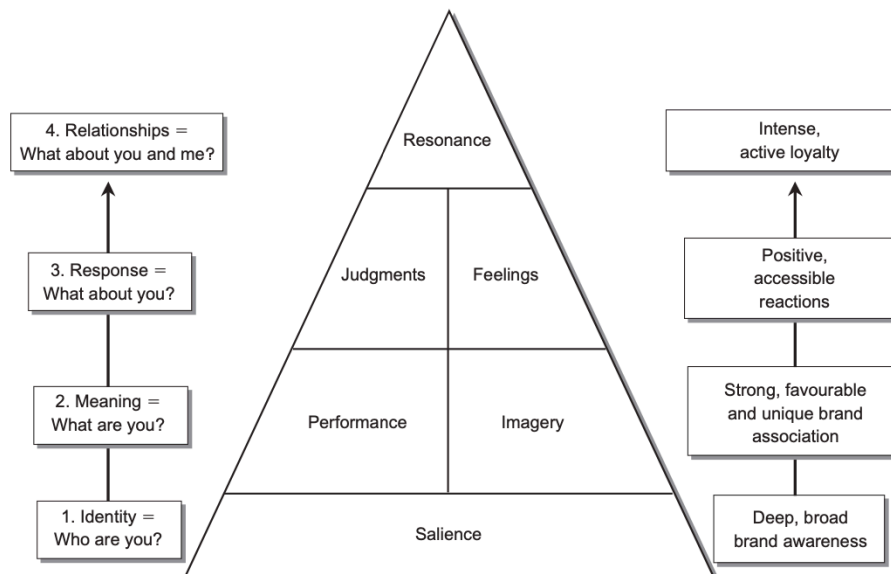


Figure 2. Keller's Customer-based Brand Equity Pyramid (taken from Keller, 2003, p. 11)

Another model that defines brand equity from a customer-based perspective is Keller's brand equity model (1993). In Keller's eyes, brand equity is created by a brand being widely known and by having strong, beneficial, and unique associations in the mind of the consumer (Keller, 1993). His model on brand equity moves in four stages: identity, meaning, response and relationship (Keller, 2003). As can be seen above in Figure 2, the first stage, brand salience is the essential building block which represents brand awareness and initial associations.

Through brand awareness and initial associations, the basis for a brand identity can be build up in the consumer's mind. However, Keller emphasises throughout his writings, that brand value is entirely dependent on the consumer and can only be built up by how the consumer perceives the brand (Keller, 2003). In the second stage of his model, the consumer asks for the meaning of the brand by assessing performance and imagery. This stage in Keller's model is very similar to Aaker's (1991) component of brand image and brand associations.

In the third stage of Keller's model, the consumer assesses brand judgements (quality, credibility, consideration) and brand feelings, which are their emotional responses to a brand. This leads to the fourth stage, where a relationship between the consumer and the brand can be established. This relationship is based on the resonance between the consumer's values and the brand associations they perceive, that developed throughout the previous three stages (Keller, 1993). In this final stage, the consumer experiences brand loyalty and attitudinal attachment as well as a sense of community and active engagement with the brand (Keller, 2003).

Aaker (1991) and Keller's (2003) models differ in that Keller sees brand equity as a function of the relationship between the consumer and the brand and as such, his model represents the progressing stages that the consumer moves through. Aaker's (1991) model, on the other hand, focuses more on each of the components of brand equity. These components do express similar sentiments to Keller's (2003) model, but Aaker (1991) does not connect them into a sort of customer journey. As Keller and Aaker's models are some of the most widely known models of brand equity (Tasci, 2020), the components they each cite are used as the basis for items that are analysed as part of this research.

2.4 Effects of CSR on Brands and Consumer Perception

2.4.1 Effects of CSR on Consumer Perception

In their 2004 article, Bhattacharya and Sen define CSR initiatives as "status and activities with respect to its perceived societal or, at least, stakeholder obligations" (Bhattacharya & Sen, 2004, p. 9). Their definition goes in line with Carroll's (1979) understanding of CSR as social responsibilities and obligations that a firm has towards a society that go beyond their legal and economic responsibilities. McWilliams and Siegel's (2001) definition of CSR echoes this sentiment as they describe CSR as "action[s] that appear to further some social good, beyond the interests of the firm and what is required by law." (McWilliams & Siegel, 2001 cited in Melo & Galan, 2011, p. 3).

In recent years, most MNEs have started publishing codes of conduct in the form of CSR reports to demonstrate their commitment to ethical business behaviour. However, studies vary

in their conclusions to what extent CSR practices influence purchasing decisions and whether engaging in CSR is even expected by society. Some literature argues that CSR can lead to heightened customer loyalty as it allows the consumer to develop a more positive evaluation of the company (Marin, Ruiz & Rubio, 2009). Additionally, CSR may also help the consumer to identify more closely with the company due to a perceived overlap between their personal values and those of the firm (Marin, Ruiz & Rubio, 2009).

While CSR might not be the most decisive factor in purchasing decisions yet, researchers have also found that a negative perception of a company's ethical conduct has a detrimental effect on the overall evaluation of the company and its products (Brown & Dacin, 1997). For instance, when the New York Times reported on the abusive labour conditions in some of Nike's suppliers in Indonesia in the early 90s, Nike experienced extensive consumer boycotts (Porter & Kramer, 2006).

As CSR initiatives have become a more widely used tool to influence purchasing behaviour, Becker-Olsen, Cudmore and Hill (2006) argue that increased attention should be spent on the apparent fit of the CSR initiative and the overall firm's product line, brand image, positioning and target market. Through their 2006 consumer study, they were able to identify customer responses to low-fit and high-fit CSR initiatives and how those are reflected in the consumer perception of the company. Low-fit CSR initiatives had an overall negative effect on consumer perception, but so did high-fit initiatives that were seen as reactive rather than proactive in the consumer's eyes (Becker-Olsen, Cudmore & Hill, 2006). However, high-fit initiatives that were seen as proactive, even though they might be profit-driven, were not perceived as negative. This indicates that customer scepticism and cynicism are not necessarily driven by companies being profit-oriented, but rather by the discrepancy between what the company states as their objectives and their actions (Becker-Olsen, Cudmore & Hill, 2006).

2.4.2 Effects of CSR on Brand Equity

As companies are increasingly held accountable for the social consequences of their business activities, having a good corporate reputation and good CSR initiatives have become critical factors for business success (Boulstridge & Carrigan, 2000). Corporate reputation here is defined as the "stakeholder perception concerning an organisation's performance and

behaviour; basically, the sum of every activity that the company undertakes which impacts upon the community, intentionally or unintentionally” (Boulstridge & Carrigan, 2000, p. 4).

Although Friedman (1970) argues in his famous New York Times article, that the only social responsibility a business has is to increase profits for its shareholders, this notion of thought has been argued against in recent years. Not only has CSR been argued to be a natural moral obligation of a firm, but the outcomes of CSR initiatives, although not often directly translatable into financial metrics, hold merit simply in that it can improve the relationship and subsequently the brand loyalty between the consumer and a company. Additionally, if a company’s CSR activities are appropriately aligned with its strategy, it can also become a source of sustainable competitive advantage (Marin, Ruiz & Rubio, 2009; Melo & Galan, 2011; Porter & Kramer, 2006). One should also bear in mind that consumers are only one of the many stakeholders of a firm and that governments, employees, owners as well as the surrounding community are also actively concerned with the ethical behaviour of a company (Carrigan & Attalla, 2001).

2.5 Consumers and Ethical Brands

2.5.1 The Ethical and Green Consumer

With the depletion of natural resources and the emergence of climate change over the past century, we have seen a rise of a new consumer. This consumer is translating their concerns about these issues into their wallets and is increasingly holding firms accountable for their contribution to these problems (White, Hardisty & Habib, 2019). Due to the increased speed and scope of media reporting in the 21st century, as well as the emergence of the internet, this new kind of consumer is said to be more sophisticated and aware of the behaviour and conduct of companies, and more skilled in detecting marketing manipulation (Boulstridge & Carrigan, 2000). Consumers overall, are increasingly conscious of the ethical implications of the products they buy, what side effects they produce and subsequently adjust their buying behaviours (Davies, Lee & Ahonkhai, 2012).

Previous environmentalists primarily directed their activism at governments, as the legislative route was seen as the only successful way of reducing pollution and climate change.

However, the new green consumer was born out of the knowledge that companies are vital agents to change (Cowe & Williams, 2001). Strong cites Elkington and Hailes (1989) in her 1996 article and describes the green consumer as an individual that avoids products that are likely to:

endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; ... cause unnecessary waste, use materials derived from threatened species or environments, involve unnecessary use – or cruelty to animals; adversely affect other countries (Elkington & Hailes, 1989 cited in Strong, 1996, p. 5).

The sentiment of describing a consumer as a “green” if they avoid products that cause pollution, unnecessary depletion of natural resources or cruelty to animals, is widely echoed in the consumer marketing and business ethics literature (Carrigan, Szmigin & Wright, 2004; Mainieri, Barnett, Valdero, Unipan & Oskamp, 1997; Peattie, 2010).

It could be argued that the concept of the ethical consumer is a broader concept than that of the green consumer. Strong (1996) regards the buying behaviour of the ethical consumer as purchasing behaviour where all the principles of the green consumer and more, are incorporated. Similarly, Cowe and William (2001) describe ethical consumers as individuals that are influenced in their buying decisions by ethical and environmental factors. The term ethical here covers a range of issues such as animal welfare, fair trade, as well as social aspects, including labour standards (Strong, 1996).

The past literature has categorised the ethical consumer as one that is traditionally young, well-educated and has sufficient funds to afford ethically sourced products, which are often sold at a premium (Strong, 1996). However, researchers today have come to the conclusion that the ethical consumer can be found in most demographics and that they are defined by their attitudes rather than their socio-demographic criteria (Cowe & William, 2001; Mainieri et al. 1997).

Ethical consumption is largely dependent on the internet and the media, as the public depends on these factors for knowledge, opinions, and concerns (Peattie, 2010). With the widespread reporting on business crises, Boulstridge and Carrigan (2000) cite a Public Relations Journal’s

report which states that news coverage on crises has increased with 45%. This has led to consumers being increasingly aware of the misconduct of the companies around them. Additionally, consumers have twenty-four-seven access to company reports and coverage via the internet, which makes this decade a challenging one for MNEs and marketers (Boulstridge & Carrigan, 2000). Nevertheless, with the rise of a new consumer segment, there is an opportunity for firms to begin producing for the ethical consumer. The motivation for the increased catering to the ethical consumer is often cited to be the increasing spending power of millennials that want to buy brands that embrace purpose and sustainability (White, Hardisty & Habib, 2019).

2.5.2 Consumer-Company Identification

A major selling point for ethical brands is the ability to build a distinct brand identity that allows consumers to self-identify with the brand due to an overlap in norms, values and ethical considerations (Bhattacharya & Sen, 2003). This phenomenon is called the consumer-company identification and goes hand in hand with social identity theory, which argues that people will look to organisations for social identification purposes even when they are not part of these organisations as formal members (Bhattacharya & Sen, 2003). This self-identification with a brand allows for deep relationships between a company and its customers, based on how similar the consumer perceives the company's identity to be to their own (Hildebrand, Fernandes, Veloso & Slongo 2010).

Bhattacharya and Sen (2003) argue that components of a company's identity are its mission, structure, processes, company values and culture. They argue that an overall company identity is what the consumer makes of it through knowledge structures, perception, beliefs, and corporate associations. Ethical brands have found a way to sustain their success by widely promoting the aspects mentioned above in a way that their company's identity is understood in the consumer's mind in a coherent, clear, and persuasive manner. This, in turn, allows them to achieve a high consumer-company identification with their customers, promoting the customers into loyal brand champions and advocates (Bhattacharya & Sen, 2003).

2.5.3 The Attitude Behaviour Gap

Studies conducted in the early 1990s argued that there is a link between the social responsibility of a firm and the purchase behaviour of its customers. They also put forward that this link is presumably only going to evolve further in the coming decades (Carrigan & Attalla, 2001). However, this assumption has been questioned by researchers over the past decades. An example of this is a study from 1993 by Roper Starch Worldwide and Cone/Coughlin Communications. Its results show that 85% of respondents had a more positive image of a firm when they supported a cause that they cared about. Additionally, 64% answered that corporate social responsibility should be a standard activity of a firm. However, only 20% of respondents bought a product in the past 12 months that was associated with an ethical cause (Simon, 1995). This phenomenon is called the attitude-behaviour gap and shows that strong pro-environmental attitudes and intentions of consumers do not always translate into actual consumption.

Carrigan and Attalla further explore this notion in their 2001 research on the effects of unethical and ethical marketing activity on the purchasing behaviour of consumers (Carrigan & Attalla, 2001). Through focus-group discussions, the authors' objective was to uncover whether consumers would reward firms for their ethical behaviour through increased purchases and whether unethical firms would be punished through anti-consumption and boycotts. The findings of the study establish that although the consumer might have become more sophisticated in their awareness about the ethical behaviour of firms, this sophistication does not translate into their actual buying behaviour (Carrigan & Attalla, 2001). Instead, price, value, quality, and brand familiarity were established as the most critical characteristics that consumers base their purchasing decisions on, rather than CSR initiatives (Carrigan & Attalla, 2001). More recent studies present the same discrepancy in intention and actual consumer behaviour (Hassan, Shiu & Shaw 2016; White, Hardisty & Habib, 2019) and in a revisit of the 2001 article, one of the authors themselves surmises that the ethical consumer in 2017 is not much different from what they studied in 2001 (Carrigan, 2017).

A possible explanation for this attitude-behaviour gap in market research and actual buying behaviour could be what Coddington dubs as the "halo effect" (Coddington, 1993). The halo effect entails that respondents answer market research surveys according to social norms and personal ethical aspirations rather than according to their actual behaviour (Tallontire,

Rentsendorj, Blowfield, 2001). Davis, Lee and Ahonkhai (2012) echo this sentiment and trace this gap back to a research error. They put forward that the first research error is that respondents will most likely feel pressured to answer in a way that is deemed socially acceptable. The second research error lies in a selection bias where ethically concerned respondents are more likely to answer surveys on these topics. In addition to this, researchers are also more likely to search out specific contexts where they can find their target respondents with ease (Davis, Lee & Ahonkhai, 2012).

2.5.4 Consumers Types

Because the attitude-behaviour gap, as mentioned above, is a generally accepted social phenomenon, categorising consumers according to their self-reported attitudes to ethical purchasing is most often not an accurate representation of the actual consumer types within society. Carrigan and Attalla (2001) devised a framework to help segment consumers based on their ethical awareness and ethical purchase intention. They based the framework on a qualitative focus-group study, where in-depth interviews were conducted in order to gain an understanding of what attitudes consumers have towards CSR and how this affects their purchasing behaviour (Carrigan & Attalla, 2001). One should note that this study was conducted exclusively with university-educated individuals, aged 18-25, and as such, the widespread applicability of this framework is debatable (Carrigan & Attalla, 2001).

		Ethical Awareness	
		High	Low
Ethical Purchase Intention	High	Caring and Ethical	Confused and Uncertain
	Low	Cynical and Disinterested	Oblivious

Figure 3. *Consumer Attitudes to Ethical Purchasing (taken from Carrigan & Attalla, 2001, p.572)*

As presented in Figure 3 above, the authors divide consumers into four different segments based on ethical purchase intention and awareness. The first consumer type is “The Caring

and Ethical Consumer”. These consumers are concerned with the ethical matters of firms and markets and are active in seeking out information about both. They also make conscious decisions over which companies to sustain and choose which companies to boycott according to their ethical standards (Carrigan & Attalla, 2001). The second category is “The Confused and Uncertain Consumer”. These consumers have the intention to shop ethically but are overwhelmed by the amount of information and therefore feel too uncertain about making ethical buying decisions (Carrigan & Attalla, 2001).

The third category is “The Cynical and Disinterested Consumer”. These consumers have enough information and ethical awareness to make ethical purchase decisions, but simply mistrust companies and lack conviction that they would act on moral ground. Consumers in this category buy ethical products when it does not inconvenience them or when it does not detract from their values or brand choices (Carrigan & Attalla, 2001). The fourth and last category is “The Oblivious Consumer”. These consumers might or might not shop ethically, but their general ethical awareness indicates that the social responsibility of a firm or a product has not yet entered their buying equation (Carrigan & Attalla, 2001).

2.6 Mergers and Acquisitions

2.6.1 The Definition of and Motivation behind Mergers and Acquisitions

An acquisition generally describes the process of one company (the acquirer) buying most or all of the ownership of another company (the acquiree), to gain total control over it.

Acquisitions can either be hostile or friendly, depending on if the board of the target company supports the acquisition. A merger, on the other hand, is when two companies consolidate to form a new company, by exchanging their existing shares for shares in the new company (Grant, 2016; Vazirani, 2015). “M&A” is usually used as an overarching term and can refer to uniquely acquisitions or mergers (Grant, 2016).

The literature studying the motivations behind M&As is not conclusive, and scholars have brought forward several different theories to why M&As take place. Vazirani (2015) identifies seven main motives that scholars argue are the primary reasons behind M&As. These seven motives are synergy gains, diversification gains, expanding market share,

avoiding agency problems, disposing of insufficient management, gaining tax benefits or to purchase assets below their replacement cost. Rohra and Chawla (2015) further analyse the motivations behind M&As and compare theoretical and empirical studies that have been conducted in the field. The authors bring up twelve different independent studies from the United States, UK, and India, with data acquired between 1963 and 2009. Eight out of the twelve studies claim that synergy gains are the most significant motivation behind M&As, based on both empirical and theoretical research. Nevertheless, one may argue that the motivations for conducting M&As are different for every industry and company, so expecting to find a “one size fits all” motivation behind every M&A may not be realistic.

2.6.2 Why Mergers and Acquisitions Fail

Despite the popularity behind M&As, empirical research has proven that most end up in failure (Brouthers, van Hastenburg & van den Ven, 1998; Kato & Schoenberg, 2013). This paradoxical truth has been researched on extensively, and many authors argue that M&As fail for different reasons. Brouthers, van Hastenburg and van den Ven (1998) argue that mergers fail because managers are either motivated by their hubris, are overly optimistic in their calculations or that previous empirical research on M&A has been conducted inaccurately. Sarabia, Crecente and Castaño (2019) further identify that cultural conflict or entrepreneurial behaviour might also be to blame for failed M&As, especially between MNEs. However, new research is arguing that failing to consider stakeholders when conducting M&As, might be the reason most of them fail (Kato & Schoenberg, 2013; McLelland, Goldsmith & McMahon, 2014; Öberg, 2008).

Brand perception and consumer reactions after an M&A may vary depending on what industry they take place in. However, there is a distinct research gap in the literature when it comes to analysing brand perception after an M&A. Even though it has been acknowledged that one of the reasons M&As fail may be due to limited customer knowledge, few endeavours have been made in this field of research, and customers are still rarely taken into consideration when M&As are conducted (Kato & Schoenberg, 2013; Öberg, 2008).

In their 2014 paper, McLelland, Goldsmith and McMahon further strengthen the point that during an M&A, managers are mostly focused on solving the legal and financial aspects, rather than managing stakeholder reaction. This lack of focus may not only mean that

customers experience uncertainties regarding the company and its brand after the M&A, but also that they switch to a competitor. Öberg (2008) continues to put forward that many companies assume that their customers are an aspect they can control and transfer between their companies and products as they please. However, the author counteracts that argument by stating that this is rarely the case and strengthens the point that just because an M&A gives access to another company's brand name, it does not guarantee their previous customers.

2.6.3 The Effect of Mergers and Acquisitions on Brand Perception

Two research papers that test consumer perception post-M&A are Thorbjornsen and Dahlen's (2011) study on consumer reaction to acquirer-dominant M&As, and Lee, Lee and Wu's (2011) study on how brand image strategy affects brand equity after an M&A. Thorbjornsen and Dahlen's (2011) paper, analyses how acquirer-dominant M&As affect the consumer reaction of the acquiree's brand. The authors' study is based on horizontal mergers (mergers that occur in the same industry) where the acquiring firm is perceived to be more powerful and influential than the target firm. Their study shows that the target brand's consumers react negatively to the M&A, due to them believing that their freedom of choice as consumers has become restricted.

Thorbjornsen and Dahlen's (2011) research consists of testing consumers perception of the two brands pre- and post-merger, their psychological reactance to the merger, and if the perception of the consumers would change if the acquirer brand had a better brand reputation than target brand. All of the authors' studies confirm their primary hypothesis that customers of the target brand will develop negative attitudes toward the acquirer brand when informed about an acquirer-dominant M&A. The authors argue that even if the acquirer brand has a better reputation than the target company, the consumers of the target brand will still respond negatively.

Through their research, Thorbjornsen and Dahlen (2011) found that not only psychological reactance but also status quo bias are at play in the minds of the target brand's consumer, when facing an M&A. Both of these reactions are prompted due to individuals often rejecting change and their tendency to preferring that things remain the same. As the authors argue: "a merger or an acquisition implies discontinuation of the status quo for the target brand's

customers and, consequently, a potential threat to their perceived freedom of choice.” (Thorbjornsen & Dahlen, 2011, p. 5).

These findings confirm Maira, Fuchs and Puntoni’s (2016) research on the effect of M&As on consumers. The authors here argue that according to signalling theory, consumers of the targeted brand should react positively since if the target company is bought up, it must mean that it is good and has a high brand value. However, their findings show that consumers most often react negatively to a brand being acquired because the acquisition dilutes the identity of the acquired brand in the consumer’s eyes (Maira, Fuchs & Puntoni, 2016).

In addition to previously mentioned research, Lee, Lee and Wu (2011) argue that a new trend behind today’s M&As is for brands with an inferior image to acquire smaller brands with a superior image. The authors claim that inferior brands do this, not only to increase their market share but also to reap the benefits of the superior company’s brand image. The acquirer hopes that acquiring a brand with a positive brand image will reflect positively on their brand equity (Lee, Lee & Wu, 2011). This argumentation is based on balance theory, which argues that “an individual wants to maintain consistency among the triad of linked attitudes” (Russell & Stern, 2006, cited in Lee, Lee & Wu, 2011, p. 1094), meaning they want to hold on to their beliefs and values over time. Therefore, the inferior acquirer hopes that, as balance theory implies, the consumers of the superior target brand will not change their minds about the brand after the acquisition. Instead, it will reflect positively back on the acquirer’s brand equity, as a result of positive brand associations (Lee, Lee & Wu, 2011).

Lee, Lee and Wu’s (2011) study, like Thorbjornsen and Dahlen’s (2011) study, measures consumer brand perception of two companies’ pre-merger and post-merger. Their research results show that after the M&A, the acquirer’s inferior brand reaps the benefits of the high brand equity of the acquired company, and consequently, improves its brand image. Their study also shows that the higher the brand equity of the target brand, the higher the increase in brand equity for the acquirer. However, the authors also demonstrate that this is not a win-win situation for both companies. Their research also shows that after the M&A, the superior target brand’s brand equity will suffer significantly due to perceived uncertainty and decreasing faith from its customers (Lee, Lee & Wu, 2011).

Lee, Lee and Wu's (2011) research results slightly differ from those of Thorbjornsen and Dahlen (2011). Thorbjornsen and Dahlen (2011) argue that customers of the target brand will develop a negative attitude towards the acquirer's brand after an M&A. In contrast, Lee, Lee and Wu (2011) argue that such an acquisition would reflect positively on the acquirer, but negatively on the acquiree. A reason for this difference may be that the authors studied M&As in different industries. Whereas Thorbjornsen and Dahlen's (2011) research was on a merger of two European Insurance companies, Lee, Lee and Wu's (2011) research focused on two hypothetical acquisitions made by a computer manufacturer. Additionally, Thorbjornsen and Dahlen's (2011) sample consisted mostly of the customers of the target company, while Lee, Lee and Wu (2011) sample consisted of computer end-users, whose choice of preference was unknown from the beginning.

As previously mentioned, there is a significant research gap in the change of consumer perception after an M&A. The main takeaway from previous research is that consumer perception of M&As may differ widely, depending on what industry they take place in. Therefore, like when it comes to the motivations behind M&As, there is a lack of a one-size-fits-all answer to how consumers react to an M&A. However, the lack of uniform answers should not de-motivate managers to thoroughly analyse consumer perception in their particular industry. Indeed, the importance of forecasting consumer reaction pre- and post-M&A, is of essential importance in order to manage an M&A successfully.

To summarise the findings of the studies mentioned above, a graphical illustration (Figure 4) was developed.

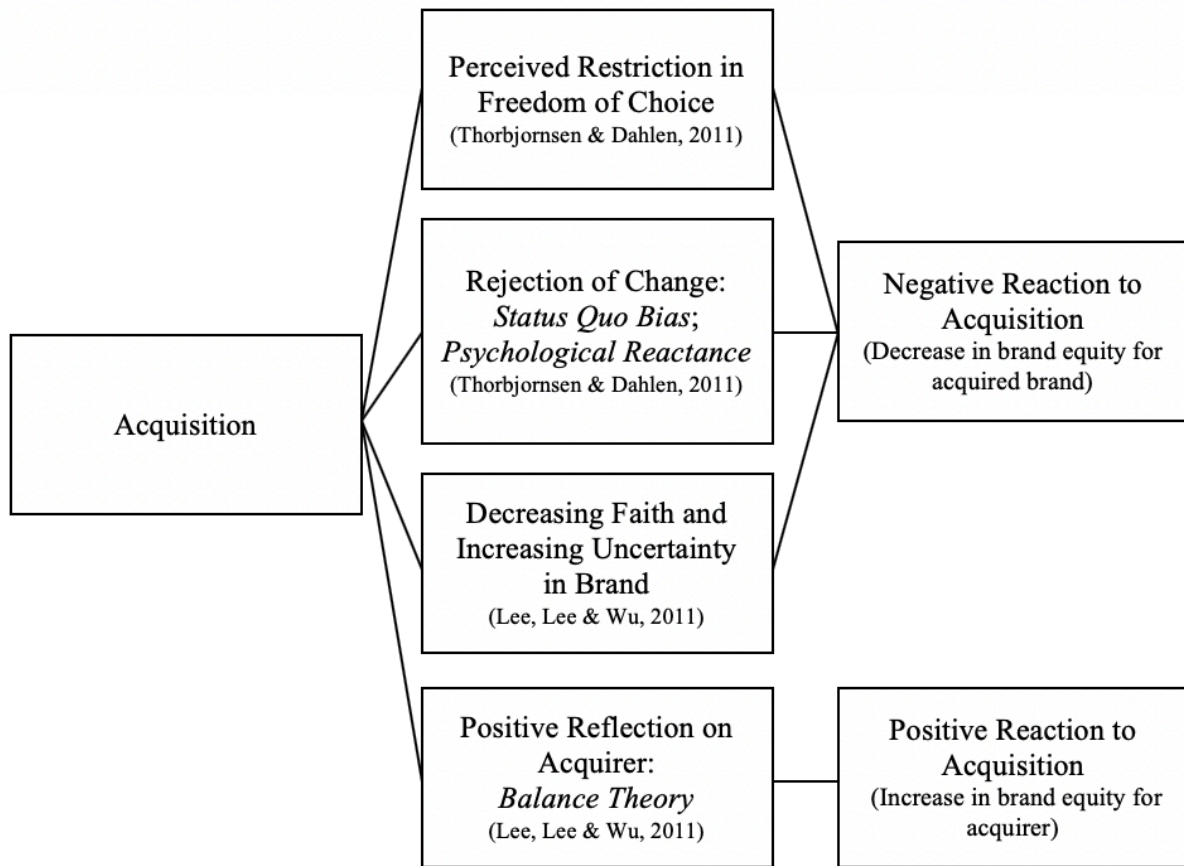


Figure 4. Consumer Reaction to M&As as described by Thorbjornsen and Dahlen (2011) and Lee, Lee and Wu (2011)

2.7 Hypotheses and Conceptual Framework

The aim of this thesis is to explore the overall change in consumer brand perception of an ethical brand after being acquired by a large MNE. A substantial amount of research argues that if the consumer perceives discrepancies between the two brand images before the acquisition, brand perception changes negatively post-acquisition. Therefore, the first hypothesis is formulated subsequently:

H1: The acquisition of Innocent through Coca-Cola reflects negatively on Innocent’s brand image.

To deepen the analysis of H1, three supporting hypotheses are constructed to reach satisfactory testing of H1:

H1a: Consumers perceive a misalignment between the brand image of Coca-Cola and Innocent.

H1b: Consumers perceive a loss of trust in the brand Innocent after they learn about the acquisition.

H1c: The acquisition of Innocent through Coca-Cola results in a diminished emotional connection between the consumer and Innocent.

With consideration of previous research, a conceptual framework was developed that allows this study to answer the research question formulated in the previous chapter. The framework also helps pursue the main aim of this paper: to explore how consumer brand perception of an ethical brand changes after an acquisition. We believe that it is essential to devise a conceptual framework as it allows one to graphically explain the aspects a paper aims to study (Miles & Huberman, 1994).

However, it needs to be pointed out that this conceptual framework is preliminary in nature and should not be accepted as established. This preliminary conceptual framework was devised as a way to guide the empirical data collection. By testing the conceptual framework, we hope to gain new insight into the matter by assessing these relationships with the collected empirical data. However, this conceptual framework should be seen as a steppingstone for further research rather than a validated framework.

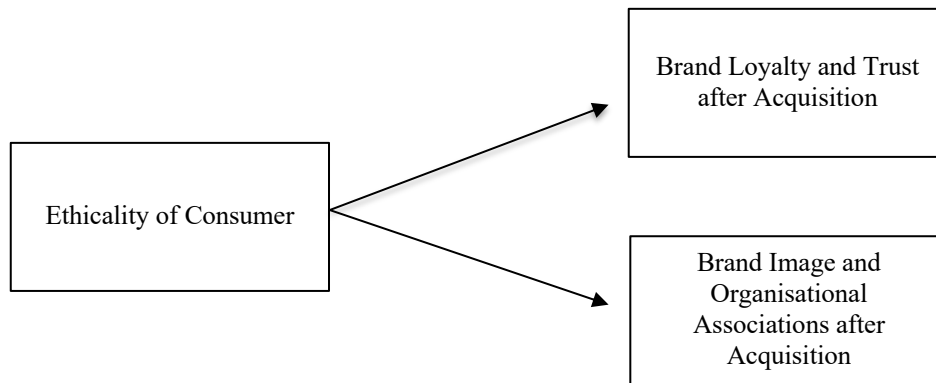


Figure 5. Conceptual Framework

The conceptual framework detailed above (Figure 5) consists of the general self-assessed ethicality of the consumer and two components of brand equity. We hypothesise that the self-reported ethicality of the consumer positively correlates with brand loyalty and trust after the acquisition, as well as brand image and organisational associations after the acquisition. This hypothesis stems from the assumption that a consumer that is more inclined toward ethical consumption would perceive this acquisition as negative. We continue to hypothesise that this negative perception of the change in ownership results in a decrease in brand loyalty and a worsened brand image perception.

In order to test whether these assumptions hold true and to see if there is a correlation between the variables, we pose the following hypotheses:

H2: There is a correlation between the variables *ethicality of consumer* and *brand loyalty and trust after acquisition*.

H3: There is a correlation between the variables *ethicality of consumer* and *brand image and organisational associations after acquisition*.

This research builds primarily on Aaker’s model on brand equity (1991; 1996) as well as Keller’s brand equity model (1993; 2003). Both are consumer-based brand equity models and illuminate brands from a consumer-perspective which is why we believe that they can function as a basis for two of the variables. Although Aaker (1991, 1996) does not explicitly mention brand trust as a component of brand equity, Lau and Lee argue in their 1991 article,

that brand trust is an underlying concept of brand loyalty and as such can factor into this component. The general ethicality of the consumer and the possible effects this could have on brand perception is mainly grounded in Attalla and Carrigan's (2003) framework on consumer types as well as Boulstridge and Carrigan's (2000), Strong's (1996) and Cowe and William's (2001) definitions and descriptions of the ethical consumer.

Table 1. Variables and their Operationalisation in Research Project

Variable	Theory and Construct	Operationalisation in our Research
Ethicality of Consumer	Boulstridge & Carrigan (2000) Carrigan & Attalla (2001); Cowe & Williams (2001); Strong (1996)	Expected responsibility of firm
		Expected accountability of firm
		Effects of CSR practices on purchasing behaviour
		Interest in ethical conduct of firms
		Perceived importance of CSR
Brand Loyalty and Trust after Acquisition	Aaker (1991); Aaker (1996); Bhattacharya & Sen (2003); Keller (1993); Keller (2003); Lau & Lee (1999)	Propensity to take consumer action
		Trust in brand after acquisition
		Consumer-company identification after acquisition
Brand Image and Organisational Associations after Acquisition	Aaker (1991); Aaker (1996); Keller (1993); Keller (2003); Lee, Lee & Wu (2011); Thorbjornsen & Dahlen (2011)	Trust in CSR practices of firm after acquisition
		Perceived compatibility of brand images
		Perceived negative effect of new ownership on ethical brand
		Perceived restricted consumer freedom after acquisition

Under the variable *ethicality of consumer*, the expectations towards CSR initiatives of companies and the effect of CSR initiatives on the consumer's buying decisions are summarised. This variable also includes the willingness to be informed about the conduct of companies and the propensity for active consumer actions, such as participating in petitions or protest. The variable *brand loyalty and trust after acquisition* encompasses perceived

emotional connection, perceived ethicality of a company as well as the overall fit between strategies and brand images. The third variable, *brand image and organisational associations after acquisition* encapsulate the perceived freedom of choice by the consumer, trust in CSR initiatives and trust in the overall brand image.

During the next chapters of this thesis, these hypotheses will be tested with the data obtained through the questionnaire. We hope to add new knowledge on how acquisitions can change consumer brand perceptions through accepting or rejecting these hypotheses based on the empirical findings.

3 Methodology

The following section describes the research methods used in order to test the hypotheses and conceptual framework previously developed. This chapter begins with explaining the research approach and then continues to detail the research design and data collection method. It will then describe the data analysis as well as the validity and reliability of the analysis. We will conclude this chapter by examining the limitations of this study as well as ethical considerations taken into account.

3.1 Research Approach

3.1.1 Research Philosophy

A quantitative research approach stems from the ontological point of view that an objective reality exists (Slevitch, 2011). As quantitative research also has its root in positivism, a philosophy which confirms the ontological position that natural phenomena exist in a real-world, independent from human perception, and can therefore be studied and extracted as knowledge (Slevitch, 2011), this study takes a positivist epistemological approach. This research seeks to explain the possible change in consumer perception of an ethical brand after an acquisition through observation, which aligns with a positivist way of thinking (Easterby-Smith, Jackson & Thorpe, 2015).

In line with a positivist approach and quantitative research methods, this research has a realist approach from an ontological point of view in that we are aware of the existence of reality as a single truth. However, this research also identifies with internal realism, as we are aware that the methods used for the data collection can alter the view of reality (Easterby-Smith, Jackson & Thorpe, 2015).

3.1.2 Research Method

There are two different research approaches one can take when conducting research: a deductive approach, or an inductive approach. The former constitutes as a research approach driven by existing theory that is tested with the data set at hand, and the latter consists of a research approach where new theory is the outcome of the research process (Saunders, Lewis & Thornhill, 2012). In line with the quantitative research design of this thesis, a deductive approach is used, as we believe that a deductive approach guided by theory it is what best equips us to answer the research questions.

This research aims to examine and understand how consumer perception of an ethical brand changes as a result of an acquisition and how possible variables correlate with this change. Therefore, we argue that a deductive approach fits this research aim. As the conceptual framework guiding the data collection was devised based on previously formulated theory and constructs, deductive reasoning aligns with the process of this thesis.

3.2 Research Design

To study the effects of an acquisition on consumer perception of an ethical brand, we chose a cross-sectional survey research design (Burns & Burns, 2008). As such, the data was collected at a single point in time in order to detect patterns of association between our specified variables (Bryman & Bell, 2011). A significant advantage of the chosen research method is that it allowed us to obtain a large number of responses in a short amount of time (Taddicken, 2008). Due to time limitations as well as current the circumstances of a global pandemic, a cross-sectional questionnaire research design was deemed most appropriate.

This research employs a descriptive research approach as it aims to accurately and systematically describe a phenomenon (Bryman & Bell, 2011). A descriptive approach fits well as this research aims to explain and describe how respondents perceived the ethical brand before knowing about the change in ownership and after. As such, a descriptive approach aligns well with a quantitative research method using a cross-sectional survey (Saunders, Lewis & Thornhill, 2012).

3.3 Data Collection Method

In order to gather the required data, an online questionnaire was designed in which respondents mostly had to assess statements on a five-point Likert scale, apart from a few questions regarding demographics and the final change in consumer perception and buying behaviour. For those questions, nominal measurements were deemed to be more appropriate to represent the answer of the respondents. An open-ended question was included at the end of the questionnaire to allow for more insight into how respondents felt about the acquisition.

The online questionnaire was conducted via the platform Google Forms which gave the benefit of accessibility through multiple mediums (phone, computer, tablet) as well as the advantage of directly extracting the data into the chosen data analysis program, SPSS. This in turn decreased the chance of input error (Easterby-Smith, Jackson & Thorpe, 2015).

3.3.1 Sampling Method

The questionnaire was promoted through personal profiles on the social media websites Facebook, Instagram, and LinkedIn, as well as on other websites such as SurveyCircle. Furthermore, the questionnaire was also promoted through word-of-mouth and spread via e-mail among acquaintances of the researchers. As this thesis is aiming to contribute to the current research gap in the consumer research field, a non-probability convenience sampling method was deemed as satisfactory (Bryman & Bell, 2011).

A large enough sample size is essential to ensure the validity of the data. As this research summarises questionnaire items into different variables based on the common underlying construct that they explain similarly to factor analysis, we felt that a similar minimum sample size was needed. In general, a sample size of 150 or more is deemed acceptable for conducting factor analysis (Tabachnick & Fidell, 2007). As such, it was paramount to obtain the required sample size for a satisfactory analysis of the hypotheses and conceptual framework. Non-probability convenience sampling allowed for a readily available sample that helped fulfil the criteria mentioned above. However, as the questionnaire was spread through the personal social media accounts of the researchers, a sampling bias came about, which heavily skewed the representation of age groups towards the lower half of the scale.

Due to the use of non-probability convenience sampling, this study does not fully satisfy the conditions for external validity (Burns & Burns, 2008). This limitation in its validity implies that the results of this research are most likely not transferable to an entire population. While the results of this research might not be able to be generalised due to a lack of randomisation to counteract bias, we still believe that it contributes to the study of consumer perception. Since research into the consumer perception of M&As is still sparse, the results obtained through this research can be used to refine the research processes in this area for future research.

3.3.2 Questionnaire Design

The questionnaire was designed to evaluate the consumer response towards the acquisition of Innocent through Coca-Cola, as well to measure the subsequent change of consumer perception. The change in consumer perception was measured by first having the respondents fill out a section on both Innocent and Coca-Cola and then in a next step, inform the respondent about the ownership Coca-Cola has over Innocent. The difference in how the respondents assessed Innocent before and after learning about the acquisitions is the central point of this research.

The first section of the questionnaire presented a small introduction of the survey and asked for consent for participation as well as two general demographic questions (age and gender). This was done to ease the respondent into the questionnaire and gather valuable data that allowed us to look at differences in gender and age groups. The following section of the survey aimed to decipher the general consumer attitude towards ethical brands and the CSR practices of firms. The intention here was to create a general profile of the respondents and create a basis for further analysis. All questions in this section used a five-point Likert scale where “strongly agree” signalled the upper end and “strongly disagree” signalled the lower end of the scale. Researchers recommend a five-point Likert-type scale in order to increase the response rate and response quality (Babakus & Mangold, 1992). Questionnaire items in this section were based on the descriptions of the ethical consumer by Boulstridge and Carrigan (2000), Carrigan & Attalla (2001), Cowe and Williams (2001) as well as Strong (1996).

In the second and third section of the questionnaire, the same questionnaire items were asked for Innocent and Coca-Cola, respectively. These sections were designed to create a comparison between the two companies along the dimensions of brand awareness, perceived quality, brand image and organisational associations. Except for the first question, which is concerned with brand awareness, all other questions were posed as five-point Likert scale type statements, similarly to the structure mentioned above. In order to help with brand associations, a short description of the companies was given as well as a picture of either products or the logo. Questionnaire items in this section were based on the customer-based brand equity models by Aaker (1991; 1996) and Keller (1993; 2003) as well as complementing research by Lau and Lee (1999).

The final section of the questionnaire concerns itself with the reaction to the acquisition with seven five-point Likert scale type questions. The questions measure the attitude towards the acquisition, whereas two of them are multiple-choice questions that measure the change in consumer perception and in buying intention. Here, the respondent is made aware of the acquisition through a short text that and how Innocent regards itself under its new ownership. This was done to elicit a new response from the respondent that would allow us to directly compare the answers they gave in this section on Innocent, to the ones they gave just minutes ago on the same brand. The questionnaire items in this section were based mainly on Aaker's (1991; 1996) and Keller's (1993; 2003) model on brand equity again, as well as research by Bhattacharya and Sen (2003), Lau and Lee (1999), Lee, Lee and Wu (2011) and Thorbjornsen & Dahlen (2011).

The questionnaire included an open-ended question at the end, where the respondent could voice their feelings towards the acquisition without any restrictions. This was done in order to receive more information on the feelings toward the acquisition that might not have been asked for in the questionnaire items previously. The questionnaire in its entirety can be found in Appendix A.

3.4 Data Analysis

The data was analysed with the help of SPSS with graphs later being edited in Excel. To first establish a basis for the relevant results, necessary descriptive measures were calculated. In

order to create a general profile of the respondents and to allow for comparison in brand perception between the brands, means and medians were calculated. Additionally, the change in consumer perception was analysed by comparing the answer frequencies of the respondents to questions that were both asked before being made aware of the acquisition and after. The results were analysed and visualised in figures and tables with the help of Excel.

After assessing the descriptive measures of the data, we reduced the items in the questionnaire to the variables devised in the conceptual framework based on the literature review and previous research. As confirmatory factor analysis is not a function that SPSS supports and this research was done with a limited time frame and budget, Cronbach's alpha values were calculated for each variable to verify the reliability of the scales and whether they explained the same underlying construct (Kottner & Streiner, 2010). After calculating Cronbach's alpha, a new variable was created that summarises each underlying construct through the calculation of means. Table 2 below summarises each of the underlying constructs and the questionnaire items that went into each respective variable.

Table 2. Variables and their Corresponding Questionnaire Items

Variables	Questionnaire Item
Ethicality of Consumer	I believe that companies have a moral responsibility towards society.
	The sustainability practices of a company affect my buying decisions.
	I am interested in the business behaviour of a company and like to read about it.
	I would be willing to sign a petition to move a company to adapt better sustainability practices.
	I would be willing to partake in a protest to influence the sustainability practices of a company.
Brand Loyalty and Brand Trust after Acquisition	I can trust the brand Innocent after an acquisition through Coca-Cola.
	I can feel emotionally connected to the brand Innocent after an acquisition through Coca-Cola.
	I trust Innocent in regard to their sustainability practices after an acquisition through Coca-Cola.

Brand Image and Organisational Associations after Acquisition	<p>I believe the brand images of Innocent and Coca-Cola are compatible.</p> <p>I believe Coca-Cola being the owner of Innocent does not negatively affect Innocent.</p> <p>I believe that Coca-Cola acquiring Innocent does not restrict my freedom of choice as a consumer.</p>
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In a third step, a bivariate analysis was done to examine the relationship between the three variables and the strength of this association (Bryman & Bell, 2011). As a linear relationship between the variables is a requirement for using the Pearson correlation coefficient, a linear relationship had to first be established (Bryman & Bell, 2011). To assess this relationship, a graphical analysis was performed by visualising all pairs of variables in a scatter plot.

The Pearson correlation coefficient can assume values between -1 (perfect negative correlation, and 1 (perfect positive correlation). The closer the correlation coefficient is to 0, the less likely it is that a linear relationship exists between the variables (Bryman & Bell, 2011). For the correlation coefficients to hold, they were compared to the significance level 0.05 and were deemed significant if the p-value was below this level (Bryman & Bell, 2011).

3.5 Validity and Reliability

To achieve satisfactory validity and reliability in this research, the procedures and specifications of this research were carefully considered and designed in the questionnaire. This goes in hand with Burns and Burns (2008) emphasis on the importance of having reliable and precise measures in research. For that reason, the questionnaire items in the questionnaire were mainly oriented on existing research in the respective fields of consumer research and literature on consumer reaction to M&As.

Reliability is primarily about replicability, which entails whether one would get the same results if the experiment were to be repeated. Replicability is usually highly present in cross-sectional studies (Bryman & Bell, 2011). To test the internal consistency of the questionnaire, Cronbach's alpha was calculated to assess whether items that were designed to index the same construct, are correlated with one another (Bryman & Bell, 2011). A sufficient Cronbach's alpha according to Burns and Burns (2008) would be anything above 0,7, but other

researchers also consider a Cronbach's alpha above 0,6 as sufficient (van Griethuijsen, van Eijck, Haste, den Brok, Skinner, Mansour, Gencer & BouJaoude, 2014; Kottner & Streiner, 2010). All Cronbach's alphas in this study were above the acceptable limits, but it should be pointed out that one Cronbach's alpha value was relatively low with 0,693. Nevertheless, as this value is still above the minimum threshold, we believe that there is internal validity and reliability in the process used in this research.

Achieving perfect reliability is near impossible with any data collection method. With the use of an online questionnaire, inattentiveness of the respondent, insufficient concentration and a misinterpretation of the questions can never be excluded. Though, one benefit of the data collection via an online questionnaire is the exclusion of an interviewer effect that could lessen the validity and reliability of the results (Atteslander, 1993).

Complementing reliability, validity concerns itself with how well the mode of measurements are suited for the research conducted (Burns & Burns, 2008). If a measure of a concept is unreliable, it cannot provide the basis for valid measures of the concept in question, and the results cannot support valid claims made as a result of the research (Bryman & Bell, 2011). As the statistical measure for significance and reliability all are above the acceptable thresholds in the empirical findings, we assume that the results of this research are valid. A more in-depth analysis of the empirical findings of this research will follow in the next chapter.

3.6 Limitations

Several limitations emerged through the writing of this research project. First, due to time and resource constraints, a non-probability sampling method was chosen, which affects the reliability of this research and the transferability of its results. In addition to this, due to the web-based questionnaire being spread through personal social media accounts, the data obtained is very skewed towards the age group 18-25 and the female gender. As such, the sample is not representative of an entire population, and the results should be tested further.

Another limitation of this research was the questionnaire design and use of five-point Likert scales. By using five-point Likert scales, the respondents were able to choose a neutral option.

Through being able to choose a neutral option, a central-tendency bias can emerge. A central-tendency bias entails that respondents avoid the endpoints of a scale and prefer responses closer to the midpoint, which might influence the results of this research (Douven, 2018). The tendency for respondents to choose a neutral answer option can be seen especially in the answers to the items factoring into the variable brand trust and brand loyalty after the acquisition. Since a large number of respondents opted for the neutral choice, this might explain the low correlation between ethicality and brand trust.

As will later be explained in the analysis of the data, all questions were positively phrased, meaning an agreement with a statement was signalled through the answer options “agree” and “strongly agree”. Because of the difference in themes that were asked of the respondents in the different sections of the questionnaire, this led to incongruence between the scales used and should be fixed in future research similar to this thesis.

An additional factor that should be included in similar research to this thesis, is a question on whether the respondent was aware of the acquisition before the start of the questionnaire. As we did not include this controlling variable, we had to assume that all respondents did not know about the acquisition previously. Since one can see a change in the brand perception of Innocent between the second and fourth section of the questionnaire and many respondents voiced their surprise in the open-ended question, this assumption most likely holds true, but we cannot guarantee this. Consequently, this is a flaw in the questionnaire design and might have led to a distortion of the research results.

3.7 Ethical Considerations

Bryman and Bell’s (2011) ethical principles were acknowledged and adhered to while conducting this research. Respondents were informed about the research intention and had the right to discontinue the questionnaire at any given moment. At no point in time were respondents asked for their personal data which made the questionnaire completely anonymous. As such, the principle of confidentiality is attended to as no personal data is stored of the individual respondent (Saunders, Lewis & Thornhill, 2012). The information mentioned above was supplied to the respondent in a text at the beginning of the questionnaire. It was also made clear that participation in the survey was voluntary.

4 Results and Data Analysis

The goal of this research was to examine whether a change in consumer perception of Innocent's brand had taken place after the consumer was made aware of the fact that Coca-Cola acquired the company. In total, the answers of 231 respondents were obtained with three results having to be removed due to incompleteness, resulting in a final data set consisting of 228 respondents.

In order to successfully test our hypotheses and to explore whether the conceptual framework has validity, this chapter will present the analysis of our data. It starts with a presentation of the general profile of the respondents and then continues with a descriptive analysis that will help confirm or reject H1. To further test the hypothesised relationships between the variables illustrated in the conceptual framework (see Figure 5), this chapter will then continue by presenting a bivariate analysis of the variables. This will allow us to confirm or reject H2 and H3.

All questionnaire results were analysed with the help of SPSS. All figures and tables were created in SPSS and Excel by the authors themselves unless specified further.

4.1 Descriptive Analysis

4.1.1 General Profile of Respondents

As depicted in Figure 6, 74% of the answers were obtained in the age group 18-25, 14% in the age group 26-35, 3% in the age group 36-45, 4% in the age group 46-55, and 5% in the age group 55+. Since the survey was an online questionnaire that was spread using the personal social media accounts of the researchers and spread via e-mail among friends and family, the distribution is highly skewed towards the age group 18-25. This should be remembered for the following analysis.

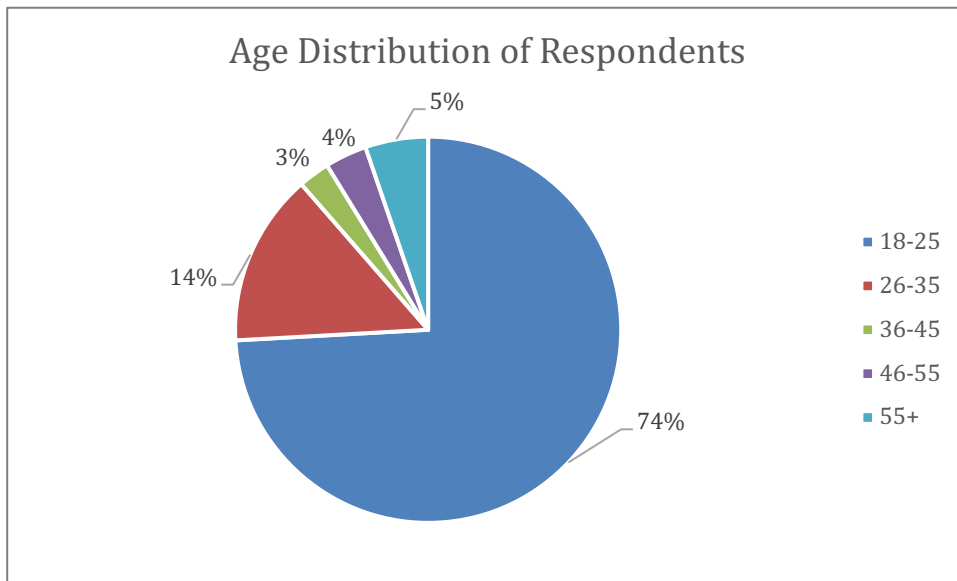


Figure 6. Age Distribution of Respondents

In addition to this, the distribution of gender was highly skewed towards the female gender, with 71% of the respondents being female. In comparison, only 29% of all respondents were male. The distribution of answers according to gender is illustrated below in Figure 7.

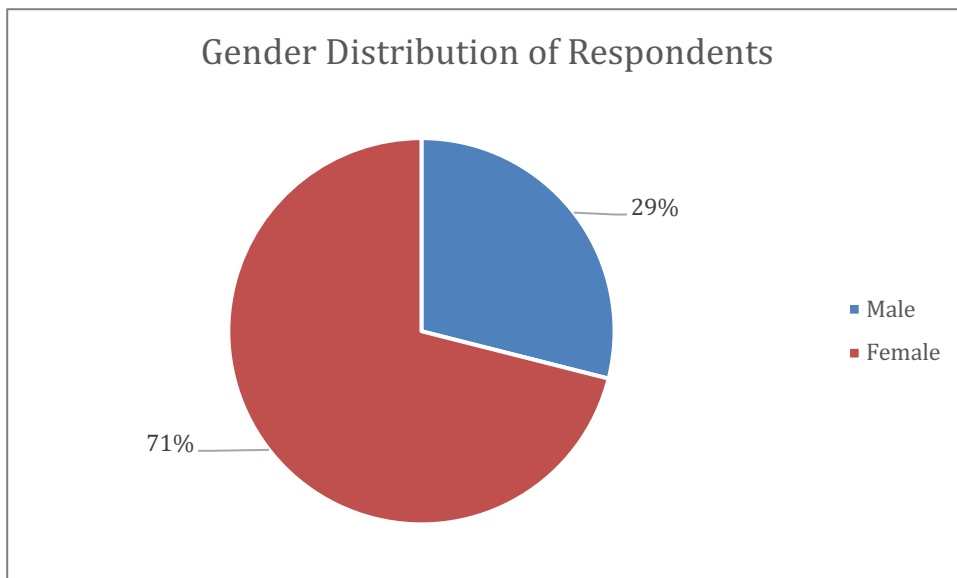


Figure 7. Gender Distribution of Respondents

4.1.2 Consumer Types

In general, most respondents showed great concern for the ethical behaviour of companies and seemed to be critical consumers that care about the social and moral responsibilities of firms. In total, six questions were presented to decipher the degree of ethicality that the respondents had regarding their buying behaviour. The table below summarises the frequency of answers given in per cent on a five-point Likert scale.

Table 3. Summary Results for Questions on Consumer Ethicality

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I believe companies have a moral responsibility towards society.	2%	7%	14%	37%	40%
I believe that global players can be held accountable to the same measures as smaller companies.	10%	21%	18%	26%	25%
The sustainability practices of a company affect my buying decisions.	7%	13%	22%	43%	15%
I am interested in the business behaviour of a company and like to read about it.	5%	12%	21%	41%	21%
I would be willing to sign a petition to move a company to adapt better sustainability practices.	5%	10%	17%	33%	35%
I would be willing to partake in a protest to influence the sustainability practices of a company.	17%	26%	23%	19%	15%

For a further graphical illustration of these values, see Figure 15 in Appendix B.

In all six questions, the options “agree” and “strongly agree” dominated frequency-wise (at least 50% of all answers or more) except for the question posed on the propensity to openly protest in order to change the sustainability practices of a company. Since signing a petition requires less action on the part of the consumer than partaking in a protest, the stark difference in distribution is reasonable. For comparison, the distribution of answers to the question on the propensity to take active consumer resistance, either through signing a petition or through actively protesting, is illustrated in Figure 16 in Appendix B.

Table 4 illustrates the results for the questions asked in regard to Carrigan and Attalla’s (2001) framework on consumer types. A more in-depth discussion of the categorisation of the respondents will follow in the next chapter.

Table 4. Summary Results for Questions on Consumer Attitudes

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I generally believe that socially responsible businesses use their CSR practices largely as a marketing tool.	2%	8%	23%	49%	18%
I believe that discussion around sustainability practices of companies is superfluous.	32%	21%	29%	14%	4%
I am often confused and overwhelmed by the amount of information given by companies and their brands.	11%	30%	24%	25%	10%

4.1.3 Brand Perception Innocent versus Coca-Cola

The second part of the questionnaire tested for brand awareness, organisational associations, and brand loyalty for both Innocent as well as Coca-Cola. This was done in order to examine the difference in consumer perception between these two brands. All questions were assessed on a five-point Likert scale, except for the first question in where the respondent had to state whether they knew or bought products from both brands. In order to help the respondents with brand recognition, a description of the company along with a picture of either the logo or products were given. For further references, see the questionnaire design in Appendix A.

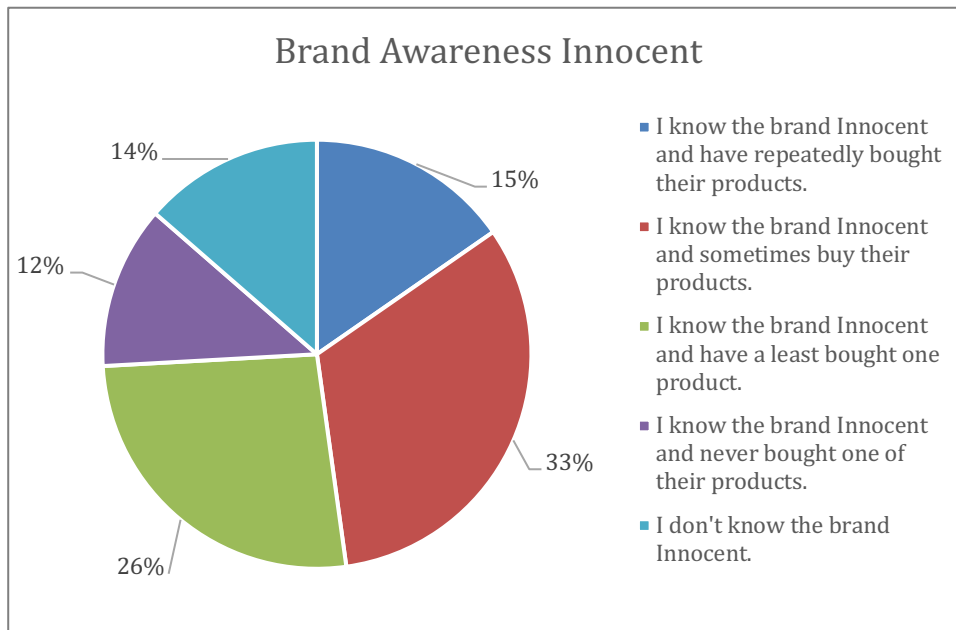


Figure 8. Brand Awareness Innocent

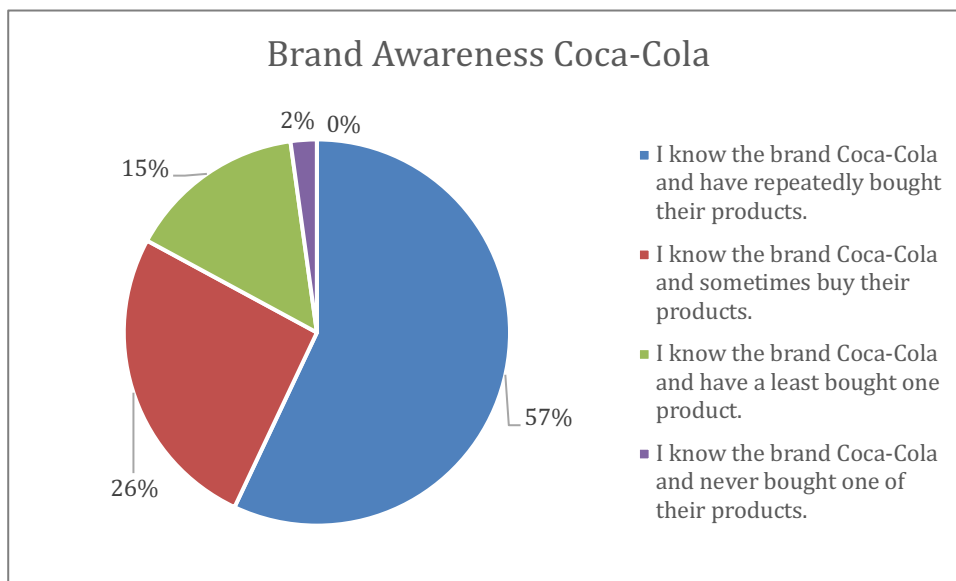


Figure 9. Brand Awareness Coca-Cola

In general, brand awareness among the respondents for both brands was high with 86% of respondents answering that they knew the brand Innocent (Figure 8) and all 228 respondents answering that they knew Coca-Cola (Figure 9). 48% of all respondents answered that they buy Innocent products relatively frequently, whereas 83% of all respondents answered that they buy Coca-Cola products relatively frequently. This result was expected with the extensive range of soft drinks that Coca-Cola carries as opposed to Innocent.

Table 5 further illustrates the differences in consumer perception of the two brands and summarises the results of section two and three of the questionnaire. For comparison purposes, the mean and median are used for each question. One should be aware that the data is ordinal in character and as such, has no real mean or median. To use these values for comparison purposes, we assume that for the respondents, the difference between all five points on the Likert scale is equal.

Table 5. Comparison Brand Image, Organisational Association and Brand Loyalty Innocent vs. Coca-Cola

	Innocent		Coca-Cola	
	Mean	Median	Mean	Median
Brand Perception	3,94	4,00	3,11	4,00
High Quality Perception	3,74	4,00	2,99	3,00
Social Responsibility Perception	3,10	3,00	2,28	2,00
Environmental Awareness Perception	3,09	3,00	2,04	2,00
Brand Trust	3,54	4,00	2,93	3,00
Emotional Connection	2,57	3,00	2,82	3,00

Overall, Innocent was regarded as the more ethical brand out of the two with a slightly higher overall brand perception and a notably higher consumer perception regarding quality, social responsibility as well as environmental awareness. Innocent not only trumped Coca-Cola in all organisational associations but also in brand trust with a median of 4,00 as opposed to Coca-Cola with a median of 3,00. Interestingly, Coca-Cola had a slightly higher mean for the item “Emotional Connection” which could possibly be due to its presence in the consumer’s mind through its multiple, widespread marketing campaigns in comparison to Innocent. For ease of comparison, Figure 10 and Figure 11 show the distribution of answers for the same six questions centred around the answer option “neutral”.

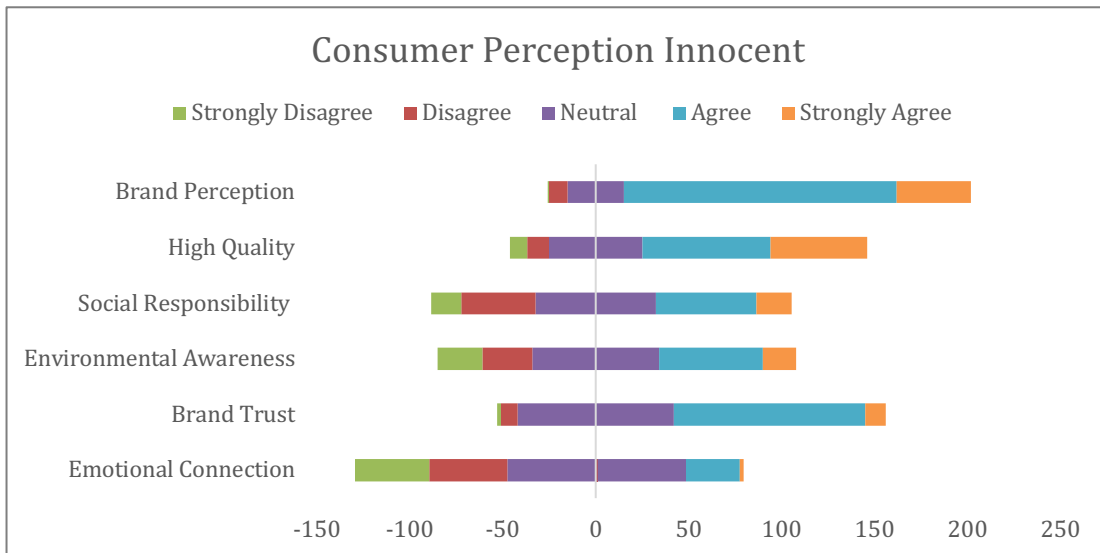


Figure 10. *Consumer Perception Innocent*

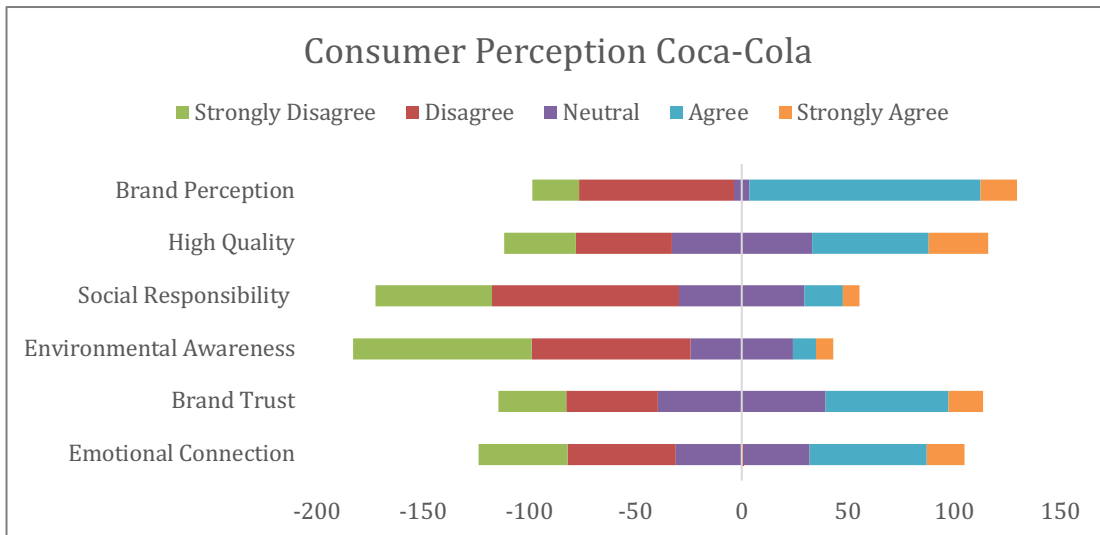


Figure 11. *Consumer Perception Coca-Cola*

4.1.4 Consumer Reaction to the Acquisition

In general, respondents felt that the acquisition did not have a positive effect on Innocent as the majority perceived the two brands to be incompatible. Other than expected, though, only 49% of all respondents answered that their brand perception of Innocent had changed in a negative way after the acquisition. 5% answered that their brand perception had changed positively, and 46% reported that the way they perceived Innocent had not changed. A visual breakdown of this can be found in Figure 20 in Appendix B.

The assumption at the beginning of this research was that an acquisition of Innocent through Coca-Cola would reflect negatively on Innocent's brand image, and as a result, there would be a drastic change in consumer perception. While the former was confirmed through this research, the latter is difficult to confirm. A little more than half of the respondents answered that their perception had changed, either for the better or worse, whereas the remaining respondents reported no change in perception.

Even more surprising, 69% of all respondents answered that they would not change their purchasing behaviour even with the newly acquired information. In comparison, only 23% answered that they would consume less Innocent products, 5% said that they would stop consuming Innocent products altogether and 3% of all respondents answered that they would buy more Innocent products. For a graphical breakdown of these figures, see Figure 21 in Appendix B. It is hard to say whether the acquisition affects Innocent's consumer brand perception as negatively as was assumed after examining previous research and theory. A more in-depth discussion of this will follow in the next chapter.

Although consumer brand perception and buying intention did not change as drastically as one had expected, the general sentiment of all respondents was that the brand images were not compatible with each other. In addition to this, trust in Innocent as a brand and its CSR practices decreased. Figure 12 summarises all questionnaire items that assessed the reaction to the acquisition with the distribution of answers centred around "neutral".

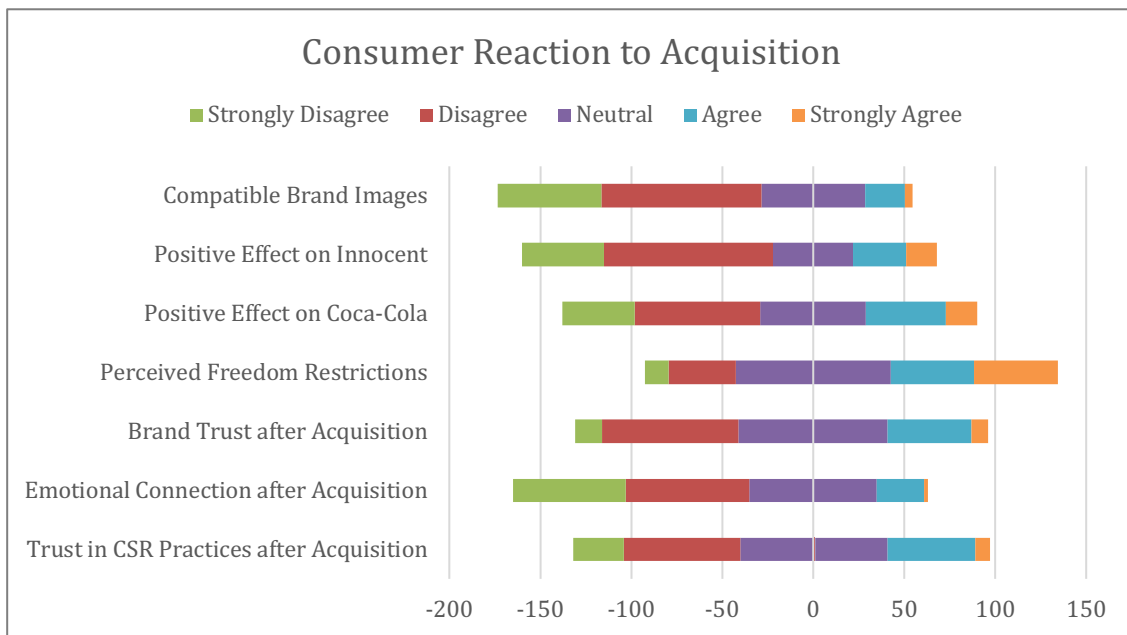


Figure 12. Summary Consumer Reaction to Acquisition

When asked to rate whether the acquisition would negatively affect Innocent, 61% of all respondents put forward that they believe that Coca-Cola being the owner of Innocent would negatively reflect on Innocent’s brand. This confirms Lee, Lee and Wu’s (2011) hypothesis that the superior brand being acquired by the inferior brand will suffer, meaning that Innocent’s brand equity decreases after the acquisition. As such, we can accept **H1**: *The acquisition of Innocent through Coca-Cola reflects negatively on Innocent’s brand image*. For a graphical illustration, see Figure 17, Appendix B.

To further test Lee, Lee and Wu’s (2011) theory on consumer perception after an M&A and their hypothesis that the acquisition of a company with high brand equity positively affects the acquirer, one questionnaire item tested for the brand perception of Coca-Cola after the acquisition. This research reflects a different outcome than Lee, Lee and Wu’s (2011) research, as a majority (48%) “disagreed” or “strongly disagreed” with this statement and 25% of respondents were “neutral” towards it. These findings contradict Lee, Lee and Wu’s (2011) conclusion that the inferior brand would reap brand equity benefits after the acquisition. For a graphical illustration, see Figure 18, Appendix B.

The answers to the open-ended question at the end of the questionnaire might confirm why Innocent’s brand image suffered from the acquisition. Many respondents argued that Coca-Cola’s and Innocent’s brand images were not aligned, that Coca-Cola’s acquisition would

interfere with Innocent's sustainability practices. Respondents also put forward that the acquisition made them feel like another monopoly was being created in the beverage market and that they felt their freedom as a consumer was restricted. When comparing these results to the answers given to the questionnaire item testing for this specific phenomenon, one can conclude that the number of respondents who felt this way were a minority, though.

When testing **H1a**, to examine whether respondents perceived Innocent and Coca-Cola's brand image to be compatible, this research shows that only 12% "agreed" or "strongly agreed" with the statement. On the other hand, 64% of respondents "disagreed" or "strongly disagreed" with this questionnaire item. As such, we can accept **H1a**: *Consumers perceive a misalignment between the brand image of Coca-Cola and Innocent.*

The questions mentioned above were asked in order to examine whether a change in organisational associations had taken place. The table below summarises the frequency of answers given in per cent on a five-point Likert scale.

Table 6. *Summary Results for Questions on Brand Image and Organisational Associations after Acquisition*

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I believe the company images of Innocent and Coca-Cola are compatible.	25%	38%	25%	10%	2%
I believe that Coca-Cola being the owner of Innocent does not negatively affect Innocent.	20%	41%	19%	13%	7%
I believe that Coca-Cola acquiring Innocent does not restrict my freedom of choice as a consumer.	6%	16%	38%	20%	20%

One assumption of this research was that the acquisition would negatively reflect on Innocent's brand image. Another assumption was that the acquisition would lead to a decrease in trust of the brand Innocent, its CSR practices and in the emotional connection consumers have with the brand. In general, a stark decrease in trust could be seen. Whereas 51% of the

respondents previously “agreed” or “strongly agreed” with the statement of Innocent being a brand they could trust, after being made aware of the acquisition, only 25% answered in the same way. In addition to this, the number of respondents that answered that they were able to emotionally connect with the brand Innocent decreased. As opposed to the 57% that answered with “strongly disagree” or “disagree” to this questionnaire item before, after being made aware of the acquisition, only 36% answered in the same manner. As such we can accept **H1b**: *Consumers perceive a loss of trust in the brand Innocent after the acquisition*, as well as **H1c**: *The acquisition of Innocent through Coca-Cola results in a diminished emotional connection between the customer and Innocent*.

For a clear comparison, the distribution of answers to both questions is illustrated below in Figure 13 and Figure 14.

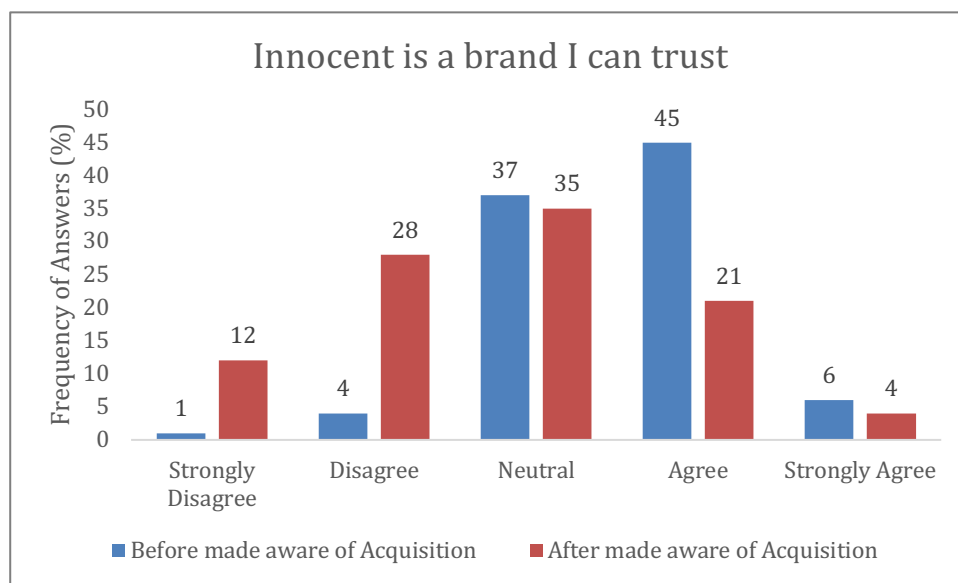


Figure 13. *Brand Trust Innocent Before vs. After Acquisition*

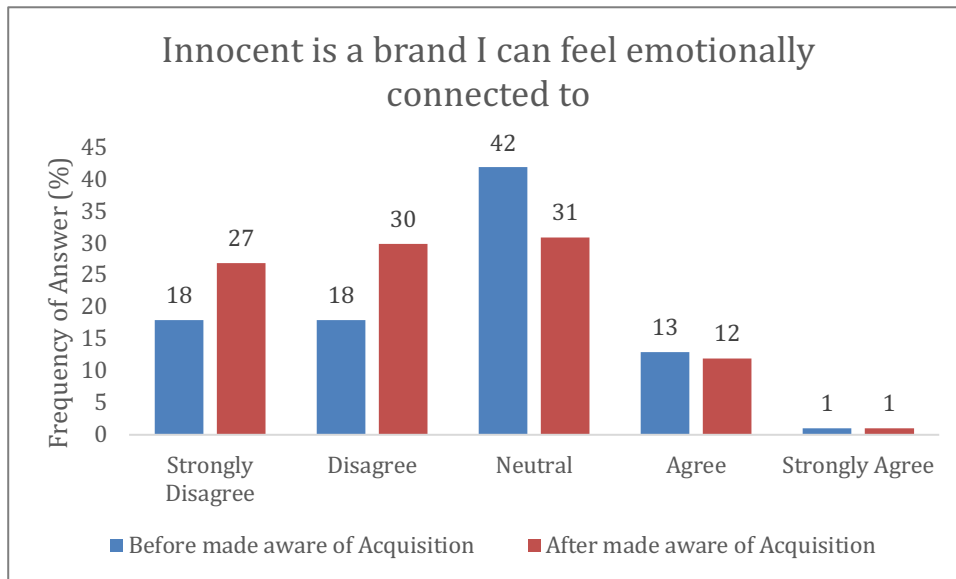


Figure 14. Emotional Connection Before vs. After Acquisition

Respondents were also asked to rate whether they still trusted Innocent regarding their sustainability practices, and a majority of answers disagreed with this statement (28% “disagreed” and 12% even “strongly disagreed”). As Innocent’s entire brand is built upon the fact that they are a company promoting sustainable products that are ethically sourced, this could pose a risk to their business model.

The table below summarises the answers given to questionnaire items in regard to change in brand trust. The answer frequencies are shown in per cent of total respondents on a five-point Likert scale.

Table 7. *Summary Results for Questions on Brand Loyalty and Trust after Acquisition*

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I can trust the brand Innocent after an acquisition through Coca-Cola.	12%	28%	35%	21%	4%
I can feel emotionally connected to the brand Innocent after an acquisition through Coca-Cola.	27%	30%	31%	12%	1%
I trust Innocent in regard to their sustainability practices after an acquisition through Coca-Cola.	12%	28%	35%	21%	4%

4.1.5 Answers to Open-Ended Question

At the end of the questionnaire, the respondents were also able to voice their thoughts through an open-ended question, to allow for more freedom in the answers given. In total, 122 respondents took this opportunity and wrote down how they felt about Coca-Cola being the owner of Innocent. In general, the statements were mostly in agreement with the assumption of this thesis, that consumers would react negatively to the acquisition. Out of all the 122 responses, 18 answers felt positive towards the acquisition, 45 felt neutral, and 59 answers expressed negative feelings towards the acquisition.

Most respondents who felt positive towards the acquisition argued that Innocent would receive more financial resources, as well as a more extensive distribution network thanks to the acquisition. One respondent answered that Innocent "...can benefit from the Coca-Cola company's marketing expertise and worldwide distribution networks, which in theory means that more people will drink Innocent around the world, which in turn means that a higher proportion of the population will drink more healthy and environmentally friendly drinks". Other respondents also mentioned that Coca-Cola could start implementing some of Innocent's practices into the rest of its product range, which would overall positively influence Coca-Cola's ethical business practices.

Respondents who perceived the acquisition as unfavourable, mostly reasoned that Coca-Cola's and Innocent's brand images are not aligned, and therefore Innocent's brand image suffers from the acquisition. Many also felt like Innocent's "underdog marketing feels a bit fake now" after knowing that a large MNE owned them and that Innocent now feels less like a "small, cute and likeable company". Additionally, respondents also put forward that they felt deceived and were saddened by the news. As a result of the acquisition, some respondents questioned Innocent's values, and sustainability practices and some argued that they were afraid that Coca-Cola was going to become a monopolist in the soft drinks market and would limit their freedom in consumer choices.

4.2 Bivariate Analysis

To assess the hypotheses H2 and H3, a bivariate analysis was done based on the conceptual framework (see Figure 5). As confirmatory factor analysis was not possible, an assessment of the three variables through Cronbach's alpha was done to assess the reliability of the newly formed variables (see Table 8). All analyses in the following were assessed with a 5% level of significance.

Table 8. Cronbach's Alpha for Variables

Variables	Number of Items	N	Alpha
Ethicality of Consumer	5	228	0,719
Brand Trust and Loyalty after Acquisition	3	228	0,693
Brand Image and Organisational Associations after Acquisition	3	228	0,754

As mentioned in the methodology, a sufficient Cronbach's alpha is generally above 0,7 (Bryman & Bell, 2011). As such, we acknowledge that the Cronbach's alpha for the variable *brand trust and loyalty after acquisition* is relatively low. However, since the value is close to the threshold of 0,7 and since multiple researchers also regard Cronbach's alpha as low as 0,6 as valid (van Griethuijsen et al. 2014; Kottner & Streiner, 2010), we deem this variable to be reliable enough to continue with the analysis.

To further describe the newly formed variables, Table 9 shows a summary of the mean, median and standard deviation of each variable. As *brand trust and loyalty after acquisition*

and *brand image and organisational associations after an acquisition* both stem from the same theory, this being brand equity, it is reasonable for these variables to have similar means, standard deviations, and medians.

Table 9. *Description of Variables*

Variables	N	Mean	Std. Deviation	Median
Ethicality of Consumer	228	3,39	0,94	3,33
Brand Trust and Loyalty after Acquisition	228	2,68	0,83	2,66
Brand Image and Organisational Associations after Acquisition	228	2,62	0,82	2,66

In order to test the hypotheses H2 and H3, correlations between the variables were calculated using Pearson’s correlation coefficient. A previous graphical analysis assessing whether a linear relationship persists between the variables can be found in Figure 22, and Figure 23 in Appendix B. All variables had a linear relationship with each other and as such the requirements for a bivariate analysis are fulfilled.

Table 10. *Correlation Matrix Ethicality & Brand Loyalty*

Correlations

		Change Brand Loyalty	Ethicality
Change Brand Loyalty	Pearson Correlation	1	-.235**
	Sig. (2-tailed)		.000
	N	228	228
Ethicality	Pearson Correlation	-.235**	1
	Sig. (2-tailed)	.000	
	N	228	228

** . Correlation is significant at the 0.01 level (2-tailed).

Table 10 shows the correlation matrix for the variables *brand loyalty and trust after acquisition* and *ethicality of consumer*. As the p-value is below 0.05, we can assume that the result is statistically significant and therefore reject the null hypothesis, which states that there is no relationship between the two variables (Bryman and Bell, 2011). The correlation coefficient -0.235 indicated a relatively weak negative linear relationship. Despite the low

correlation coefficient, there is a detectable correlation and as such we can accept **H2**: *There is a correlation between the variables ethicality of consumer and brand loyalty and trust after acquisition.*

Table 11. *Correlation Matrix Ethicality & Brand Image*

		Ethicality	Change Brand Image
Ethicality	Pearson Correlation	1	-.339**
	Sig. (2-tailed)		.000
	N	228	228
Change Brand Image	Pearson Correlation	-.339**	1
	Sig. (2-tailed)	.000	
	N	228	228

** . Correlation is significant at the 0.01 level (2-tailed).

Table 11 shows the correlation matrix for the variables *brand image and organisational associations after acquisition* and *ethicality of consumer*. Again, the p-value is below 0.05, so it can be assumed that the result is statistically significant. The correlation coefficient of -0.339 is stronger than the previous one and indicates a moderate negative linear relationship. As there is, again, a detectable correlation between the two variables we accept **H3**: *There is a correlation between the variables ethicality of consumer and brand image and organisational associations after acquisition.*

At the beginning of this research, we expected positive correlations between each of the variables instead of negative correlation as it seemed like the most intuitive choice, given past research results. A possible reason as for why the correlation coefficients are negative values instead of the expected positive ones, could stem from the fact that all questions were positively phrased. The questions were written in a way so that the scales would align and would make the calculation of Cronbach's alpha possible. As such, all statements that assessed the variable *change in brand loyalty and trust* and *brand image and organisational associations* were asked in a way that a “strongly agree” indicated that the respondent felt positive towards the acquisition. An example of this would be a question in the last section of the questionnaire: “I believe that the company images of Innocent and Coca-Cola are compatible”. In comparison, a question from the first section of the questionnaire, which

assessed the variable *ethicality of consumer*, is the following: “I believe companies have a moral responsibility towards society”.

If we assume that a respondent answered the questionnaire items on the self-assessed ethicality of the consumer with either “agree” or “strongly disagree” we would also assume, based on the reviewed literature, that they would perceive the acquisition as unfavourable and would, therefore, answer questions on brand image and brand loyalty through choosing one of the lower options. This is what conclusively results in a negative correlation between the variables. The way the questions were phrased is most likely a reason for the negative correlation between the variables and is a fault of the questionnaire design that was also previously addressed in limitations.

4.3 Chapter Summary

Overall, the self-assessed ethicality of respondents was relatively high, with most respondents answering that CSR practices affect their buying decisions and that they believe companies have a moral responsibility towards society. Respondents seemed to show a deep concern for the ethical behaviour of companies. When contrasting Innocent and Coca-Cola, Innocent was perceived to be the more ethical out of the two brands, which is in line with the assumption of this research. According to the respondents, Innocent also enjoys higher brand equity than Coca-Cola, with most of its brand equity components being evaluated higher than Coca-Cola’s.

After being made aware of the acquisition, the brand perception of Innocent decreased with a higher number of respondents answering that they cannot trust Innocent as a brand, and also cannot resonate with the brand anymore. A possible connection between this change in perception illustrated through the components of brand equity and the general self-assessed ethicality of the consumer could be proven. Although the correlation between brand loyalty and trust after acquisition and ethicality of consumer is relatively weak, it still indicates the existing relationship between the two variables and is significant enough to pursue further research in this area.

5 Discussion

The results of this study indicate that the consumer brand perception of an ethical brand decreases as a result of an acquisition through a large MNE. This change in brand perception is visible in the change in answers of the respondents before and after being made aware of the acquisition, as we could see a decrease in the respondent's ability to trust Innocent as a brand and in the respondent's ability to resonate with the brand. A loss of trust in the CSR practices of Innocent was also noted. The negative reactions to the acquisition and the decrease in brand equity for the acquired brand are in line with the findings of Lee, Lee and Wu (2011) and Thorbjornsen and Dahlen (2011).

In agreement with Lee, Lee and Wu's (2011) findings, the collected data shows a decrease in brand equity for the acquired brand, as the number of respondents who answered that they trusted Innocent as a brand decreased from 51% to 25% after being made aware of the change in ownership. As such, we can confirm the results of Lee, Lee and Wu's (2011) study regarding their claims on the effect of the acquisition on the acquired brand. However, unlike Lee, Lee and Wu (2011) this research cannot confirm an increase in brand equity of the acquirer based on balance theory, as only 20% of all respondents felt like this acquisition would positively reflect on Coca-Cola.

Just like Thorbjornsen & Dahlen's (2011) research, this study confirms the existence of a status quo bias, with 61% of the respondents feeling that this change in ownership would negatively affect Innocent. However, an adverse reaction to the acquisition because of the perceived restriction in freedom of choice, as claimed by Thorbjornsen & Dahlen (2011) could not be established. 40% of the respondents answered that they did not feel like the acquisition would restrict their freedom as a consumer, and 38% of respondents were impartial to it. As such, Thorbjornsen and Dahlen's (2011) theory of psychological reactance to M&As could not be confirmed in this research.

To aid in the data collection, the hypotheses, and a conceptual framework (see Figure 5) were devised based on the literature reviewed previously. The conceptual framework's primary

function was to investigate possible relationships between the general self-assessed ethicality of the consumer, and the change in specific components of brand equity. Correlations between the variables have been discovered, even though one can argue that they are relatively minor. The findings of this study suggest that the general self-assessed ethicality of the consumer correlates with the way the consumer's brand loyalty, brand trust, brand image and organisational associations change after being informed about the change in ownership. As such, the ethicality of a consumer can act as an indicator of how the consumer could react to an acquisition of an ethical brand.

Brand equity, according to Aaker (1991; 1996) and Keller (1993; 2003) is a customer-based construct and as such, is made through the opinions and the perceptions of the consumer. Due to this, it seems plausible for there to be a correlation between the self-assessed ethicality of the consumer and the change in perception of specific components of brand equity.

Resonance, the final part in Keller's (2003) pyramid model of brand equity, is largely a function of how well the communicated ideals and values of a brand align with those of the consumer. Ethical brands especially leverage identity-related aspects in their positioning (Maira, Fuchs & Puntoni, 2016). For there to be resonance between the consumer and the brand, the identities of both need to align based on their ethical stance, practices, and values. As such, we hypothesised at the beginning of this research that there should be a correlation between the self-assessed ethicality of the consumer and their change in perception of Innocent after being made aware of the change in ownership, as it should affect the way the consumer perceives Innocent's ideals and values.

To assess whether respondents felt a misalignment between the two brands, a question in the survey asked the respondents to assess the compatibility of Innocent's and Coca-Cola's brand. Only 12% of all respondents answered that they perceived the two brands as compatible. This could be an indicator as to why respondents also answered that they trusted Innocent's CSR practices less after the acquisition, as one could reason that the adverse reaction to the M&A stems from a lack of CSR-fit. Becker-Olsen, Cudmore & Hill (2006) argue that consumers react negatively to low-fit CSR initiatives because they believe that the brand's CSR initiative and product line, brand image, positioning and target market do not fit together. Since Coca Cola was deemed to not be as "ethical" as Innocent by the respondents one could surmise that consumers react negatively to the acquisition because this leads them to perceive the CSR initiatives of Innocent as low-fit CSR, since they are now connected by proxy to Coca-Cola.

When looking at Attalla and Carrigan's (2001) framework on consumer attitudes towards ethical purchasing, the answers given during the survey show that most respondents can be sorted into the category of the "Caring and Ethical Consumer". 62% of the respondents answered that they are interested in the business behaviour of companies and are actively seeking out information on the ethical matters of firms. A further 58% put forward that the sustainability practices of a company affect their buying decisions. Therefore, it can be surmised that most respondents are largely ethically aware and have ethical purchase intentions. In contrast, only 35% answered that they felt overwhelmed by the amount of information given by firms on their business practices which leads us to conclude that only a small number of respondents could be categorised as a "Confused and Uncertain Consumer".

Nevertheless, a certain level of cynicism and disillusion with the sustainability practices of firms can be found in the answers of the respondents. As 67% answered that they agreed to the statement that firms primarily use their CSR practices as a marketing tool, it can be said that nearly two-thirds of all respondents show character traits of the "Cynical and Disinterested Consumer". However, the answer frequencies examined in the total analysis still show that most of the respondents show characteristics of the "Caring and Ethical Consumers" and therefore should be classified as such. However, one should bear in mind that all these results are based on self-reported intentions towards ethical purchasing and do not reflect actual purchasing behaviour.

With most respondents being classified as "Caring and Ethical Consumers" it is a bit surprising that only a little less than half of the respondents answered that their perception of Innocent has changed. Moreover, more than two-thirds of the respondents answered that they would not change their purchasing behaviour of Innocent products. Whether this shows indication of an attitude-behaviour gap, requires a closer examination of the questionnaire items measuring the reaction to the acquisition. Approximately 49% of all respondents answered that their consumer perception of Innocent had changed for worse after being made aware of the acquisition. On the other hand, 26% of respondents answered that they would decrease their consumption of Innocent products or cease to consume Innocent products altogether.

The results of this study cannot conclude whether an attitude-behaviour gap persists, as this study only showcases buying intention instead of buying behaviour. However, based on previous studies on the attitude-behaviour gap, one can wonder if the number of respondents that would change their actual buying behaviour is even lower than the number of respondents who put forward that they would as part of this study. Further research would have to be conducted to investigate this.

Analysing the actual performance of Innocent after the acquisition in 2013 is outside the scope of this research. However, we believe it is still worthwhile to mention that as of 2018, Innocent is one of Europe's largest smoothie and juice manufacturers (Smale, 2018). Judging by the steady increase in their sales numbers, it seems like the acquisition did not deter many of Innocent's customers from buying their products. This might be because most consumers simply do not know about the acquisition. The fact that most consumers were most likely not aware of the change in ownership could also be seen in the results of this research. The answers as to how Innocent as a brand was perceived, asked for in the second section of the questionnaire, most likely would have reflected this negative association. Since we can see a major decrease in brand perception after the respondents were made aware of the acquisition, it seems that most were not aware of Coca-Cola being the owner of Innocent. Further research ought to be conducted to investigate whether this consumer behaviour stems from the consumers simply not knowing about a change in ownership or not caring about a change in ownership.

Innocent is not very vocal about Coca-Cola being its owner, and even when visiting Innocent's website, it takes quite a while to find a section that addresses Coca-Cola being the owner of Innocent. It seems like Innocent, and Coca-Cola by proxy, might be aware of the fact that consumers would not react favourably to the acquisition. When describing the relationship that Coca-Cola and Innocent share, Innocent distances itself from the Coca-Cola Company and puts forward that "Coke are smart enough to know that Innocent has a unique set of values and a really clear purpose that are fundamental to our success. So they let us get on with it." (Innocent, 2020b, n.p.). This leads us to think that both companies are aware of the possible consumer backlash that could come as a reaction to the change in ownership.

The fear of a possible backlash lies in the assumption that there could be some sort of consumer resistance to perceived unethical conduct of firms – be it through anti-consumption

or direct revenge such as protesting (Nepomuceno, Rohani & Gregoire, 2017). Research over the years though has found that responses are most often only short-lived, or consumers hardly penalise companies for ethical misconduct at all (Boulstridge & Carrigan, 2000; Carrigan & Attalla, 2001; Carrigan, 2017; Nepomuceno et al. 2017). An example of short-lived consumer resistance is Volkswagen's emission scandal in 2015. Although many vowed to never buy a Volkswagen car again, Volkswagen's sales numbers started rising again in 2016 (Boudette, 2017) and in the year of 2019 the auto manufacturer sold more cars than ever before (Handelsblatt, 2020).

Researchers have put forward that consumers often still base their purchasing decisions on personal rather than societal reasons (Carrigan & Attalla, 2001). At the beginning of this research, we expected to find very distinct results in regard to change in consumer perception and change in buying intentions. Although a decrease in consumer brand perception was observed, and a little less than a third of all respondents answered that they would consume less Innocent products or would stop consumption altogether, these results still leave us questioning whether the perceived "unethicality" of the acquirer, in this case, Coca-Cola, actually affects buying behaviour. Another question then would be whether Coca-Cola is an unethical company or not and whether the unethical conduct of Coca-Cola should be transferred to Innocent as a subsidiary. Further research should be undertaken to achieve more in-depth insights into these issues as any further discussion surpasses the scope of this thesis.

6 Conclusion

CSR practices and the ethical conduct of companies are still not considered to be the most decisive factor in purchasing decisions by most researchers today. However, there has been an increase in the numbers of ethical consumers that are concerned with how the products they consume daily are sourced. As a result of this trend, we will most likely continue to see an increasing amount of large MNE's acquiring ethical brands for purposes of portfolio diversification and as to not fall behind on consumer trends.

The purpose of this research was to examine how consumer perception of an ethical brand changes after an acquisition, and whether the general self-assessed ethicality of a consumer could be an indicator of this change. Through the empirical data analysis conducted, the findings of this thesis indicate that consumer perception changes in a negative way as consumers' feel a loss of trust in the brand and its CSR practices as well as a decreased ability to resonate and self-identify with the ethical brand. These findings are in line with previous studies that focused on consumer reactions to more traditional M&As. Through a bivariate analysis of the data, a correlation between the variables *ethicality of consumer, brand loyalty and trust after acquisition* and *brand image and organisational associations after acquisition* could be found. Consequently, this leads to the conclusion that the general self-assessed ethicality of the consumer is an indicator of the change in consumer brand perception after the acquisition. Since the correlations examined in this research are relatively weak, further research needs to be conducted to confirm these relationships.

Overall, this thesis constitutes as one of the first research papers attempting to fill a gap in the consumer brand perception literature. As the study of ethical brands and their effect on consumer perception is still relatively new, we hope that more research will be conducted regarding the effect of the ethicality of the consumer on their actual buying behaviour. With this thesis, we hope to encourage new types of studies that can help broaden the understanding of this research field.

6.1 Practical Implications

As previously discussed in the literature review and both shown in the analysis and discussion of the empirical data, it has become clear that consumers value ethical brands and CSR practices in their buying behaviour. Although the results were not as severe as one might have assumed at the beginning of this research, still a little less than half of the respondents answered that their perception of Innocent had changed in a negative way after the acquisition. Additionally, nearly a third of all respondents answered that they would, as a result, buy less Innocent products or cease to buy any Innocent products at all.

While an MNE acquiring an ethical brand is not an “unethical” action in itself, companies need to be aware of the fact that some consumers will feel betrayed by the change in ownership and might consequently change their buying behaviour. Since ethical brands have powerful emotional branding that is based on consumer-company identification, this fragile construct needs to be protected during an acquisition if the acquirer wants to profit off the acquiree’s high brand equity. Often, the values and practices of ethical brands and large MNEs seeking to purchase them, seem incompatible to the consumer, which leads to the consumer reacting negatively to the acquisition. A strategic fit is essential to all M&As. However, it can be argued that ensuring the alignment of values and practices between both brands, and communicating this alignment to the consumer, is especially crucial in the acquisition of an ethical brand.

6.2 Future Research

The results of this research are not exhaustive, and further research should be conducted in the field before any substantial claims regarding the effects of M&As on consumer perception of ethical brands can be made and generalised. Suggestions for future research include conducting a similar study to this with a larger sample size and including more items for each of the underlying constructs, to help conduct a more advanced statistical analysis. A more advanced analysis could help in uncovering how the underlying constructs defined in this research affect the overall change in consumer perception and buying intentions, and in what way the variables and outcome are associated.

The attitude-behaviour gap is a widely accepted and reported phenomenon in market research regarding brands and ethical consumption. As this research only assesses self-reported buying intentions, additional future research could be done through the evaluation of actual purchasing behaviour instead of asking respondents through a survey. A study like this would most likely yield more relevant results, especially for companies and managers, as it shows actual purchasing behaviour. The results of future research like this could help with more accurately determining both general CSR strategies and strategies for successful M&As between ethical brands and large MNEs.

Consumers as stakeholders have often been disregarded when it comes to M&As, which is shown in the lack of literature surrounding the topic. Therefore, this area of research would profit from both more qualitative and quantitative data collections. Through focus-group interviews, researchers could gain a more detailed and more in-depth understanding of how consumers perceive a change in ownership of an ethical brand, without being restricted by pre-formulated questions in a survey. Our research, findings and conclusions presented in this thesis offer a basis for continued research into the consumer perception of ethical brands, and hopefully aid in exploring this line of research.

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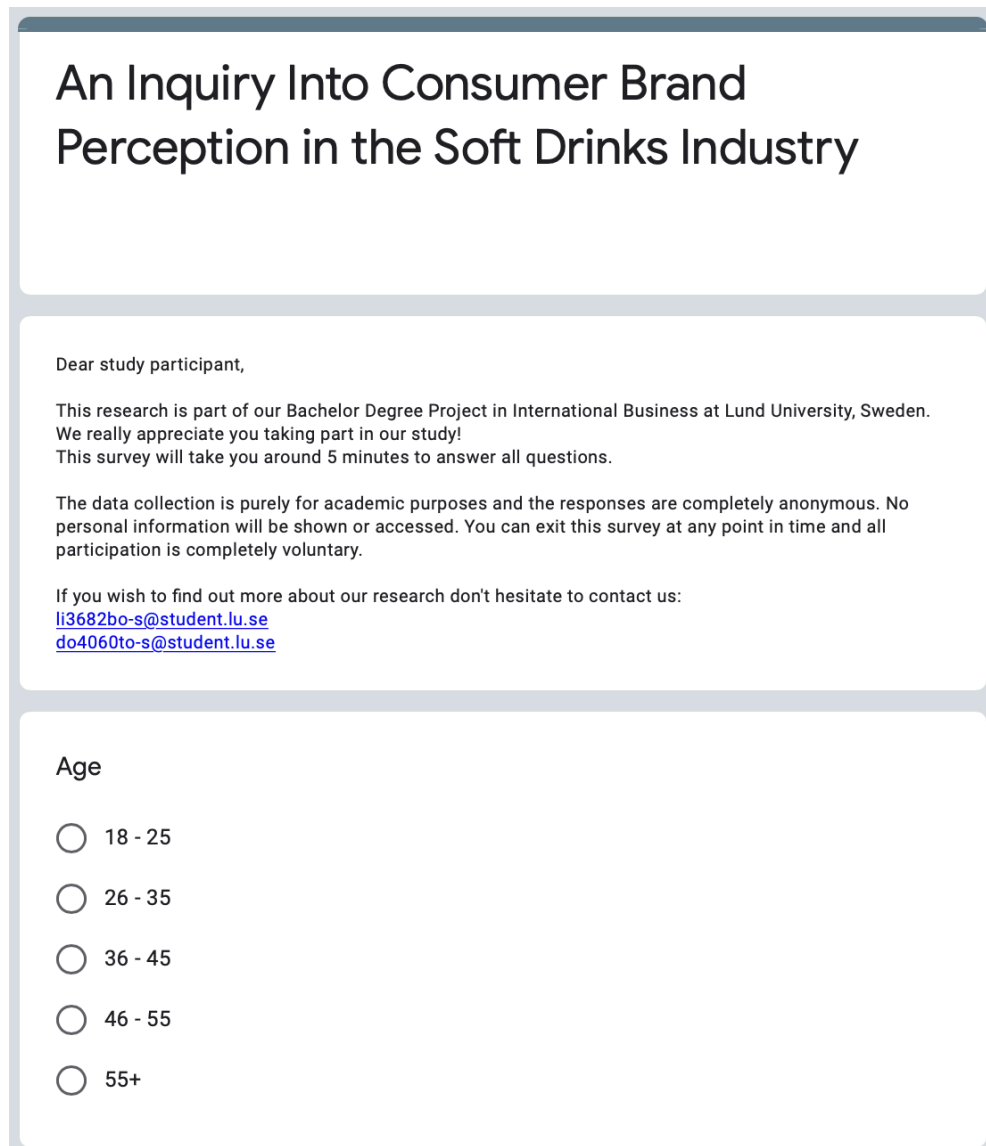
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8 Appendix A

Full design of the online questionnaire the way it was presented to the respondents.

The questionnaire was split into four sections: consumer attitudes and purchasing intentions, evaluation of brand equity of Innocent and Coca-Cola and an evaluation of the acquisition of Innocent through Coca-Cola.



The image shows a screenshot of an online questionnaire. It is divided into three main sections. The top section has a title: "An Inquiry Into Consumer Brand Perception in the Soft Drinks Industry". The middle section contains a greeting "Dear study participant," followed by a paragraph explaining the research is part of a Bachelor Degree Project at Lund University, Sweden, and that the survey will take about 5 minutes. It also states that the data collection is purely for academic purposes and responses are anonymous. The bottom section is a radio button question titled "Age" with five options: "18 - 25", "26 - 35", "36 - 45", "46 - 55", and "55+".

An Inquiry Into Consumer Brand Perception in the Soft Drinks Industry

Dear study participant,

This research is part of our Bachelor Degree Project in International Business at Lund University, Sweden. We really appreciate you taking part in our study!
This survey will take you around 5 minutes to answer all questions.

The data collection is purely for academic purposes and the responses are completely anonymous. No personal information will be shown or accessed. You can exit this survey at any point in time and all participation is completely voluntary.

If you wish to find out more about our research don't hesitate to contact us:
lj3682bo-s@student.lu.se
do4060to-s@student.lu.se

Age

18 - 25

26 - 35

36 - 45

46 - 55

55+

Gender

- Male
- Female
- Would not like to specify

Weiter

Seite 1 von 6

An Inquiry Into Consumer Brand Perception in the Soft Drinks Industry

Consumer Attitudes and Purchase Intentions

Please assess to what degree the following statements apply to you:

I believe companies have a moral responsibility towards society.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I generally believe that socially responsible businesses use their sustainability practices largely only as a marketing tool.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I believe that global players can be held accountable to the same measures as smaller companies.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

The sustainability practices of a company affect my buying decisions.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I believe that discussion around sustainability practices of companies is superfluous.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I am interested in the business behaviour of a company and like to read about it (e.g. newspapers, internet).

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I am often confused and overwhelmed by the amount of information given by companies and their brands.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I would be willing to sign a petition to move a company to adapt better sustainability practices.

1 2 3 4 5

Strongly disagree Strongly agree

I would be willing to partake in a protest to influence the sustainability practices of a company.

1 2 3 4 5

Strongly disagree Strongly agree

Zurück

Weiter

Seite 2 von 6

Innocent Drinks

Innocent Drinks is a UK-based smoothie and juice company founded in 1999. Innocent describes itself as a sustainable company that strives to do business in a more enlightened way by "leaving things better than we find them". Through the way Innocent conducts business it hopes to be a hero of change in regards to recycled and plant-based plastic used in their bottles and aspires to transform lives by giving 10% of their profits to charity and investing in the future of the planet.



Which of the following statements applies to you most? *

- I know the brand Innocent and have repeatedly bought their products.
- I know the brand Innocent and sometimes buy their products.
- I know the brand Innocent and have at least bought one product.
- I know the brand Innocent and never bought one of their products.
- I don't know the brand Innocent or have never bought one of their products.

If you know the brand Innocent, what is your perception of the company?

- Very positive
- Quite positive
- Neutral
- Quite negative
- Very negative

If you know the brand Innocent, which attributes come to your mind? Please rank these attributes with 1 referring to the attribute you least associate with the company and 5 referring to the attribute that you most associate with the company.

	1	2	3	4	5
High Quality Products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social Responsibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental Awareness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Packaging	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I believe Innocent is a brand I can trust.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Innocent is a brand that I feel emotionally connected to.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Zurück

Weiter

Seite 3 von 6

The Coca-Cola Company

The Coca-Cola Company is an American multinational corporation and manufacturer of non-alcoholic beverages concentrates and syrups. Coca-Cola describes its main purpose as "Refresh the world. Make a difference". Overall, Coca-Cola aims to create a more sustainable business and better shared future that makes a difference in people's lives, communities and our planet.



Which of the following statements applies to you most? *

- I know the brand Coca-Cola and have repeatedly bought their products.
- I know the brand Coca-Cola and sometimes buy their products.
- I know the brand Coca-Cola have at least bought one of their products.
- I know the brand Coca-Cola but have never bought one of their products.
- I don't know the brand Coca-Cola or have never bought any of their products.

What is your perception of the company Coca-Cola?

- Very positive
- Quite positive
- Neutral
- Quite negative
- Very negative

If you know The Coca-Cola Company, which attributes come to your mind?
Please rank these attributes with 1 referring to the attribute you least associate with the company and 5 referring to the attribute that you most associate with the company.

	1	2	3	4	5
High Quality Products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social Responsibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental Awareness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Packaging	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

I believe Coca-Cola is a brand I can trust.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Coca-Cola is a brand that I feel emotionally connected to.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Zurück

Weiter

Seite 4 von 6

Coca-Cola acquires Innocent Drinks

Ever since 2013 the Coca-Cola Company owns a 90% majority stake in Innocent Drinks. According to Innocent Drinks, the company is still managed as an independent entity within the Coca-Cola Company.

Innocent Drinks itself says this about the acquisition: "We are as committed as ever to our social, ethical, charitable and environmental goals. And since we did the deal with Coke we've expanded from being a simple smoothie company to being one that concocts every kind of healthy drink imaginable."

Please answer to what extent the following statements apply to you:

I believe the company images of Innocent and Coca-Cola are compatible.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I believe that Coca-Cola being the owner of Innocent does not negatively affects the image of Innocent.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I believe that Coca-Cola being the owner of Innocent positively affects the image of Coca-Cola.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I believe that Coca-Cola acquiring Innocent does not restrict my freedom of choice as a consumer and does not decrease my trust in Coca-Cola and Innocent.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I can trust the brand Innocent after an acquisition through the Coca-Cola Company.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I can feel emotionally connected to the brand Innocent after an acquisition through the Coca-Cola Company.

	1	2	3	4	5	
Strongly disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly agree

I trust Innocent in regards to their sustainability practices after an acquisition through the Coca-Cola Company.

1 2 3 4 5

Strongly disagree Strongly agree

Has your overall perception of Innocent changed as a result of the acquisition and in what way?

- Yes, in a negative way
- Yes, in a positive way
- No, my perception has not changed

If your perception towards Innocent Drinks has changed after the acquisition, will your purchasing behaviour of Innocent Drinks products also change?

- Yes, I will buy fewer Innocent Drinks products
- Yes, I will buy more Innocent Drinks products
- Yes, I will no longer buy Innocent Drinks products
- No, I will continue buying the same amount of products as before

Zurück

Weiter

Seite 5 von 6

Coca-Cola acquires Innocent Drinks

What are your thoughts on the acquisition? Please elaborate.

What thoughts as a consumer do you have about Coca-Cola being the owner of Innocent?

Meine Antwort

Zurück

Senden

Seite 6 von 6

9 Appendix B

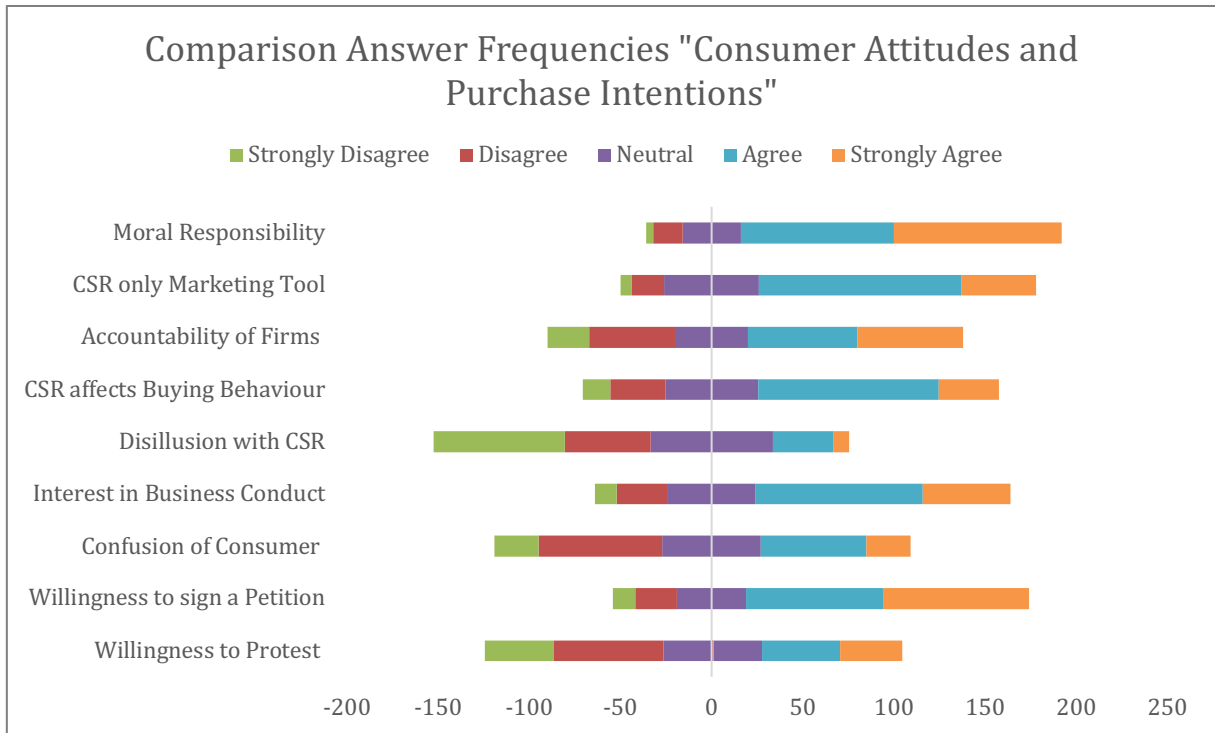


Figure 15. Comparison Answer Frequencies Questionnaire Section “Consumer Attitudes and Purchase Intention”

In Figure 15, the scale is centred around the answer choice “neutral” to allow for quick comparison between the answer distributions.

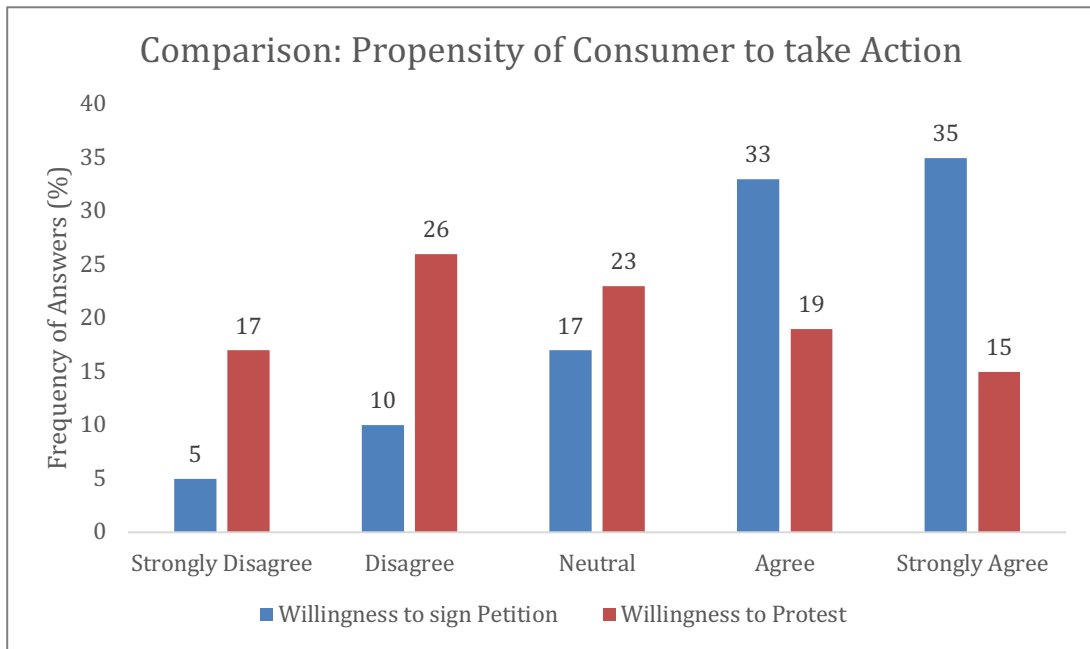


Figure 16. Comparison: Propensity to take Consumer Action

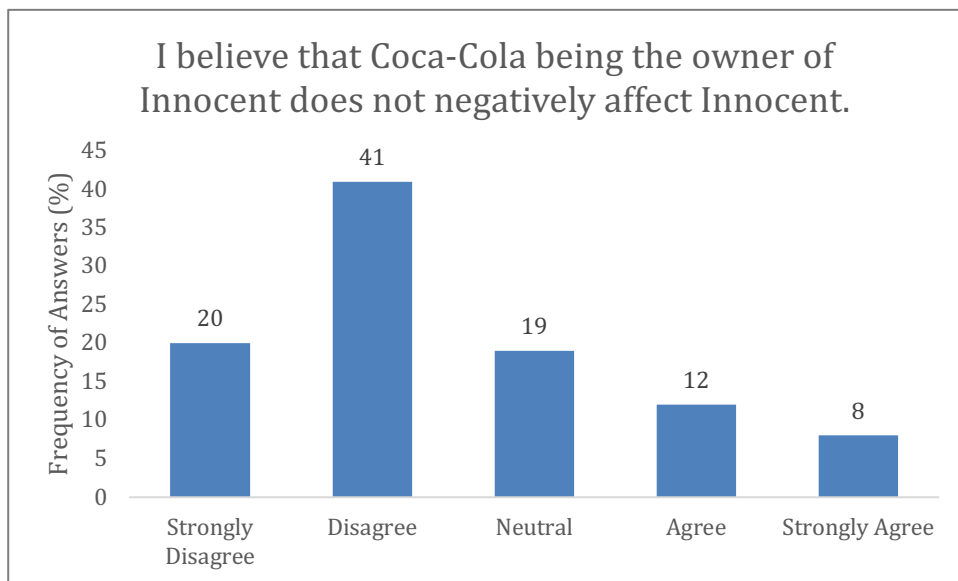


Figure 17. Answer Frequencies Question 27

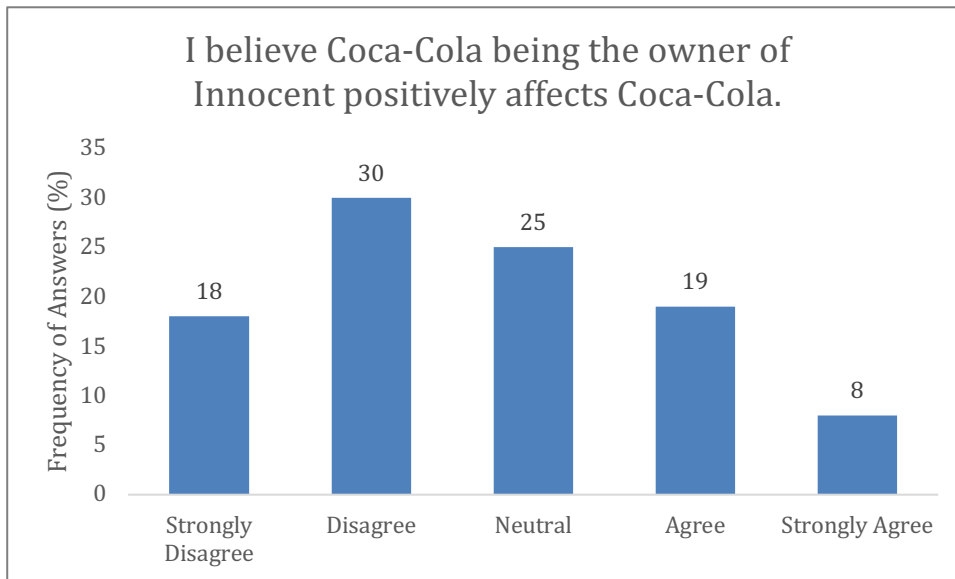


Figure 18. Answer Frequencies Question 28

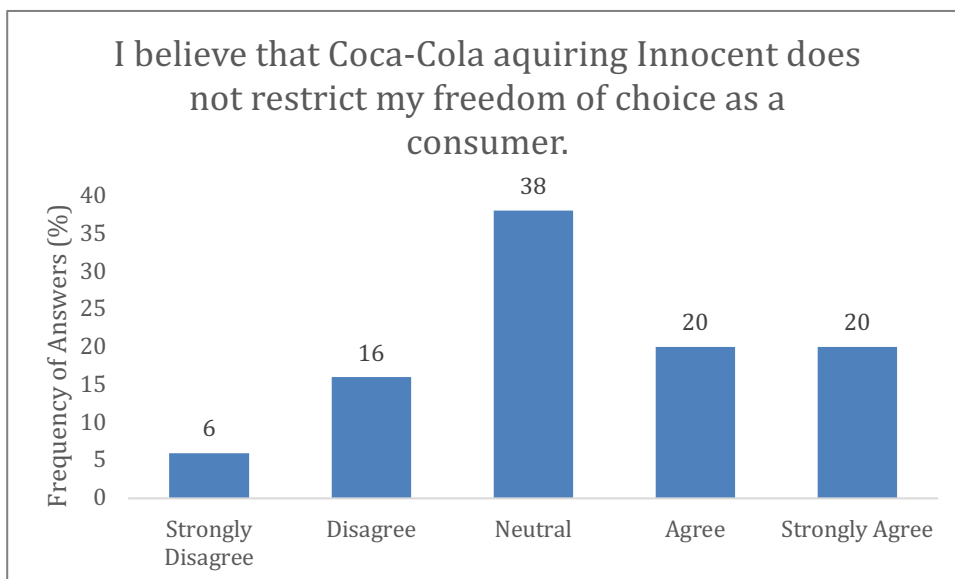


Figure 19. Answer Frequencies Question 29

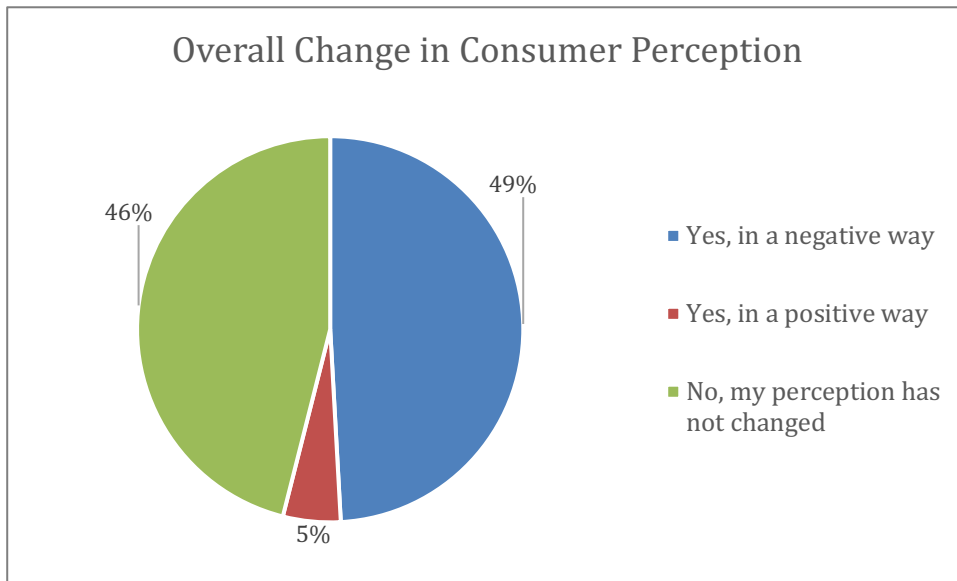


Figure 20. Overall Change in Consumer Perception

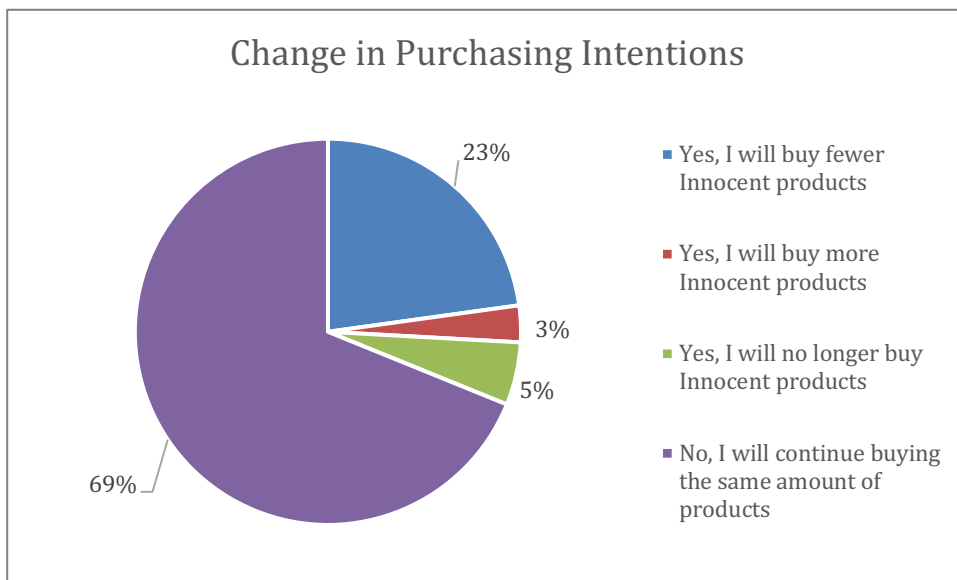


Figure 21. Change in Purchase Intentions

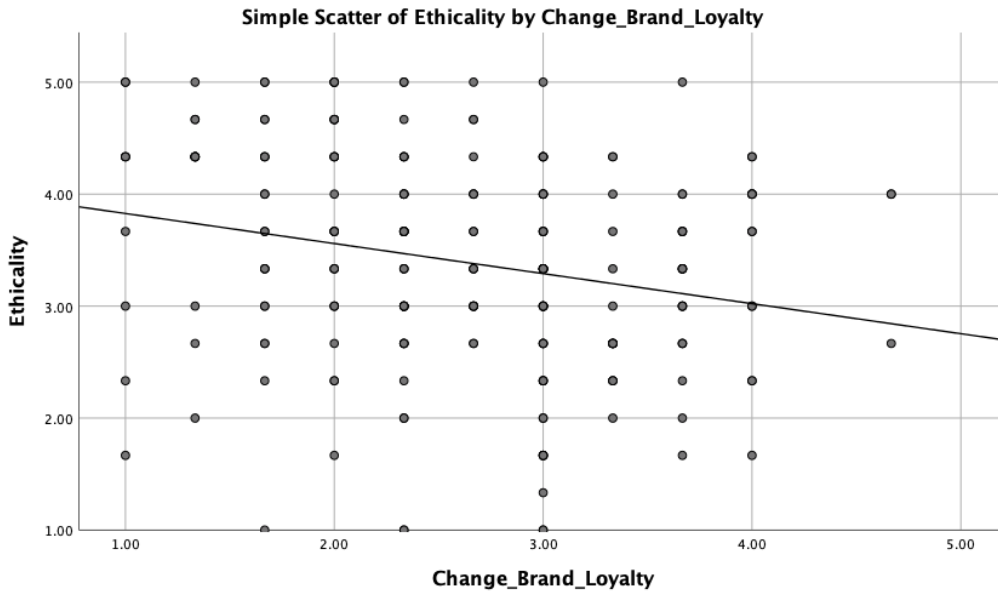


Figure 22. Scatter Plot Variables Ethicality & Brand Loyalty and Trust after Acquisition

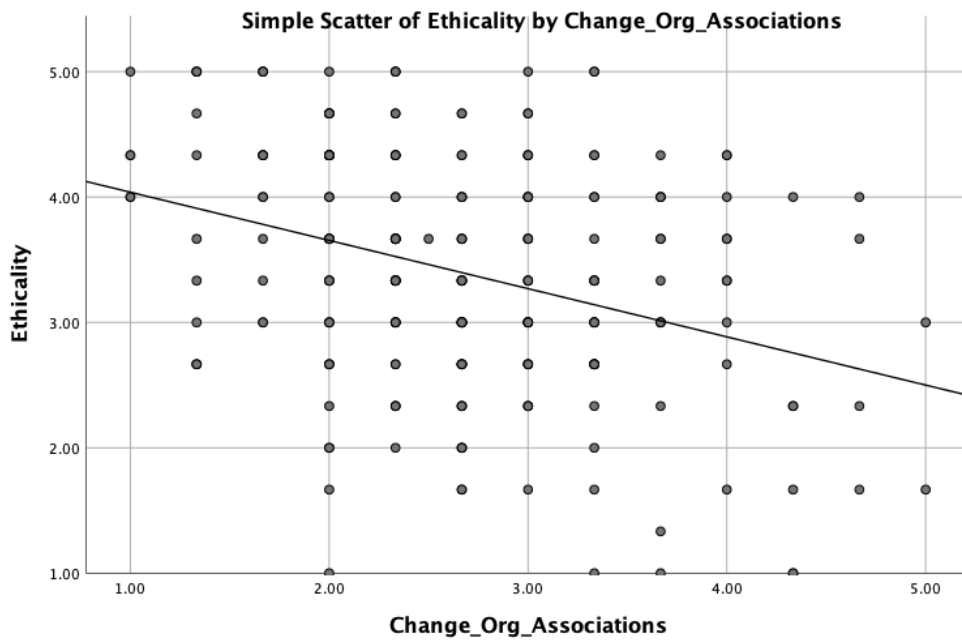


Figure 23. Scatter Plot Variables Ethicality & Brand Image and Org. Associations after Acquisition