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# Marketing, Get Ready to Rumble: How Rivalry Promotes Distinctiveness for Brands and Consumers

#### 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.

Keywords: brand rivalry, conflict, consumer distinctiveness, brand distinctiveness

## 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 and Reinhard 2016). Such inter-consumer brand rivalries feature heated discussion, trash talk, and even insults between users of opposing brands (Hickman and Ward 2007; Muñiz and 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 et al. 2009; Heil and 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 and Helsen 2001; Van Heerde, Gijsbrechts, and 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, and Powell 2013; Hickman and Ward 2007; Phillips-Melancon and Dalakas 2014). The expression of oppositional brand loyalty can be detrimental for both brands and consumers because it reduces product adoption (Thompson and Sinha 2008) and consumer-to-consumer helping behavior (Thompson, Kim, and 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, and Doosje 2002).

However, rivalry research suggests that rivalry is a double-edged sword with ambivalent consequences (Kilduff, Elfenbein, and 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 and O'Guinn 2001; Seraj, Kozinets, and Toker 2015).

Despite these initial findings, scholars usually advise brands to stay away from rivalry (Leigh and Thompson 2009; Phillips-Melancon and Dalakas 2014), prompting most brands to avoid conflict rather than embrace it (Fournier and Lee 2009). This research takes a contrasting 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 and 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 et al. 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 and 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 and 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 and 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 and Zinkhan 2010), brand sabotage (Kaehr et al. 2016), and politically motivated brand rejection (Sandikci and 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.

#### [INSERT TABLE 1 ABOUT HERE]

#### 3. DEVELOPMENT OF HYPOTHESES

We propose that inter-firm brand rivalry is positively related to brand distinctiveness, which is defined as "the perceived uniqueness of a brand's identity in relation to its competitors" (Stokburger-Sauer, Ratneshwar, and Sen 2012, p. 10). As branding is all about creating differences (Aaker 2004; Keller 2003), brand distinctiveness is regarded as a key principle in marketing theory and considered one of the most important factors in a brand's growth (Aaker 2003; Dawar and Bagga 2015; Porter 1980). Furthermore, monopolistic competition theory suggests that brand distinctiveness can provide firms with a means to establish a monopoly on their products, even in a competitive market (Chamberlin 1961).

Sociologists have long maintained that conflict promotes distinction (Simmel 1996) and clearly defines boundaries (Coser 2009). Generally, "group lines are drawn more sharply" in competition (Ashforth and Mael 1989, p. 25). By positioning themselves in relation to a competitor, brands signal to consumers how and to what extent they differ from other brands (Wilkie and Farris 1975). Hence, an intense inter-firm brand rivalry helps to communicate what a brand stands for by setting brands apart.

Also, rival brands' comparative evaluations help people to shape their attitudes about these brands "by learning about the different characteristics of the objects and integrating these values into a more global affective evaluation" (Olsen 2002, p. 247). Therefore, an intense interfirm brand rivalry highlights contrasts between competitors which otherwise may disappear in the plethora of advertising messages.

Furthermore, perceived brand distinctiveness "involves the cues stored in memory that make the brand stand out, causing consumer recognition of a brand in consumers' minds" (Gaillard, Romaniuk, and Sharp 2005). It seems likely that an intense inter-firm brand rivalry creates additional cues in the consumers' mind for two reasons. First, the ongoing competitive narrative between the two brands provides many occasions to develop more distinctive brand cues in consumers' memories. Secondly, inter-firm brand rivalry has been acknowledged to generate attention and evoke consumer discussions about the brands (Zhang 2014). This is

attributed to the use of brand attack advertisements, which have been on the rise (York 2008). The literature suggests that such advertising styles can contribute to brand distinctiveness (Netemeyer et al. 2004; Romaniuk, Sharp, and Ehrenberg 2007). Hence:

**H1.** Inter-firm brand rivalry is positively related to perceived brand distinctiveness.

Social identity theory was originally developed to explain why categorization into groups, even minimal groups, leads to intergroup bias and conflict (Hogg and Abrams 2003). Within social psychology, this theory has been applied to groups based on race, gender, and nationality among others. In these contexts, intergroup behavior takes the form of racism, sexism, and xenophobia. Thus, existing research has focused on how to *decrease* intergroup rivalries such as by inducing superordinate identities that give rise to a common ingroup (Gaertner et. al. 1993). Not surprisingly, little work has been conducted on whether and how external actors can *increase* intergroup rivalries.

As a result, it is unclear whether inter-firm brand rivalry can influence inter-consumer brand rivalry. Social identity theory argues that group members select comparison targets strategically in order to maintain positive distinctiveness (Tajfel and Turner 1979; Hogg and Abrams 2003). Thus, consumers would be expected to select and engage in inter-consumer brand rivalries based on their own identity needs, rather than based on what rivalries firms promote. As a result, inter-consumer brand rivalries should occur independent of inter-firm brand rivalries.

On the other hand, anecdotal evidence suggests that inter-firm brand rivalries may serve as both a starting point as well as inspiration for many inter-consumer brand rivalries. Advertisements by firms often provoke responses from consumers. Apple's famous PC-vs-Mac campaign not only sparked a counter-campaign from Microsoft but also various parodies from users (Fournier and Lee 2009). Consumers have become skilled in crafting advertising-like objects that promote antagonism (Muñiz and Schau 2007), and social media allows them to easily pick up on inter-firm brand rivalries. In the world of sports, teams often promote rivalries in their advertising as in the case of football games between the Dallas Cowboys and the Washington Redskins. Furthermore, these rivalries sometimes spill over from the field into the stands and parking lots (Rajwani 2015), suggesting that inter-firm brand rivalry can promote inter-consumer brand rivalry.

H2. Inter-firm brand rivalry is positively related to inter-consumer brand rivalry.

While perceived brand distinctiveness refers to the firm's brand, consumer group distinctiveness refers to consumer social identity and captures perceptions of how unique a group of consumers is. Group distinctiveness is defined as the perceived difference between one's own group and another group (Jetten, Spears, and Manstead 2001). According to social identity theory (Tajfel and Turner 1979; Hogg and Abrams 2003), people strive for positive distinctiveness and seek membership in positively distinct groups to build a positive self-concept. Indeed, prior research suggests that distinctiveness is a fundamental human need and a key determinant of a positive self-concept (Escalas and Bettman 2003; Pickett and Brewer 2001; Snyder and Fromkin 1977).

Since consumption is one way to create distinctiveness, this need has been examined in consumption settings and is defined in this context as an "individual's pursuit of differentness relative to others that is achieved through the acquisition, utilization, and disposition of consumer goods for the purpose of developing and enhancing one's personal and social identity" (Tian, Bearden, and Hunter 2001, p. 50). Brands have been shown to provide a means to establish and enhance perceived consumer group distinctiveness (Grier and Deshpandé 2001). Consumers engage in comparisons with adherents of competing brands, distinguishing

themselves not just by what brands they consume but also by what brands they do not consume (Muñiz and O'Guinn 2001). This competition accentuates we/they differences (Ashforth and Mael 1989, p. 25) and helps to draw clear lines and define differences to other consumers (Fournier and Lee 2009).

A key feature is the element of mutual competitive comparisons. Inter-consumer brand rivalry only exists when the competitive relationship between consumers or aficionados of two rival brands is perceived as being mutual. If competitive actions were not reciprocated by consumers of the rival brand, the identity-enhancing effects would be diminished (Seraj et al. 2015). The act of being ignored can even seriously hurt self-concept (Williams and Nida 2011). In a survey of sports fans, Berendt and Uhrich (2016) found a positive relationship between perceived rivalry reciprocity and identity-related constructs such as group distinctiveness, group cohesion, and public collective self-esteem. Therefore, inter-consumer brand rivalries provide consumers with an opportunity to build distinctiveness.

**H3.** Inter-consumer brand rivalry is positively related to perceived consumer group distinctiveness.

Hypothesis 3 predicts a direct relationship between inter-consumer brand rivalry and consumer group distinctiveness. However, social identity theory suggests an alternative explanation: the impact of inter-consumer brand rivalry may be mediated through brand identification and rival brand disidentification.

Specifically, Jetten, Spears, and Manstead (2001) show that intergroup hostility fosters solidarity within the own group and concluded that the costs of being discriminated against are compensated for by the psychological benefits of higher ingroup identification. This is in line with Branscombe, Schmitt, and Harvey's (1999) rejection-identification model, which advocates

that attributions to prejudice have a direct negative effect on well-being but at the same time increase ingroup identification. In addition, the organizational literature suggests that identification increases when a competitor becomes more salient because awareness of outgroups reinforces awareness of the ingroup (Ashforth and Mael 1989; Pratt 1998). This suggests that inter-consumer brand rivalry should reinforce consumers' identification with the relevant brand.

By the same token, when engaged in an inter-consumer brand rivalry, consumers are likely to disidentify from the rival brand. In many brand communities, being a member requires the rejection of rival brands (Muñiz and O'Guinn 2001). For example, sports fans are taught by their socializing agents which team to disidentify from (Havard 2014). This is also evidenced by brand community gear, such as shirts stating "An Apple a day keeps Windows away" or "Friends don't let friends use Mac." A key feature of rival brand disidentification is the perception of a cognitive difference between their own identity and the rival brand's identity as well as the categorization of rival brands as enemies (Muñiz and Hamer 2001). This process should be strengthened by inter-consumer brand rivalry because the conflict remains salient and consumers are constantly reminded which side they are on (Bhattacharya and Elsbach 2002; Wolter et al. 2015). Furthermore, in rival brand disidentification, the rival's failures are celebrated as personal successes (Elsbach and Bhattacharya 2001). Philips-Melancon and Dalakas (2014) showed that Windows and Apple consumers derived pleasure from each other's misfortune. Being the target of prejudices and derogation from a rival should therefore enhance disidentification with the opposing brand.

While the literature suggests a relationship between inter-consumer brand rivalry and brand identification / rival brand disidentification, it is unclear whether this will translate into higher perceived consumer group distinctiveness. On the one hand, inter-consumer brand rivalry may influence identification/disidentification without identification/disidentification, in turn, influencing consumer group distinctiveness. In this case, a simple direct relationship may exist between inter-consumer brand rivalry and consumer group distinctiveness as predicted in hypothesis 3.

On the other hand, the social identity literature proposes that there are two dominant ways of building a positive self-concept: either by identifying with an organization or by disidentifying with an organization that has been classified as a rival (Elsbach and Bhattacharya 2001). Since group distinctiveness is a key facet of a positive self-concept (Ashforth and Mael 1989; Jetten et al. 2004), identifying with a brand or disidentifying with a brand should influence group distinctiveness. Building off on the above, this would suggest that the influence of inter-consumer brand rivalry on brand identification and brand disidentification should lead to an indirect mediated effect on consumer group distinctiveness.

**H4.** Brand identification mediates the positive relationship between inter-consumer brand rivalry and perceived consumer group distinctiveness.

**H5.** Rival brand disidentification mediates the positive relationship between interconsumer brand rivalry and perceived consumer group distinctiveness.

Finally, integrating the perspectives from the social psychology and marketing literatures suggests a novel way in which firms may use rivalry to the benefit of both the firm and consumers. At first glance, the idea of firms promoting intergroup conflict among consumers appears morally odious. Such a practice appears even more questionable if the effect is simply to increase brand distinctiveness for the benefit of the firm. However, if inter-firm brand rivalries foster inter-consumer brand rivalries as Fournier and Lee (2009) suggest, and inter-consumer rivalries provide consumers with group distinctiveness as the social identity literature suggests,

promoting inter-firm brand rivalry should provide consumers with a critical indirect benefit: enhanced consumer group distinctiveness. Based on this, we predict:

**H6.** Inter-firm brand rivalry is indirectly positively related to perceived consumer group distinctiveness.

It should be noted that we do not predict a positive relationship between inter-firm brand rivalry and brand identification / rival brand disidentification. Unlike in inter-consumer brand rivalry, where the consumer creates the competitive narrative himself, in inter-firm brand rivalry the consumer is just an observer of the rival brands' competitive actions regardless of whether they have a connection to the brands or not. As a result, our theoretical framework provides no basis for predicting a relationship between inter-firm brand rivalry and brand identification / rival brand disidentification.

Figure 1 sums up the proposed model. As discussed, rivalry has the potential to: a) benefit firms, b) benefit consumers, c) benefit both, or d) benefit neither. In recognition of this, we employ a sequence of four studies. First, we test the main effects of inter-firm brand rivalry on perceived brand distinctiveness predicted by H1 (studies 1 and 2) to establish the possible benefit to firms. In study 3, we test the direct effect of inter-consumer rivalry on consumer group distinctiveness, controlling for identification and disidentification. Finally, study 4 brings together inter-firm and inter-consumer brand rivalry to test the mediation of brand identification<sup>1</sup> and rival brand disidentification as well as to assess the indirect impact of inter-firm rivalry on consumer group distinctiveness.

#### [INSERT FIGURE 1 HERE]

<sup>&</sup>lt;sup>1</sup> We thank an anonymous reviewer for bringing this path to our attention.

#### 4. METHOD

## 4.1 Study 1

To test the influence of inter-firm brand rivalry on perceived brand distinctiveness, we conducted a quasi-experiment based on a pen-and-paper study among 103 people (MAge: 23.1 years (SD = 4.65), 43.7% male) in two German university cities. We briefly presented our conceptualization of inter-firm brand rivalry, stating that rivalry exists when two brands share an ongoing special relationship that stretches beyond regular competition. For a better understanding, we provided an example from the world of soccer, explaining that games between archrivals typically matter more to everyone involved because of increased psychological stakes that result from the embeddedness of the current game in a long-term competitive relationship between the teams. We then asked the participants to indicate whether they felt that German car brand BMW did have an archrival. Depending on their answer (yes vs. no), participants were placed in the "inter-firm brand rivalry" (IFBR) or "no inter-firm brand rivalry" condition. BMW was selected as the target brand because a pretest indicated an equal distribution of people who believe vs. not believe that the brand has a rival. The pretest was part of a related online survey in which 278 participants ( $M_{Age}$ : 26.2 years (SD = 7.34), 47% male) were asked whether BMW had an archrival. Fifty-seven percent answered yes. Another pretest among students (N = 50,  $M_{Age}$ : 23.5 years (SD = 5.51), 46% male) suggested that for many other brands, a huge majority would either identify or not identify an archrival. For example, 84% answered yes when asked whether German super market chain Aldi had an archrival, while 78% answered no when asked the same question about Starbucks. Using such brands would have resulted in extremely uneven cell sizes.

#### 4.1.1 Measures

Perceived brand distinctiveness was measured with three items based on Stokburger-Sauer, Ratneshwar, and Sen's (2012) scale ("BMW clearly distinguishes itself from other car brands," "Compared to other car brands BMW stands out," "BMW clearly differentiates itself from other car brands"; M = 4.25, SD = 1.22,  $\alpha = .91$ ). Brand attitude and usage have been known to influence perceived brand distinctiveness (Netemeyer et al. 2004), and that is why we controlled for the influence. Attitude towards the brand was measured with the single-item "I like BMW" (M = 4.15, SD = 1.52), while brand usage was assessed binary (yes/no; 8.7% currently owned a BMW).

#### 4.1.2 Results

Sixty-nine participants stated that BMW has an archrival, while 34 participants indicated that BMW does not have an archrival. In support of H1, the results reveal that participants in the IFBR condition rated BMW's perceived brand distinctiveness significantly higher than in the no IFBR condition ( $M_{IFBR} = 4.43$ , SD = 1.19,  $M_{NoIFBR} = 3.84$ , SD = 1.18, F(1, 102) = 4.33, p < .05,  $\eta^2 = .04$ ) when controlling for brand attitude ( $\eta^2 = .12$ , p < .001) and brand usage (ns).

#### 4.1.3 Discussion

The results support our proposition that inter-firm brand rivalry enhances perceived brand distinctiveness. It also suggests that having a strong competitor can be advantageous for brands. Participants who believed that BMW has an archrival evaluated the brand as more distinctive compared to participants who were not aware of an archrival. Branding is all about creating differences from competitors. Our results indicate that inter-firm brand rivalry can contribute to this endeavor. However, study 1 did not control for product category involvement and brand familiarity, which could also drive the proposed effect. Furthermore, the study examined only one brand in one product category, limiting the generalizability of the findings. Specifically,

familiarity with the brand or the level of involvement in this product category may have influenced the results.

## 4.2 Study 2

To address the above limitations and replicate the findings with a larger sample size in study 2, we collected two samples featuring different brands and different industries. Also, we included brand familiarity and product category involvement as additional control variables.

To determine established inter-firm brand rivalries, we conducted a focus group discussion with students (N = 20), asking them to name rivalries that are particularly relevant for consumers in Germany. The rivalries between Apple and Samsung as well as Nike and Adidas were identified as the most relevant by participants.

For sample 1 (smartphones), trained interviewers were deployed to the city center of a large German city to intercept participants. They surveyed N = 282 people ( $M_{Age}$ : 26.1 years (SD = 9.39), 56.7% male) via pen-and-paper. For sample 2 (sporting goods), we conducted an online survey. Participants were recruited via snowball sampling as research assistants shared the link on their Facebook pages during a span of five days. Two-hundred and sixty-four people completed the questionnaire ( $M_{Age}$ : 23.2 years (SD = 6.80), 56.8 % male).

#### 4.2.1 Measures

The independent variable inter-firm brand rivalry was measured with the single item: "In your perception, how intense do you think is the rivalry between Apple and Samsung (Adidas and Nike)" on a ten-point scale (1 = not very intense to 10 = very intense). If a construct is one-dimensional, sufficiently narrow and clear to the participants, the use of a single-item scale is appropriate (Wanous and Hudy 2001), especially when the construct is found to be concrete and can easily and uniformly be imagined by the participants (Bergkvist and Rossiter 2007).

Although rivalry is a complex phenomenon, respondents found the assessment of the intensity of rivalry between two brands easy to grasp and concrete enough to answer. Also, a similar measure had been used successfully in previous studies (Berendt and Uhrich 2016).

As before, perceived brand distinctiveness was measured with three items based on Stokburger-Sauer, Ratneshwar, and Sen's (2012) scale on a seven-point scale (1 = do not agree, 7 = strongly agree,  $\alpha$  = .92 (sample 1) / .89 (sample 2)). Brand attitude, brand familiarity, consumption, and product category involvement have been shown to influence perceptions of brand distinctiveness (Netemeyer et al. 2004). Hence, we control for the influence of these variables. Brand attitude ("How do you rate Apple/Samsung") and brand familiarity ("How familiar are you with Apple/Samsung") were measured with a single-item using seven-point semantic differentials (negative-positive; not familiar-very familiar). Product category involvement in the domain of smartphones (sporting goods) was measured with an established three-item scale from the literature (e.g., "Smartphones mean much to me"; see Appendix A for details,  $\alpha = .88 / .87$ ). We also checked whether the participants currently consume products of either brand (binary-coded). To control for the influence of the brand rating order, we handed out two versions of the questionnaire and created a binary-coded control variable "presentation order" (e.g., 0 = Samsung/Adidas rated first, 1 = Apple/Nike rated first). We pooled the data within the samples, adding a binary-coded control variable "brand factor" to control for the influence the actual brand may have (e.g., 0 = Samsung, 1 = Apple).

#### 4.2.2 Measurement Properties

Confirmatory factor analyses confirmed that each item loaded on the conceptualized factor in both samples. Convergent validity was indicated by the psychometric properties of the measurement items. All factor loadings were above .72, and all were significant at p < .001. The

composite reliabilities ranged from .88 to .92. The AVE (Average Variance Extracted) was above the .50 threshold for all constructs and exceeded the squared correlations between any pair of constructs, further supporting discriminant validity (Fornell and Larcker 1981).

## 4.2.3 Common Method Variance

To minimize the threat of common method variance, we employed different scale endpoints for the predictor and criterion measures to reduce method biases caused by commonalities in scale endpoints and anchoring effects (Podsakoff et al. 2003). We conducted a series of statistical analyses to assess the potential existence of common method bias (Bagozzi 2011), including Hartman's single-factor test. Also, we inserted a theoretically unrelated marker variable. Substantial correlations with the focal constructs (although there is no theoretical link) could be an indication that the relationships between the independent and dependent variables result from assessing the variables in the same survey. However, the theoretically unrelated marker variable, which measured the participants' perception of the Samsung brand personality as romantic (M = 1.65, SD = 1.07) revealed no correlations with the other constructs in sample one. In sample two, there were no significant correlations between the focal constructs and a marker variable assessing the participants' sense of environmentalism (M = 4.56, SD = 1.24,  $\alpha$  = .88) either. The findings left us confident that common method variance is not of major concern in these studies, although it can never be ruled out completely.

#### 4.2.4 Results

We conducted a multivariate regression analysis in SPSS, which explained a significant proportion of the variation in the scores for perceived brand distinctiveness in sample 1 ( $\mathbb{R}^2 = .46$ , F(7,556) = 68.27, p < .001) and sample 2 ( $\mathbb{R}^2 = .28$ , F(7,520) = 29.4, p < .001). Inter-firm brand rivalry exerted a positive and significant effect on perceived brand distinctiveness (sample

1: b = .11, p < .001 / sample 2: b = .15, p < .001), providing support for H1.

## [INSERT TABLE 2 ABOUT HERE]

While the main effects were consistent throughout both samples, there were some slight differences among the controls. Presentation order only had a negative effect in the smartphone sample (b = -.10, p < .001). This is likely caused by Apple`s uniqueness. After rating such a highly unique brand first, Samsung may appear less distinct in comparison. For Adidas and Nike, the difference is not as large, as indicated by a lower brand factor coefficient (b = .21 vs. b =. 58). Brand familiarity had a significant positive influence in the sporting goods sample (b = .14, p < .01), which may be attributed to the differences in costs of smartphones versus sporting goods.

## 4.2.5 Discussion

Study 2 results provide further support for our basic proposition that inter-firm brand rivalry enhances perceived brand distinctiveness in relation to any competitor (not just the rival). As brand distinctiveness denotes a brand's perceived uniqueness in relation to its competitors, inter-firm brand rivalry helps to draw clear lines and set rivals apart. Hence, it creates a positioning effect, which holds when controlling for brand attitude, brand familiarity, product category involvement, and consumption. Therefore, inter-firm brand rivalry can help with strategic positioning in large markets with a broad audience, much broader than a firm's own (current) consumer base. Comparative evaluation enables people to shape their attitudes about brands, and when a brand is positioned in relation to a strong competitor, consumers may find it easier to grasp how brands differ (Wilkie and Farris 1975). The positive effects of inter-firm brand rivalry were consistent in two different industries (smartphones and sporting goods) across four different brands, adding to the generalizability of the findings.

## 4.3 Study 3

Study 3 focuses on the effect of inter-consumer brand rivalry on consumer group distinctiveness. The study uses an experimental design to provide evidence of a causal relationship as predicted by hypothesis 3 while controlling for brand identification and disidentification. The team sports industry provided a fruitful empirical context because of the importance of rivalries in this setting. Perceptions of rivalry are not always reciprocated between team sports consumers. Some teams refuse to acknowledge their neighbors as rivals. They ignore the rivalry, stressing that the meetings are not special but just normal games (Hesse 2013). We found this to be the case between German soccer rivals Arminia Bielefeld and SC Paderborn. We therefore manipulated a local press article (see Appendix B) stating that Bielefeld do consider Paderborn rivals (high ICBR) or do *not* consider Paderborn archrivals (low ICBR condition), respectively.

More specifically, the article suggested that a new fan poll had revealed that Arminia Bielefeld (do not) consider Paderborn archrivals and that Paderborn's recent promotion to the first division had (not) changed that. The article included quotes from a Bielefeld official stating that the rivalry had reached new levels (is barely existent). We conducted an online survey among fans of SC Paderborn which was shared in online discussion forums dedicated to the team. A total of 243 participants ( $M_{Age}$ : 30.8 years (SD = 13.04), 79.1% male) completed the questionnaire. They were randomly assigned either to the high ICBR (N = 121) or low ICBR (N = 122) condition.

## 4.3.1 Measures

The focal constructs were all captured with established scales using seven-point rating scales (1 = do not agree to 7 = strongly agree). To measure inter-consumer brand rivalry, we

used four self-developed items capturing the perceived mutual competitive comparisons between consumers (e.g., "The rivalry between Arminia Bielefeld and SC Paderborn is mutual",  $\alpha = .90$ ). This measure was used as a manipulation check since mutuality is central to rivalry. Adapted from Postmes, Haslam, and Jans' (2013) scale, perceived consumer group distinctiveness was measured with three items (e.g., "There is something that makes Paderborn fans unique in comparison with other football Bundesliga fans",  $\alpha = .91$ ). Rival brand disidentification was measured with three items adapted from Bhattacharya and Elsbach's (2002) scale (e.g., "Arminia Bielefeld's failures are my successes",  $\alpha = .91$ ), while brand identification was measured based on Mael and Ashforth (1992) with three items (e.g., "When I speak about SC Paderborn, I say we rather than they";  $\alpha = .87$ ). The AVE was greater than the .50 threshold for all constructs and exceeded the squared correlations between any pair of constructs, supporting discriminant validity (Fornell and Larcker 1981).

### 4.3.2 Results

The manipulation of the experimental factor was successful. People in the high ICBR condition reported higher levels of inter-consumer brand rivalry than in the low ICBR condition  $(M_{HighICBR} = 5.04, SD = 1.62, M_{LowICBR} = 3.46, SD = 1.56, F(1, 242) = 67.13, p < .001, \eta^2 = .22)$ . In support of hypothesis 3, participants in the high ICBR condition displayed higher levels of perceived consumer group distinctiveness than in the low ICBR condition  $(M_{HighICBR} = 4.47, SD = 1.98, M_{LowICBR} = 3.94, SD = 1.80, F(1, 242) = 4.26, p < .05, \eta^2 = .02)$  when controlling for brand identification  $(\eta^2 = .26, p < .001)$  and rival brand disidentification  $(\eta^2 = .02, p < .05)$ .

## 4.3.3 Discussion

The results provide support for H3 which predicted that inter-consumer brand rivalry directly enhances perceived consumer group distinctiveness, controlling for brand identification

and brand disidentification. By successfully manipulating inter-consumer brand rivalry, we also provide evidence for the proposed causality of the positive relationship—it is the inter-consumer brand rivalry that drives perceived consumer group distinctiveness and not vice versa.

The findings further support the notion that inter-consumer brand rivalry is not a one-way street but manifests in mutual competitive comparisons. Thus, both rivals are required to recognize the conflict and show a certain willingness to engage in it for the beneficial outcomes to materialize. This puts the role of the rival into a new perspective. The awareness of being acknowledged as the enemy can increase consumer group distinctiveness and, therefore, contributes to a positive self-concept.

#### *4.4 Study 4*

After providing evidence for the positive effect of inter-consumer brand rivalry on consumer group distinctiveness, study 4 tests the proposed mediating mechanisms underlying this effect. In addition, the study examines the link between inter-firm brand rivalry and interconsumer brand rivalry as proposed in hypothesis 2 as well as the indirect effect of inter-firm rivalry predicted in hypothesis 6.

As in study 2, we generated two samples, using rivalries in smartphone and car markets as the empirical settings. Smartphone users have been known to take the rivalry to heart and battle it out vicariously, similar to car owners. For example, the rivalry between Ford and Holden is said to divide Australia, as Ewing, Wagstaff, and Powell (2013) detected "a distinct sense of allegiance to either Ford or Holden" (p. 6). Hence we deemed the vicarious consumer rivalries among car owners and smartphone users as fruitful.

For sample 3, we created an online survey. Participants were recruited via snowball sampling as research assistants posted the survey link on their Facebook pages during a span of

three days. Three hundred and thirteen people completed the questionnaire ( $M_{Age}$ : 24.38 years (SD = 9.12), 57.7 % male). People were asked which smartphone they use. Fifty-five percent (n = 172) used Apple, 27.5 percent (n = 86) used Samsung, with the rest made up between Sony, HTC, Nokia and LG. Unlike in study 1, we did not predetermine a rivalry but gave the participants a chance to make their own selection, asking them to name the archrival of their smartphone brand. The majority of the participants (n = 193; 80.8 %) identified an archrival, while 19.2 percent (n = 60) stated that their brand did not have an archrival. Subsequently, these 60 cases were removed because they could not answer questions about the inter-firm (consumer) brand rivalry and rival brand disidentification, resulting in a final sample size of 253 participants.

For sample 4, we deployed 24 trained interviewers to survey consumers in two German cities. They were asked about their favorite car brand and its archrival. A total of 385 people participated, 148 of which did not state an archrival for their favorite brand. Seven cases were removed due to missing values, resulting in a final sample size of 230 ( $M_{Age}$ : 32.9 years (SD = 13.96), 79.1% male).

#### 4.4.1 Measures

Inter-firm brand rivalry was measured as in study 2, using a ten-point scale (1 = not very intense to 10 = very intense). All other constructs were captured with established scales using seven-point rating scales (1 = do not agree to 7 = strongly agree). To measure inter-consumer brand rivalry, we used three self-developed items capturing the perceived mutual competitive comparisons between consumers (e.g., "The rivalry between [favorite brand] consumers and [archrival brand] consumers is mutual"; see Appendix A,  $\alpha = .88$  (sample 3) / = .83 (sample 4)). Rival brand disidentification ( $\alpha = .92$  / .83) and consumer group distinctiveness ( $\alpha = .91$  / .82) were measured as before. Brand identification was measured with a single item ("I highly

identity with [favorite brand"]) based on Postmes et al. (2013). Pretesting and a group discussion with undergraduate students (N = 20) ensured content validity of the adapted items in the context of smartphones and cars.

## 4.4.2 Measurement Properties

Convergent validity was indicated by a confirmatory factor analysis analyzing the psychometric properties of the measurement items. In both samples, all factor loadings were above .70 except for one (.68 for "[Archrival] consumers consider [favorite brand] consumers serious rivals" measuring inter-consumer brand rivalry), and all were significant at p < .001. The composite reliabilities ranged from .82 to .93. In both samples, the AVE was greater than the .50 threshold for all constructs and exceeded the squared correlations between any pair of constructs, supporting discriminant validity (Fornell and Larcker 1981). The global measurement model revealed a good fit of the model to the data (smartphones:  $\chi^2 = 45.71$ , df = 24, p < .005,  $\chi^2$ /df = 1.90, RMSEA = .060, CFI = .99, TLI = .98; cars:  $\chi^2 = 30.89$ , df = 24, p = .16,  $\chi^2$ /df = 1.29, RMSEA = .035, CFI = .99, TLI = .99). To assess the extent of common method variance, we again included a theoretically unrelated marker variable, capturing the participants' sense of environmentalism (sample 3: M = 4.43, SD = 1.36,  $\alpha = .90$  / sample 4: M = 3.70, SD = 1.83,  $\alpha = .92$ ). There were no significant correlations in sample 3 and only a small correlation with brand identification in sample 4 (b = -.17, p < .01). Table 3 provides an overview.

#### [INSERT TABLE 3 ABOUT HERE]

#### 4.4.3 Results

We tested the model via structural equation modeling using Mplus (Muthen and Muthen 1998-2017). The residuals of the mediators were allowed to correlate with each other (Preacher and Hayes 2008). The smartphone model displayed a good fit to the data ( $\chi^2 = 88.81$ , df = 38, *p* <

.001,  $\chi^2/df = 2.34$ , RMSEA = .073, CFI = .98, TLI = .97), explaining a significant proportion of the variation in the scores for perceived consumer group distinctiveness (R<sup>2</sup> = .64, *p* < .001). Table 5 provides an overview of the results. Similarly, the car model displayed an equally good fit to the data ( $\chi^2 = 61.72$ , df = 38, *p* < .01,  $\chi^2/df = 1.62$ , RMSEA = .052, CFI = .98, TLI = .97), explaining a significant proportion of the variation in the scores for perceived consumer group distinctiveness (R<sup>2</sup> = .27, *p* < .001). Table 4 shows the results.

## [INSERT TABLE 4 ABOUT HERE]

Inter-firm brand rivalry exerted a positive and significant effect on inter-consumer brand rivalry (sample 3: b = .22, p < .001 / sample 4: b = .51, p < .001), supporting H2. Inter-consumer brand rivalry exerted a positive and significant total effect on perceived consumer group distinctiveness (sample 3: b = .68, p < .001 / sample 4: b = .27, p < .01). Furthermore, for smartphones, inter-consumer brand rivalry had a positive and significant direct effect on perceived consumer group distinctiveness (sample 3: b = .36, p < .001). However, in the case of cars, the direct effect is insignificant (p > .05). Thus, H3 is partially supported.

Inter-consumer brand rivalry exerted a positive and significant effect on the two mediators brand identification (b = .56, p < .001 / b = .22, p < .001) and rival brand disidentification (b = .60, p < .001 / b = .39, p < .001). Brand identification exerted a positive and significant effect on consumer group distinctiveness (b = .41, p < .001 / b = .33, p < .001), as did rival brand disidentification (b = .14, p < .05 / b = .27, p < .001). The results further showed that inter-consumer brand rivalry had a positive and significant total indirect effect on perceived consumer group distinctiveness (b = .32, p < .001 / b = .18, p < .001), with both brand identification (indirect effect b = .23, p < .001 / b = .07, p < .01) and rival brand disidentification (indirect effect b = .23, p < .001 / b = .07, p < .01) and rival brand disidentification (indirect effect b = .08, p < .05 / b = .10, p < .01) mediating the relationship, supporting H4 and

H5. Following Cheung's (2009) recommendations, we compared the relative magnitude of the specific indirect effects and found that there was no significant difference. Finally, inter-firm brand rivalry had a positive and significant indirect effect on consumer group distinctiveness in both samples (b = .15, p < .001 / b = .14, p < .01), supporting H6. The direct effect of inter-firm brand rivalry on consumer group distinctiveness was not significant in either sample (p > .05).

## 4.4.4 Discussion

The results offer further support for the positive relationship between inter-consumer brand rivalry and consumer group distinctiveness and hence the identity effect. Having used different brands and different industries, the study adds to the generalizability of our findings.

The positive relationship between inter-consumer brand rivalry and group distinctiveness is mediated by brand identification as well as rival brand disidentification, providing managers with two avenues to generate the effects. The mediating role of rival brand disidentification is noteworthy because previous research has mainly attributed the development of consumer group distinctiveness to the identification with the ingroup rather than externally to a disliked outgroup (Jetten et al. 2001). By the same token, brand managers tend to focus on their own brand, ignoring the role that the interplay with a rival brand may play in shaping boundaries. However, the mediation results suggest that brand managers should also pay attention to and potentially focus on the competitor. Expressing who they are by who they are not enables consumers to turn the rivalry into a clear-cut benefit. Also, the fact that inter-consumer brand rivalry is positively related to brand identification is a positive side effect of rivalry. As expected, there is no correlation between inter-firm brand rivalry and the mediating variables in either sample.

In the car sample, the positive impact of inter-consumer brand rivalry is fully mediated, whereas in the smartphone sample it is partially mediated. This suggests that while interconsumer brand rivalry can sometimes have a direct effect, brand identification and brand disidentification play a critical role in producing consumer group distinctiveness. Furthermore, it demonstrates the importance of replicating results across multiple studies and in a variety of study contexts. Importantly, study 4 connects inter-firm and inter-consumer brand rivalry, showing that promoting inter-firm brand rivalry can not only benefit firms but also consumers by indirectly enhancing consumer group distinctiveness.

#### 5. GENERAL DISCUSSION

#### 5.1 Theoretical Implications

Previous studies have predominantly focused on the dark side of public conflict in marketing, uncovering a range of negative consequences, such as price wars, reduced new product adoption, decreases in customer-to-customer helping, intergroup stereotyping, derogation, and schadenfreude (Chen et al. 2009; Ewing et al. 2013; Hickman and Ward 2007; Thompson et al. 2016; Thompson and Sinha 2008). Despite indications that rivalry can generate attention for brands and provide consumers with identity and entertainment (Libai et al. 2009; Muñiz and O'Guinn 2001; Seraj et al. 2015), scholars recommend brands to diffuse rivalries and stay away from public conflict. Our research contrasts this view by showing positive effects of rivalry. Across four studies, we find that rivalry can be an avenue to accomplish one of marketing's main objectives, which is the development of distinctiveness for brands and consumers (Aaker 2003; Dawar and Bagga 2015; Escalas and Bettman 2003; Pickett and Brewer 2001; Porter 1980; Snyder and Fromkin 1977). Contributing to a more balanced view of an emerging phenomenon, we derive and empirically confirm that rivalry creates benefits for both firms and consumers.

By promoting inter-firm rivalry, firms can increase perceived brand distinctiveness,

providing an innovative positioning option in large markets. The positive relationship holds when controlling for brand attitude, brand familiarity, consumption, and product category involvement. This indicates that both consumers and non-consumers take note of inter-firm brand rivalry, enabling brands to create a unique positioning even among those (currently) outside of their own customer base.

Consumers benefit from inter-consumer rivalry through increased consumer group distinctiveness, which is a fundamental need and a cornerstone of a positive self-concept (Fournier and Lee 2009; Pickett and Brewer 2001). When consumers vicariously battle out brand feuds, it helps them to boost their identity by defining the ingroup against the outgroup and setting their group apart from others. Furthermore, as study 4 shows, inter-consumer brand rivalry increases brand identification, which is another positive side effect of rivalry for firms.

Apart from presenting an innovative way to build brand distinctiveness, this research advances social identity theory by demonstrating the impact inter-firm rivalry has on consumer rivalry. Prior research on social identification has avoided the question of whether firms can foster inter-consumer rivalry due to the negative connotations associated with intergroup conflict. Furthermore, social identity theory has traditionally viewed the selection of comparison groups as a strategic choice made by group members. Consumers strategically choose targets for their own reasons, and the brands are merely props or tools. Absent is any consideration of whether commercial entities can (or should) play a role in fostering and shaping intergroup relations.

The positive relationship between inter-firm and inter-consumer brand rivalry shows that this assumption is incorrect. Outside actors such as firms can play an important role in promoting rivalry between consumers. Furthermore, and perhaps counterintuitively, we find that firms can produce value for consumers by promoting such intergroup conflict, in the form of enhanced group distinctiveness. Thus, promoting rivalry is not necessarily just a tool of an "evil marketer" seeking to promote their brand but can also create a win-win outcome for both firms and consumers.

Our research also expands previous work suggesting that it is mostly new or underdog firms that benefit from aggressive promotional strategies (Grewal et al. 1997; Paharia et al. 2011; Zhang 2014). The results from study 1 and 2 show that firms need not be underdogs to experience positive outcomes of inter-firm brand rivalry. None of the brands used has a clear underdog position in the market. For all of them, inter-firm brand rivalry strengthens the positioning via an increase in perceived brand distinctiveness. Studies 3 and 4 could provide bigname brands with a strategy to stave off attacks from underdogs. Mutual competitive comparisons make inter-consumer brand rivalries thrive and generate the positive effect on perceived consumer group distinctiveness. Without mutual competitive comparisons, an inter-consumer brand rivalry can neither develop nor blossom as actions would just be one-directional. It has been well-established that the act of being ignored can seriously hurt a person's self-concept (Williams and Nida 2011), so when a brand simply ignores the attacks from the underdog, it would mitigate the rival's attempt to build uniqueness among its consumers.

This research also advances the organizational disidentification literature, showing that both brand identification and rival brand disidentification transfer the positive effects of interconsumer brand rivalry on consumer group distinctiveness. This puts the role of the rival into a new perspective, indicating rivals are more than a disliked competitor but a crucial part of consumer identity.

## 5.2 Public Policy Implications

The fact that both brands and consumers benefit from rivalry is also interesting from a public policy point of view. In 1979, the US Federal Trade Commission (FTC) allowed the use of comparative marketing, hoping it would provide customers with better information and help brands to carve out better marketplace positions (Swinyard 1981). Our findings support the FTC's decision. Inter-firm brand rivalry makes each brand's positioning clearer and more distinctive. Rivalry also helps consumers in spotting differences between brands, which presumably was a part of what the FTC had in mind when changing the law. At the same time, consumers benefit due to increases in perceived consumer group distinctiveness.

## 5.3 Managerial Implications

The findings should prompt managers to reconsider the element of conflict in marketing and see the antagonistic relationship to a competitor as a possible opportunity. While previous research has focused on the negative aspects of rivalry, the results reported in this paper reveal that the consequences of inter-firm and inter-consumer rivalries are not exclusively negative. With this in mind, certain brands may wish to take a more active role in the promotion of rivalries.

Brand managers could seek ways to engage in conflict, either by attacking the rival via advertisements or on social media. To deliver a blow when the opportunity presents itself, the competitor's on- and offline activities should be monitored closely. A controversial advertisement or a derogating remark from the rival's CEO could all serve as starting points for (light-hearted) back-and-forth exchanges between the brands, increasing consumers' perceptions of inter-firm brand rivalry. This, in turn, creates opportunities for consumers to "join in the fun" by engaging in inter-consumer rivalries.

To further promote inter-consumer brand rivalries, brand managers could try and boost

their consumers' disidentification from the rival brand by establishing an us-versus-them mentality. As inter-consumer brand rivalries are not a one-way street, strategies to increase perceptions of mutual competitive comparisons should be considered. Brand managers could encourage a sense of intergroup rivalry between consumers. They could even provide the battleground, like a Facebook posting asking for reasons why the own brand is superior to the rival. As proponents and opponents are likely to get involved, a spirited discussion is likely to evolve, increasing mutual competitive comparisons. Past research deemed marketing actions directed at rival brand communities dysfunctional (Phillips-Melancon and Dalakas 2014; Leigh and Thompson 2009). However, attempts to polarize the rival brand community are likely to foster inter-consumer brand rivalry, providing consumers with a much desired sense of group distinctiveness.

Understanding the element of mutual competitive comparisons may also help brand managers to stay away from conflict. If they wish to stave off a rivalry, ignoring a competitor's attack is likely to corrode the development of inter-consumer brand rivalry.

## 5.4 Limitations and Future Research

Across the four studies, we analyzed different rivalries between different brands and in different industries, leaving us confident that the findings are generalizable. Nevertheless, it would be interesting to expand the research to other industries and brands and also weigh the positive against the negative consequences. Rivalry has been described as a double-edged sword with ambivalent effects. The promotion of rivalry in a quest to enhance distinctiveness may come at the expense of previously disregarded detrimental effects, like reputational damage. More research is needed to understand how the effects can be balanced.

Each study has its limitations. Study 1 features rather unbalanced cell sizes, while in

studies 2 and 4, we collected two different samples using different methods (face-to-face vs. online surveys). Although unlikely, it is impossible to rule out that the change of method affected the results. While the use of consistent method and sampling procedures would have increased the comparability of the findings, we varied these aspects for the sake of higher generalizability.

As with any study that uses a number of self-report measures, our choice of measures was a balancing act between using comprehensive multi-item scales that represent the best available reflections of the constructs and avoiding long questionnaires and respondent fatigue. Due to these considerations, some of our control variables (e.g., brand attitude) were assessed with relatively simple measures that might not fully cover the entire conceptual scope of the respective construct. For example, we assessed only the affective dimension of the control variable brand attitude, although the cognitive dimension of the construct might also influence the dependent variable brand distinctiveness.

We demonstrate that inter-firm brand rivalry can drive inter-consumer brand rivalry. However, it is possible for inter-consumer brand rivalry to exist without firm's engaging in interfirm rivalry. This raises interesting questions. First, future research should explore what other firm actions may promote inter-consumer rivalry and enhance consumer group distinctiveness. For example, future research could examine whether firms could leverage brand distinctiveness to further promote these outcomes. Second, firms are not the only actors external to the group that could potentially promote inter-consumer brand rivalry. For example, it is possible that third party product reviews which compare multiple products could promote inter-consumer rivalry by focusing consumers' attention on possible rivals. If so, widely read sources such as *Consumer Reports* may play an unintentional role in creating rivalries. More research is therefore needed on the potential ways non-firms may promote inter-consumer brand rivalry. Third, social identity theory argues that inter-consumer brand rivalries can develop solely due to internal group dynamics in the absence of external communications or influences. Future research should explore whether this occurs in practice and, if so, identify the social processes within groups that spawn such rivalries. Finally, not all consumer groups dedicated to brands engage in rivalry. This raises the question: why do some consumer groups engage in rivalries while others do not? To our knowledge, little research has been conducted on factors that inhibit the formation of interconsumer brand rivalries.

For firms, competition is a fact of life, and in marketing, competitors are sometimes seen as a necessary evil. It would be interesting to investigate whether and how brands can turn competition into rivalry in order to benefit from enhanced distinctiveness. Generally, additional research should test strategies to promote (or diffuse) rivalries, analyzing how firms could create, cultivate, and actively promote an antagonistic relationship with a competitor and also identify boundary conditions to determine which brands benefit the most from public conflict. Also, it would be interesting to identify moderating conditions under which inter-firm brand rivalry also drives brand identification and / or rival brand disidentification. A psychological connection to one of the brands may be a prerequisite for such effects to occur.

In war and in sports, rivalries are nurtured with conscious efforts (Mael and Ashforth 2001). One could take this idea one step further and debate whether non-jointly owned competing brands should take a "frenemy" approach to rival brands. They may want to design advertising campaigns in order to promote and perpetuate good-natured exchanges with their competitors. Doing so could give rise to a form of "competitive cooperation," in which both firms benefit. This would give the old saying that competition is good for everyone in the marketplace additional meaning.

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### TABLES

## 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

# TABLE 2

	1	Sample 1			Sample	e 2
	(Apple	(Nike vs. Adidas)				
	Est.	SE	t	Est.	SE	t
Variable						
Inter-Firm Brand Rivalry	.11***	.029	3.46	.15***	.025	3.91
Controls						
Brand Attitude	.24***	.043	5.95	.31***	.049	6.47
Brand Familiarity	.04	.037	.86	.14**	.044	3.01
Involvement	.04	.037	1.36	.06	.040	1.49
Consumption	05	.130	-1.17	.01	.167	.24
Brand Factor	.58***	.104	18.45	.21***	.094	5.83
Presentation Order	10***	.106	-3.20	09	.099	-1.23

## **REGRESSION ANALYSIS RESULTS FROM STUDY 2**

\* p < .05. \*\* p < .01. \*\*\* p <.001.

## TABLE 3

### SUMMARY OF MEASUREMENT PROPERTIES AND ZERO-ORDER CORRELATIONS

Sample 3 (smartphones)	Μ	SD	α	CR	AVE	1	2	3	4
1. Inter-Firm Brand Rivalry	7.00	2.21	-	-	-				
2. Inter-Consumer Brand Rivalry	3.20	1.69	.89	.88	.72	.24***			
3. Rival Brand Disidentification	1.92	1.51	.92	.93	.82	.02	.56***		
4. Consumer Group Distinctiveness	3.29	1.86	.91	.91	.77	.12	.61***	.64***	
5. Brand Identification	2.85	1.99	-	-	-	.02	.54***	.72***	.68***
Sample 4 (cars)	Μ	SD	α	CR	AVE	1	2	3	4
1. Inter-Firm Brand Rivalry	6.12	2.04	-	-	-				
2. Inter-Consumer Brand Rivalry	4.46	1.53	.83	.83	.63	.48***			
3. Rival Brand Disidentification	2.41	1.56	.83	.85	.65	.09	.34***		
4. Consumer Group Distinctiveness	4.27	1.59	.82	.82	.60	.01	.23***	.35***	

*Notes:* Seven-point rating scales were used for all constructs except Inter-Firm Brand Rivalry (10). \* p < .05. \*\*p < 0.01. \*\*\* p < .001

		Sample 4 (car owners)				
	(smartphone users)					
Total Effects (direct + indirect)	ß	SE	Т	ß	SE	Т
IFBR $\rightarrow$ ICBR (H2)	.22***	.063	3.43	.51***	.054	9.48
ICBR $\rightarrow$ CG Distinctiveness (H3)	.68***	.042	16.03	.27**	.089	2.99
ICBR $\rightarrow$ Brand Identification	.56***	.047	12.00	.22***	.068	3.22
ICBR $\rightarrow$ Rival Brand Disidentification	.60***	.045	13.44	.39***	.066	5.82
Brand Identification $\rightarrow$ CG Distinctiveness	.41***	.063	6.47	.33***	.069	4.85
Rival Brand Dis-Id $\rightarrow$ CG Distinctiveness	.14*	.069	2.01	.27***	.080	3.34
Direct Effects						
$ICBR \rightarrow CG$ Distinctiveness	.36***	.061	5.93	.09	.095	0.98
IFBR $\rightarrow$ CG Distinctiveness	.04	.044	.91	07	.080	82
Indirect Effects						
ICBR $\rightarrow$ CG Distinctiveness (total)	.32***	.040	7.92	.18***	.043	4.06
via Brand Identification (H4)	.23***	.039	5.93	.07**	.027	2.69
via Rival Brand Disidentification (H5)	.09*	.041	2.08	.10**	.036	2.86
IFBR $\rightarrow$ CG Distinctiveness (H6)	.15***	.044	3.32	.14**	.048	2.82

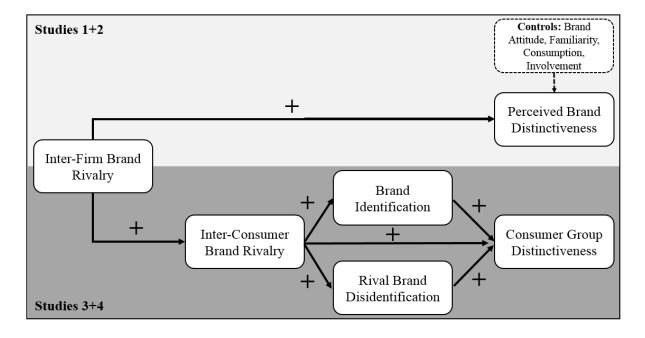
## TOTAL, DIRECT AND INDIRECT EFFECTS OF RIVALRY

*Notes:* Standardized coefficients, standard errors and t-values. IFBR = Inter-Firm Brand Rivalry, ICBR = Inter-Consumer Brand Rivalry, CG Distinctiveness = Consumer Group Distinctiveness. \* p < .05. \*\* p < .01. \*\*\* p < .001.

### FIGURES

### FIGURE 1

### PROPOSED RESEARCH MODEL



# APPENDIX

Appendix A

Study 2	Sample 1	Sample 2
Perceived Brand Distinctiveness		
Apple/Samsung clearly distinguishes itself from other smartphone		
brands	.87	.84
Compared to other smartphone brands Apple/Samsung stands out	.90	.87
Apple/Samsung clearly differentiates itself from other smartphone		
brands	.90	.84
Product Category Involvement		
Smartphones mean much to me	.87	.86
Smartphones are important to me	.95	.89
Smartphones are an important part of my life	.72	.77
Study 4	Sample 3	Sample 4
Inter-Consumer Brand Rivalry	1	1
The rivalry between [favorite brand] consumers and [archrival brand]		
consumers is mutual	.94	.80
For [archrival] consumers [favorite brand] consumers are also the		
archrivals	.74	.88
[Archrival] consumers consider [favorite brand] consumers serious		
rivals	.85	.68
Rival Brand Disidentification		
The [archrival brand]'s failures are my successes	.83	.70
When someone praises the [archrival brand] it feels like a personal		
insult	.90	.80
When someone criticizes [archrival brand] it feels like a personal		
compliment	.98	.91
Consumer Group Distinctiveness		
There is something that makes [smartphone brand]'s users unique in		
comparison with other smartphone users	.91	.84
Among all smartphone users the users of [smartphone brand] stand out	.86	.73
The [smartphone brand] community has a distinctive character		
compared to other communities	.85	.76

*Notes:* All loadings significant at p < .001

#### Appendix B

#### **High Rivalry Condition:**

#### **Bielefeld fans consider SC Paderborn archrivals**

A new poll reveals: The fans of Arminia Bielefeld consider SC Paderborn their archrivals. This is the result of a representative survey among 8.927 Bielefeld fans. For years Preussen Muenster used to be Arminia's biggest rival. Paderborn's promotion to the top flight has fundamentally changed that.

Next season, both clubs, who are separated by just 35 kilometers, will meet again in the second division. The fans in Bielefeld are eagerly anticipating the showdown. "This will be the highlights of the season," said Christian Venghaus, Arminia Bielefeld's official fan coordinator. "The rivalry between Arminia and Paderborn has reached completely new levels."

Skipper Fabian Klos agreed: "The derbies against Paderborn are the most important games of the season. We have to win."

#### Low Rivalry Condition

#### Bielefeld fans do not consider SC Paderborn archrivals

A new poll reveals: The fans of Arminia Bielefeld do not consider SC Paderborn their archrivals. This is the result of a representative survey among 8.927 Bielefeld fans. Preussen Muenster still is Arminia's biggest rival. Paderborn's promotion to the top flight has not changed that.

Next season, both clubs, who are separated by just 35 kilometers, will meet again in the second division. The fans in Bielefeld are not overly excited. "This will be two normal games for us," said Christian Venghaus, Arminia Bielefeld' official fan coordinator. "The rivalry between Arminia and Paderborn is barely existent. For us Preussen Munester is the archrival and not Paderborn."

Skipper Fabian Klos agreed: "The games against Paderborn are not the same as games against Muenster. Nevertheless, we want to win them."