Journal of Business Research 88 (2018) 161–172

Contents lists available at ScienceDirect

Journal of Business Research

journal homepage: www.elsevier.com/locate/jbusres

Marketing, get ready to rumble—How rivalry promotes distinctiveness for brands and consumers

Johannes Berendt[a,*], Sebastian Uhrich[a], Scott A. Thompson[b]

[a] German Sport University Cologne, Am Sportpark Muengersdorf 6, 50933 Cologne, Germany
[b] John Cook School of Business, Saint Louis University, 3674 Lindell Blvd., St. Louis, MO 6308, United States

ARTICLE INFO

Keywords:
Brand rivalry
Conflict
Consumer distinctiveness
Brand distinctiveness

ABSTRACT

Scholars typically advise brands to stay away from public conflict with competitors as research has focused on negative consequences—e.g., price wars, escalating hostilities, and derogation. This research distinguishes between rivalry between firms (inter-firm brand rivalry) and rivalry between consumers (inter-consumer brand rivalry). Four studies and six samples show both types of rivalry can have positive consequences for both firms and consumers. Inter-firm brand rivalry boosts perceived distinctiveness of competing brands independent of consumption, attitude, familiarity, and involvement. Inter-consumer brand rivalry increases consumer group distinctiveness, an effect mediated by brand identification and rival brand disidentification. We extend social identity theory by demonstrating that: 1) outside actors like firms can promote inter-consumer rivalry through inter-firm rivalry and 2) promoting such conflict can actually provide benefits to consumers as well as firms. The paper challenges the axiom "never knock the competition," deriving a counter-intuitive way to accomplish one of marketing's premier objectives.

1. Introduction

Whether it is Apple versus Samsung, McDonald's versus Burger King, or Coke versus Pepsi, inter-firm brand rivalries can be observed in various markets. Rivals engage in public conflict via aggressive advertising campaigns, back-and-forth exchanges on social media, or even lawsuits. But it is not just firms that battle it out. Consumers often usurp brand rivalries and fight them out vicariously (Converse & Reinhard, 2016). Such inter-consumer brand rivalries feature heated discussion, trash talk, and even insults between users of opposing brands (Hickman & Ward, 2007; Muñiz & Hamer, 2001).

Labeled as destructive competition that shares many characteristics with intergroup conflict, rivalry has commonly been negatively connoted (Vogler, 2011). Detrimental effects have been identified for both brands and consumers. For example, research on comparative advertising suggests that inter-firm brand rivalries escalate quickly (Beard, 2010). War-like competitive interactions like advertising battles can lead to price wars where both brands suffer (Chen, Raju, & John Zhang, 2009; Heil & Helsen, 2001). Although consumers benefit in the short term via lower prices, they receive lower quality and less service orientation in the long run (Heil & Helsen, 2001; Van Heerde, Gijsbrechts, & Pauwels, 2008). In addition, inter-consumer brand rivalry has been linked to a range of unethical behaviors, such as intergroup conflict, trash talk, ridicule, stereotyping, hostility, and schadenfreude (Ewing, Wagstaff, & Powell, 2013; Hickman & Ward, 2007; Phillips-Melancon & Dalakas, 2014). The expression of oppositional brand loyalty can be detrimental for both brands and consumers because it reduces product adoption (Thompson & Sinha, 2008) and consumer-to-consumer helping behavior (Thompson, Kim, & Smith, 2016). As a result, much of the research on inter-consumer relations in the social psychological literature has focused on finding ways to reduce such conflict (e.g., Ellemers, Spears, & Doosje, 2002).

However, rivalry research suggests that rivalry is a double-edged sword with ambivalent consequences (Kilduff, Elfenbein, & Staw, 2010). In line with this notion, preliminary findings indicate that rivalry can also have beneficial consequences for the competing parties. Libai, Muller, and Peres (2009) show that brands can benefit from communication between customers of competing brands by helping build interest in a new product category. As for consumers, qualitative work indicates that inter-consumer brand rivalries can provide consumers with identity, pleasure, and entertainment (Muñiz & O'Guinn, 2001; Seraj, Kozinets, & Toker, 2015).

Despite these initial findings, scholars usually advise brands to stay away from rivalry (Leigh & Thompson, 2013; Phillips-Melancon & Dalakas, 2014), prompting most brands to avoid conflict rather than embrace it (Fournier & Lee, 2009). This research takes a contrasting

* Corresponding author.
E-mail addresses: j.berendt@dshs-koeln.de (J. Berendt), s.uhrich@dshs-koeln.de (S. Uhrich), thompsonsa@slu.edu (S.A. Thompson).

https://doi.org/10.1016/j.jbusres.2018.03.015
Received 3 May 2017; Received in revised form 14 March 2018; Accepted 15 March 2018

view and sets out to show key benefits of inter-firm rivalry and inter-consumer rivalry for brands and consumers. Based on the notion that conflict strengthens the distinctiveness of the involved parties (Muñiz & Hamer, 2001; Simmel, 1996), we propose that rivalry helps brands to be perceived as distinct from competitors and drives consumer group distinctiveness. Studies 1 and 2 focus on inter-firm brand rivalry and perceived brand distinctiveness, while Study 3 investigates inter-consumer brand rivalry and perceived consumer group distinctiveness. Study 4 links both types of rivalry—showing how inter-firm rivalry can be used to promote inter-consumer rivalry to the benefit of consumers as well as firms.

Our research gives additional meaning to the old saying that competition is good for everyone in the marketplace. While previous literature has focused on the negative consequences of rivalry, we theoretically derive and empirically confirm a crucial benefit—the enhancement of distinctiveness for brands and consumers. Hence, we contribute to a more balanced view of an emerging phenomenon and provide managers with the means to accomplish one of marketing's premier objectives.

In addition, we advance the understanding of conflict in marketing by conceptualizing rivalry as contingent on the source of the competitive action (brands vs. consumers) and examining the relationship between these two forms of rivalry. Grounded in social identity theory, existing research views intergroup conflict as an evil to be minimized. This perspective has precluded consideration of how actors such as firms can *promote* such conflict. Having established that consumers benefit from rivalry in the form of consumer group distinctiveness, we show that firms can play an active role in promoting inter-consumer rivalry by engaging in inter-firm rivalry. Furthermore, we provide new insights into how rivalry produces consumer group distinctiveness through brand identification and brand disidentification.

Finally, we make an empirical contribution by showing that the effects hold for different brands across different industries, adding to the generalizability of the results. Our findings provide managers with insight into how to promote (and diffuse) rivalry and may prompt them to reconsider the element of conflict in marketing.

2. Conceptualizing inter-firm and inter-consumer brand rivalry

Rivalry is more than normal competition. It has been defined as a "subjective competitive relationship that an actor has with another actor that entails increased psychological involvement and perceived stakes of competition" (Kilduff et al., 2010, p. 945). While competitiveness, similarity, and frequency of competition all contribute to the development of rivalry, Converse and Reinhard (2016) stress that it is the element of embeddedness that sets it apart from normal competition. In a rivalry, current competitions are embedded in an ongoing competitive narrative that stretches from the past into the future. Any interaction between rivals is another chapter of an ongoing feud (ibid). For example, McDonald's and Burger King have been involved in the so-called burger war since the 1970s. They have constantly attacked each other in advertising campaigns. On World Peace Day in 2015, Burger King even proposed a ceasefire as well as the promotion of a joint product ("McWhopper"), but McDonalds refused in what was another chapter in the long history between the two brands (Burns, 2015).

In inter-firm brand rivalry, consumers are external perceivers of the ongoing competitive actions of the two rival brands. Whether it is an advertising battle, a heated Twitter exchange between rival CEOs, or the next lawsuit in a legal battle, the narrative is created by the firms and merely observed by the consumer, who is not necessarily a user of one of the brands. Whenever firms publicly feud, consumers are likely to take note sooner or later. Thus, inter-firm brand rivalry is the perception that specific competitive actions of two brands are embedded in an ongoing competitive narrative. The more manifestations of brand rivalry exist, the more intense the consumer will perceive the rivalry (Grewal, Kavanoor, Fern, Costley, & Barnes, 1997).

In inter-consumer brand rivalries, the competitive actions stem from consumers or aficionados of the brand as they vicariously battle out the rivalry with consumers or aficionados of the rival brand. Hence, they create the competitive narrative to establish the comparative superiority of their brand and, by extension, their group (Brown, 2000; Muñiz & O'Guinn, 2001). Examples of inter-consumer brand rivalry include spirited discussions and trash talk as well as derogation in online message boards and via social media. Ilhan, Pauwels, and Kuebler (2016) empirically identify so-called "dancing with the enemy" practices that can be considered manifestations of inter-consumer brand rivalry. These practices include posting on the rival brand's Facebook page and responding to comments from rival consumers.

Social identity theory suggests that group members size up members of rival groups and constantly compare themselves (Hogg & Abrams, 2003). Muñiz and Hamer (2001) found that Coke and Pepsi drinkers actively challenged each other to defend their product choices—only to strike back verbally. Hickman and Ward (2007) detected negative back-and-forth communication provoked by a sense of intergroup rivalry between users of different brands of cars and smartphones. In inter-consumer brand rivalries, each side has an incentive to respond to attacks to grow the conflict (Seraj et al., 2015). Evidence from the world of team sports suggests that the most heated rivalries are usually highly mutual (Berendt & Uhrich, 2016). Therefore, a constitutive element of inter-consumer brand rivalry are mutual competitive comparisons—i.e., the perception that the ongoing competitive relationship with consumers or aficionados of the rival brand is mutual. Mutual competitive comparisons make inter-consumer brand rivalry thrive and distinguish it from unidirectional concepts such as anti-brand communities (Hollenbeck & Zinkhan, 2010), brand sabotage (Kaehr, Nyffenegger, Krohmer, & Hoyer, 2016), and politically motivated brand rejection (Sandikci & Ekici, 2009).

Table 1 summarizes the nature of inter-firm and inter-consumer brand rivalry. In the next section, we develop the key benefits and also connect both types of rivalry.

Table 1
Comparison of inter-firm and inter-consumer brand rivalry.

	Inter-firm brand rivalry	Inter-consumer brand rivalry
Source of competitive actions	Brands	Consumers
Target of competitive actions	Rival brand	Consumers/aficionados of favorite brand's rival
Battleground	TV Social media Print media	Online discussion boards Social media
Examples of competitive actions	Aggressive comparative adverts; social media exchanges; lawsuits	Derogation, trash talk and ridicule negative word-of-mouth
Brand attachment/usage	Not required—the focal consumer is not necessarily a user of or attached to either brand	Required—the focal consumer is a user of or somehow attached to either brand
Role of consumer/embeddedness	Not directly involved—passively observes the competitive actions between the rival brands	Directly involved—actively performs the competitive actions
Unit of analysis	Individual consumer's perception	Individual consumer's perception
Measure	Perceived intensity	Mutual competitive comparisons