More (beneficial) than intense competition: When and why perceived brand rivalry drives purchase intentions

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Abstract

Marketeers often confound rivalry with competition. Yet the way a brand is perceived in its competitive context can affect consumer psychology and behavior. Based on rivalry theory, we point out the merits of distinguishing between perceived brand rivalry (PBR) and perceptions of intense competition (PIC). An exploratory study (N = 30) indicates that PBR (vs. PIC) influences the extent to which consumers assign brands with certain attributions, including how innovative and aggressive they are. An experimental study (N = 246) then reveals that PBR (vs. PIC) has a positive effect on purchase intentions via increased perceived innovativeness for people with high product category knowledge (PCK). Importantly, while previous research has mostly focused on reactions of highly (dis-)identified consumers, we investigate a much larger group: neutral observers, who have taken note of the combative exchanges between the brands but have yet to pick a side.

Keywords: Rivalry; Competition; Consumer

Track: Product and Brand Management