Rebranding – A Possibility without Risk?
A Case Study of Circle K

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Supervisor: Ramsin Yakob
Preface

The four years of Business and Economics Programme and one year of One Year Master, at Linköping University, are reaching an end. Although, new adventures are ahead.

We would like to start by acknowledging and thanking our supervisor, Ramsin Yakob, for supporting us throughout our journey. Most importantly, we would like to thank him for believing in us and our achievement.

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Thank you!

Linköping University,
2018-05-28

____________________________________  ______________________________________
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Abstract

Title Rebranding - A Possibility without Risk? A Case Study of Circle K

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Background The number of acquisitions is continuously increasing and they are often an important source for competitive advantage. Meanwhile, acquisitions can be a hazardous investment and many do not succeed in creating the expected value. When seeking value creation, corporations can occasionally rebrand in the company. However, the challenges associated with corporate rebranding are sometimes inevitable. Therefore, a developed understanding of the challenges associated with corporate rebranding is required by investigation.

Purpose The purpose of the research is to investigate the corporate rebranding, from the aspect of customer satisfaction, brand equity and customer mindset. Moreover, the relationship between customer satisfaction, customer loyalty and brand equity will be examined.

Execution A quantitative research method is applied where empirical data is collected through structured interviews with customers of Circle K. The findings will be utilised for the data interpretation and analysis, as well as for the conclusion of the research.

Conclusion Rebranding does not result into a negative customer mindset or brand equity. However, the research shows that the rebranding has a positive influence on the customer satisfaction, and that there is a positive relationship between customer satisfaction and loyalty. In turn, the customer loyalty is proven to affect the brand equity positively. The customer satisfaction of the new brand decreased compared to the original brand. Conversely, the difference in customer loyalty between the original and new brand cannot be proven and therefore there is no negative connection between loyalty to the original brand and loyalty to the new brand.

Keywords Branding, acquisition, rebranding, customer mindset, customer loyalty, brand equity, customer satisfaction.
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1. Introduction

The introducing chapter will provide a background for the research topic, followed by a problem discussion resulting in a purpose and research question.

1.1 Background

The number of acquisitions increased and developed strongly during the 1990’s and have moved in waves (Frensch 2007). The number of acquisitions continues to increase worldwide and are often viewed as an important source for business survival (Jap, Gould & Liu 2017; Frensch 2007). There can be several reasons for the strong development of acquisitions globally; globalisation and increased competition in markets, represent a few of the key drivers. The general motives behind acquisitions are growth, synergies and risk diversification (Frensch 2007). Acquisitions can increase the market share and create value for firms by entering new markets or expanding existing market segments (Rahman & Lambkin 2015). Meanwhile, acquisitions can be a hazardous investment and many acquisitions do not succeed in creating the expected value. During the last decades, studies have shown that despite the significance of acquisitions, they have often resulted in unsuccessful businesses (Frensch 2007).

When desiring expansion or value creation following an acquisition, corporations can occasionally rebrand in the company in order to strengthen the brand significance and improve operational efficiency (Melewar, Gotsi & Andriopolous 2012; Sonenshein 2010). Rebranding is common in the concept of branding and the corporate rebranding and can involve renewal, reinvention and repositioning of the brand (Merrilees & Miller 2008).

Former Statoil AB is one corporation that has recently implemented a corporate rebranding and a change in brand name, due to an acquisition in 2012 (Circle K 2015a; Circle K 2018a; MarketLine 2015; Couche- Tard 2014). The rebranded Circle K captured an opportunity to introduce new products around Sweden (Circle K 2018a) as well as to improve their existing products and services (Circle K 2018a; Circle K 2017).
There are challenges and risks associated with corporate rebranding and therefore a developed understanding of the challenges associated with corporate rebranding should be further considered (Miller, Merrilees & Yakimova 2014). Due to the recent implementation of rebranding in the case of Circle K, an investigation is necessary to determine the effects of rebranding.

1.2 Problem Discussion

1.2.1 Occasion and Context

Branding plays an important role in the creation of customer awareness and loyalty. If the customers are more aware and loyal to the brand, they will be even more convinced of the product or service (Wheeler 2013). Rebranding, on the other hand, is defined as the process of selecting and establishing a new brand (Merrilees & Miller 2008). After the implementation of the rebranding, the original and new brand can be compared. When comparing the original and the new brand, the effect of rebranding can be determined.

Corporate rebranding can involve renewal, reinvention and repositioning of the brand (Merrilees & Miller 2008), all of which are interrelated concepts. Repositioning is the strategy that concerns communicating a new idea, product or service into the mind of the customer, in a competitive way (Ries & Trout 1985, 2001). In order to stay competitive on the market, a repositioning may be necessary for the company. The renewal can involve altering, renewing and improving the products or services offered to the customers. Moreover, the renewal can involve changing the customer perception about the new brand, by altering the way the brand is communicated out to the customers (Grossberg 2015). When rebranding, a successful communication between the company and the customers can be critical. Reinvention involves the recreation of existing products or services offered, in order to respond to the customer need (Bentley 2016).

Rebranding is relevant for corporations when desiring a greater brand significance and improvements of the operations in businesses (Melewar, Gotsi & Andriopolous 2012; Sonenshein 2010). The change of brand names is a common practice in many companies,
although rebranding can be a costly investment (Tsai & Chintagunta 2015; Muzellec & Lambkin 2006) which can bring reputation risks (Muzellec & Lambkin 2006). Rebranding can have a large impact on a company’s identity and reputation, and its impact is often underestimated (Lambkin & Muzellec 2008).

As the rebranding can be a result of acquisitions, the rebranding in corporations may have an impact on companies’ brand identity and strategies (Muzellec & Lambkin 2006). Rebranding can have negative implications on brand equity by replacing former associations of the original brand (Muzellec & Lambkin 2006). Moreover, other elements of brand equity which are the brand quality, brand loyalty, brand awareness and brand value (Aaker 1991; Kapferer 1995; Muzellec & Lambkin 2006; Kaikati & Kaikati 2003), can be affected by rebranding. Collange (2008) implies that the rebranding can confuse the customers due to the need for them to adapt to the new brand. On the other hand, the customer mindset involves customer’s perception, attitudes and evaluation. In connection to rebranding, the customer mindset can be altered by customers’ fear of changes in aspects of the brand, which were appreciated earlier (Kapferer 2008). Through the change in customer mindset, the customers may evaluate the company less desirably (Aimé-Garnier & Roux 2006; Muzellec & Lambkin 2006; Collange 2014). Additional risks with rebranding are associated with a decreased level of satisfaction, where the company’s inability to reach the customer expectations can occur (Johnson & Fornell 1991; Fornell et al. 1996). If the expectations are not reached, the customer will likely choose not to repurchase the product or service (Faullant 2007; Boslau 2009).

The field of rebranding connected to acquisitions has not been explored to a great extent in literature. Neither has the customer mindset in the context of rebranding been explored to a greater extent. Although, it is known that the rebranding can bring possibilities to corporations as well as lead to negative effects on the customer mindset, customer satisfaction and brand equity. The effects of rebranding on customer mindset, customer satisfaction and brand equity will be further investigated in order to determine the connections between these concepts. Moreover, the relationship between customer satisfaction, customer loyalty and brand equity is examined in order to create a model that covers the connection between rebranding, customer mindset, customer satisfaction, customer loyalty and brand equity.
1.2.2 Relevance

The research will contribute to a knowledge extension by examining the rebranding, in acquisition context, in the case of Circle K. The findings will complement the theoretical framework and expand the existing knowledge about the topic. The research is examining the positive and negative effects of rebranding in connection to the customer mindset, customer satisfaction and brand equity. The connection of customer satisfaction to the original and new brand, as well as the customer loyalty to the original and the new brand, will be compared and examined.

1.3 Purpose

The purpose of the research is to investigate the corporate rebranding, from the aspect of customer satisfaction, brand equity and customer mindset. Moreover, the relationship between customer satisfaction, customer loyalty and brand equity will be examined.

1.4 Research Questions

• How does rebranding affect the customer mindset, customer satisfaction and brand equity?
• How does customer satisfaction and customer loyalty differ between the original brand Statoil and the new brand Circle K?
1.5 Limitations

The research is focusing on the effects of rebranding in the case of former brand Statoil and new brand Circle K. The effects of rebranding on customer mindset, customer satisfaction and brand equity will be focused upon. Moreover, the relationship between the customer satisfaction, customer loyalty and brand equity of the former brand Statoil and the new brand Circle K will be examined. A comparison between the brands in two locations will be accomplished in order to determine whether there are differences in the customer responses.
2. Theoretical Framework

The theoretical framework consists of relevant theories in order to examine the research purpose and research questions. The relevant theories consist of branding, acquisitions, corporate communication and corporate rebranding in acquisition context. The relevant concepts; the customer mindset, customer satisfaction and brand equity, which are related to rebranding, will be presented. Moreover, the relationship between the customer loyalty, customer satisfaction and brand equity, will be further investigated. The theoretical framework will involve a theoretical discussion, where hypotheses related to the research purpose will be developed.

2.1 Branding

Brands are used to create value for the customers and can be manifested through symbols, logos, labels or design and packaging (Koch 2014). Furthermore, brands are used in companies in order to sustain a competitive advantage over rivals (Koch 2014). Brands can be a company’s driver when externally communicating the company profile and identity (Olins 1989). Occasionally, the dynamic markets and industries result in many companies being forced to implement changes in their brand design (Muzellec & Lambkin 2006; Muzellec & Lambkin 2008). Corporations are required to differentiate themselves from competitors, in order to respond to the customer needs (Koch 2014). Branding facilitates differentiation, by changing the mind of the customer (Lee & Bourne 2017). When companies successfully manage to establish a brand, with which consumers can associate a certain emotional state, the branded products or services are differentiated from those of rivals.
2.2 Acquisitions

Acquisition is defined as the process of a company taking control of another company. Due to the globalisation and liberalisation around the world, companies have further expanded their resources and entered new markets through acquisitions. The strategy of acquisitions can facilitate and strengthen the competitiveness of the company, on the global market (Rani, Yadav & Pramod 2016). The continuously growing strategies of acquisitions have resulted into increased revenues, less costs and overall more competitive firms (Ibid.).

The competitive advantage needed by companies in today’s competitive environment, can be provided through the creation of a strong and firm brand identity (Machado, de Lencastre, de Carvalho & Costa 2011). Occasionally, companies are forced to rebrand their name or logo which is a result of changes in ownership, such as by acquisition (Muzellec & Lambkin 2006; Machado et al. 2011; Collange 2014). Muzellec and Lambkin (2006) strengthen the claim and states that companies redefine their businesses as a result of acquisition, due to the requirement for changes in the organisation’s culture and identity.

2.3 Corporate Communication

Corporate communication is important in order to create and maintain a cohesive brand (Ind 2007). According to Mahnert and Torres (2007), the internal branding should be aligned with the external branding in order to reflect the brand values and consistency, as well as to avoid customer confusion. Schultz and Kitchen (2004) claim that corporate communication is a key activity for companies and that the companies should focus on both internal and external communication if they want to succeed in reflecting a clear picture of the brand values. The corporate communication can be essential when desiring a clear and representative market position, as well as when building a clear brand image (Smith & Zook 2016).
2.4 Rebranding in Acquisition Context

Due to the constant changes on the markets and in order to represent a clear market position, a great investment in the brand can occasionally be needed (Kapferer 1995; Keller 2002; Muzellec & Lambkin 2006; Muzellec & Lambkin 2008). In order to sustain a competitive advantage, companies need to meet the expectations of the customers (Miller & Merrilees 2013; Lomax & Mador 2006) and are therefore forced to revitalise their brand through diverse rebranding strategies (Lomax & Mador 2006; Keller 2012). For instance, companies may desire to change the customers’ associations with the current brand and therefore the rebranding can be a strategy towards this goal (Tsai, Dev & Chintagunta 2015; Muzellec & Lambkin, 2006).

The reason for rebranding lies in the importance of creating or retaining a clear visual brand identity for the sake of the corporation (Machado et al. 2011). When rebranding, corporations can create a new name, symbol or logo that defines the brand while at the same time differentiating it from its competitors (Muzellec & Lambkin 2006; Lambkin & Muzellec 2008).

2.5 Customer Mindset and Evaluation when Rebranding

When rebranding, implications on the customer mindset can follow (Merrilees & Miller 2008; Lee & Bourne 2017). The customer mindset includes perceptions, attitudes and intentions that customers develop towards the company or the brand (Petersen, Kumar, Polo & Sese 2017). Moreover, the attitudes are described as the overall evaluation of the brand (Keller 2003). When customers experience the brand, they can develop connections to the company in their mind (Petersen et al. 2017; Fiske and Taylor 2017). The mindset is one of the concepts investigated in the research, in order to discern the potential differences in customer perception, attitude and intention, between the original and new brand.

In corporate rebranding the potential change in the mindset of customers should be considered (Merrilees & Miller 2008). Lee and Bourne (2017) claim that brands can facilitate differentiation of the company, by setting itself in the mind of the customer. When rebranding, the mindset towards the company can be changed.
After a rebranding, the customers can fear changes in the service, environment and atmosphere, which they were pleased with before the rebranding (Kapferer 2008). Hence, a brand name change can have negative implications and influences on the new company as well as among customers and their attitude towards the brand (Fombrun & Van Riel 2004; Cornelissen, 2011). The rebranding can in turn have negative influence on the customer evaluation of a company (Aimé-Garnier & Roux 2006; Muzellec & Lambkin 2006; Collange 2014). This leads to following hypothesis;

*Hypothesis 1: Rebranding affects the mindset of the customer negatively*

### 2.6 Customer Loyalty

Customer loyalty describes the customer’s attachment and relationship to the products and services (Jones & Sasser Jr 1995). Some scholars define loyalty as the repurchasing of a product or service from the company, which is due to a behavioural pattern (Homburg & Giering 2001; Brody & Cunningham 1968; Zhang, Zhao & Gupta 2017). Merely a brand memory is not enough for the customers to become loyal to a brand. The customers also need to develop a positive connection to the brand and the willingness to repurchase (Büttner, Huber, Regier & Vollhardt 2008). Customer loyalty consists of the behaviour to repurchase, the customer’s willingness to purchase additional items and their willingness to recommend the item to others (Anderson 1998; Homburg 2017; Szymanski & Henard 2001). Another definition of customer loyalty is that it can be understood as actual customer retention (Gustafsson, Johnson & Roos 2005).

In the following section, the two components of loyalty will be described; the customer attachment and customer relationship.

#### 2.6.1 Customer Attachment and Relationship

The customer loyalty can be influenced by the customer attachment (Mende, Bolton & Bitner 2013). Haig (2003) implies that the loyalty towards the brand is related to the
emotional attachment of the customer. Collange (2014) as well as Thomson, MacInnis and Park (2005) define the customer attachment as the sustained emotional bond and relationship to a brand (Fedorikhin, Park & Thomson 2008). According to Yi et al. (2018) as well as to Fedorikhin, Park and Thomson (2008), the emotional commitment is a driver to the customer loyalty. The statement by the authors is also supported by Hwang and Kandampully (2012), which refer to the emotional attachment to a brand as the strongest influencer on the customer loyalty. Other authors (Thomson, MacInnis & Park 2005; Carroll & Ahuvia 2006; Vlachos et al. 2010; Jang, Kim & Lee 2015) suggest that individuals that are attached and committed to a brand, stay loyal to the same brand. Hence, the loyalty towards the original brand can result into less customer attraction and loyalty to the new or alternative brands (Thomson, MacInnis & Park 2005). Moreover, Collange (2014) discusses that the great attachment to the original brand can result into less customer purchases as well as less acceptance of the new brand. Collange (2014) discusses further that the reason for the negative correlation can be explained because customers feeling close to the initial brand also feel reluctant to changes of the initial brand. Hence, the purchase intention and the customer loyalty can be negatively affected by the new brand if the attachment is great to the original brand (Collange 2014).

Bove and Johnson (2001) imply that there is a positive connection between customer relationship and loyalty. Liljander and Strandvik (2011) as well as Bove and Johnson (2001) mean that a long lasting and committed relationship enables customer retention. A study by Mattila (2001) shows that bonded and long-term relationships with customers reduce the negative impact on customer loyalty. This description supports the theory about solid relationship to a brand leading to greater customer loyalty of the same brand, and in turn implies less loyalty for other brands. Hence, the assumption that the strong attachment and relationship to the original brand results in a negative influence on the customer loyalty of the new brand, is taken into consideration. The second hypothesis can be formulated as follows;

**Hypothesis 2: The strong customer attachment and relationship to the original brand affects the customer loyalty to the new brand negatively**
2.7 Brand Equity when Rebranding

In order to increase the customer loyalty of the brand, a further understanding of the customer’s brand preferences is necessary (Peppers & Rogers 2011). Brahmbhatt and Shah (2017) claim that the today’s customers are more demanding and selective, and the importance of understanding the customers’ preferences is of high relevance in the concept of brand management. The intangible assets such as status, personality identification, image and lifestyle are important factors for the customer (Brahmbhatt & Shah 2017). Hence, there are aspects beyond the tangible ones to consider for corporations. The customer value and utility that these intangible assets can result in, is formulated in term of brand equity (Brahmbhatt & Shah 2017). The highly competitive environment forces companies to differentiate themselves through the brand, which is one of the most valuable assets of the company (Brahmbhatt & Shah 2017). The brand equity is also described as the value provided by a brand name (Kaikati & Kaikati 2003). Kaikati and Kaikati (2003) propose four major elements of the brand equity; brand name, brand loyalty, perceived brand quality and brand associations. Aaker (1991) supports Kaikati and Kaikati’s (2003) suggestion about the elements of brand association and perceived brand quality as part of the brand equity. However, the author (Aaker 1991) implies that the brand awareness is another element of the brand equity to consider.

The perceived brand quality is defined as the customer evaluation of the product and service quality (Aaker 1991; Zeithaml 1988; Pappu, Quester & Cooksey 2006). On the other hand, the brand name awareness concerns the initial recognition of the brand name and covers how well the customer remembers the brand name. The brand association is described as the second step of the brand equity which covers what the customers associate with the brand (Rockute, Minelgaite, Zailskaite-Jakste & Damasevicius 2018). When rebranding, the associations to a brand can be strengthened or weakened (Muzellec 2006; Aaker 1991; Muzellec & Lambkin 2006).

The advantage of rebranding is that it can enable positive brand equity by replacing former negative associations and weak images of the brand (Muzellec & Lambkin 2006). This happens when the rebranding becomes approved of and understood by customers (Ibid.). However, the change of a brand name, or rebranding, can have serious and negative implications on corporate brand equity (Muzellec & Lambkin 2006; Haig 2003). Due to that the brands are built on years of investments, a change in brand name can
weaken the brand value (Muzellec & Lambkin 2006). When modifying the brand name or symbol, the value of the brand can be negatively affected or even destroyed (Aaker 1991). Corporations should be aware that the rebranding could affect the equity of a brand negatively and consider the rebranding implementation after that. Roy and Sarkar (2015) tested their hypothesis about the change in brand equity after a rebranding announcement and found that the brand equity of a well-known brand weakened after the confirmation of the rebranding.

The supporting research leads to following hypothesis:

*Hypothesis 3: Rebranding influences brand equity negatively*

### 2.8 Customer Satisfaction when Rebranding

With exception from the implications of rebranding on the brand equity, rebranding can also affect the customer satisfaction.

Westbrook and Oliver (1991, p. 84) define customer satisfaction as “a post choice evaluative judgement concerning a specific purchase selection”. Moreover, Klaus (2015) as well as Mouri, Bindroo and Ganesh (2015) state that the customer experience is positively linked to the customer satisfaction.

The concept of customer satisfaction is central in marketing and an important determinant of the customer behaviour (Matzler 1997). It describes the customers’ appraisal and expectation of the products or services performance (Johnson & Fornell 1991; Fornell et al. 1996). Customer satisfaction in connection with the performance of the company can contribute to the company’s success (Hidayat & Hartono 2010).

The quality of the product and service provided by the firm has implications on the customer satisfaction as well as on the perceived value for customers (Adebanjo, Abbas & Mann 2010; McGaughey 2002; Chaniago 2016; Bolton & Drew 1991; Oliver 1996; Bamfo, Dogde & Osei-Wusu 2018). Unless the quality of the product or service does change, the customer satisfaction should remain unchanged.

In the theses by Huang (2010), a study of customer satisfaction after rebranding at a hotel was conducted and the results showed that there was no significant increase in hotel guest’
satisfaction after the rebranding had taken place. Pilch (2007) claims in her article that what customers experience will not directly be affected by the rebranding, unless the rebranding is establishing a further differentiation from the original brand by communicating a new message that differs from the message of the original brand. This means that unless the rebranding is establishing a great differentiation from the original brand, the rebranding should not affect the customer’s experience to a great extent. Moreover, the research performed by Chaniago (2016) showed that corporate rebranding had no effect on customer satisfaction at an advertising company investigated. In a recent study of rebranding effects on customer satisfaction of the banking sector, the study showed no significant correlation between the rebranding and customer satisfaction (Bamfo, Dogde & Osei-Wusu 2018).

Despite the lack of relationship between rebranding and customer satisfaction according to researchers, Plewa, Lu and Veale (2011) state that their findings showed that there actually is an impact of rebranding on customer satisfaction. Plewa, Lu and Veale (2011) as well as Stuart and Muzellec (2004) imply that when the communication of the rebranding to the customers is successfully carried out, the greater is the possibility for the rebranding to influence the customer satisfaction positively. Hence, the following hypothesis is suggested:

Hypothesis 4: Rebranding affects customer satisfaction positively
2.9 The Relationship between the Concepts

Beside the effect of rebranding on the customer mindset, brand equity and customer satisfaction, the relationship between the customer satisfaction, customer loyalty and brand equity will be further investigated. Customer loyalty is an important influencer of satisfaction and on the brand equity. Therefore, the relationship between the three concepts will be examined.

2.9.1 Customer Satisfaction and Loyalty

The completely satisfied customer is described as a complete believer in the company’s excellence in understanding and meeting their preferences, needs and problems well (Suh & Yi 2006).

The influence of the customer satisfaction on customer loyalty is proven to occur (Johnson & Fornell 1991; Fornell et al. 1996; Heskett et al. 1994; Liljander and Strandvik 2011; Bove and Johnson 2001). Oliver (1999) investigates the implications of customer satisfaction on the loyalty aspect and concludes that the customer loyalty is partly formed by the customer satisfaction. According to Faullant (2007) and Boslau (2009), the customer satisfaction contributes to repurchasing, which means that customers tend to buy the product or service once again after having positive experience from it. Researchers show that customer satisfaction tends to lead to greater customer loyalty and greater possibility for customer recommendations to others (Barnett, Jermier & Lafferty 2006; Osman 1993; Bloemer & de Ruyter 1998; Anderson & Mittal 2000; Anderson 1996; Fornell 1992; Gruca & Rego 2005). Customer satisfaction can therefore lead to a higher degree of customer loyalty (Suh & Yi 2006; Burmann, Riley, Halaszovich & Schade 2017) as well as to a stronger customer relationship to the brand (Burmann et al. 2017).

A way to measure the customer satisfaction is through the ACSI; the American Customer Satisfaction Index (Fornell et al. 1996). The index describes that an increased level of customer satisfaction should reduce the number of customer complaints, which in turn increases the customer loyalty (Fornell et al. 1996).

On the other hand, the transformation from customer loyalty to positive satisfaction is
more difficult to state (Oliver 1999). Repeated unsatisfying purchases can transform the customer satisfaction to customer dissatisfaction and disloyalty (Oliva, Oliver & McMillan 1992). Other studies have also shown that customer satisfaction has a significant, yet, not direct effect on brand loyalty in the service industry (Back & Parks 2003; Chiou & Droge 2006).

Meanwhile, Bloemer, de Ruyter and Peeters (1998) investigated the connection between customer satisfaction and loyalty of a bank and concluded a direct relationship between satisfaction and loyalty.

Due to the suggested influence of customer satisfaction on customer loyalty, a following hypothesis is chosen to be tested:

\textit{Hypothesis 5: Customer satisfaction influences customer loyalty positively}

\subsection*{2.9.2 Customer Loyalty and Brand Equity}

Just as the customer satisfaction can influence customer loyalty, the customer loyalty can in turn be an element of the brand equity (Aaker 1991; Aaker & Jacobsen 1994).

It is described that the brand equity is one of the drivers of loyalty intentions (Trust, Zeithaml & Lemon 2000; Ou, Verhoef & Wiesel 2017). Strong brands usually represent credibility which minimizes perceived risk related to the product or service, hence evoking loyalty intentions of the customers (Ou, Verhoef & Wiesel 2017).

Moreover, Torres, Augusto and Lisboa’s (2015) study shows that the brand loyalty strongly influences on the brand equity (Torres, Augusto & Lisboa 2015). Aaker (1991) strengthens other researchers’ (Torres, Augusto & Lisboa’s 2015; Pappu, Quester & Cooksey 2006; Pappu & Quester 2016) statement by implying that the brand equity is formed and created by the brand awareness, brand loyalty, perceived brand quality and other brand factors such as patents. A study on the relation between brand equity and brand loyalty, conducted by Bobâlcâ et al. (2014), shows that brand loyalty affects the brand equity. The positive effect of customer loyalty on brand equity is further supported by Asif et al. (2015). The study was conducted through a questionnaire to distinguish the impact factors on brand equity. Asif et al.’s research resulted into a positive and significant impact of customer loyalty on the brand equity. Hence, the hypothesis can be formulated as follows;
Hypothesis 6: Customer loyalty affects brand equity positively

According to the presented literature, rebranding can have positive and negative effects on the concepts of customer mindset, customer satisfaction and brand equity. The connection between the concepts can be modelled out as following figure.

*Figure 1. Hypotheses model. Own construct.*
3. Scientific Approach

The chapter consist of the scientific approach, which introduces the implementation and configuration of the research. The implementation will describe the research process, whereas the configuration involves the research strategy, perspective and design. The following data generation will be presented and discussed. Finally, the robustness as well as the ethical aspects of the research will be highlighted in the end of the chapter.

3.1 The Implementation of the Research

The purpose of the research is to investigate the implications of rebranding on the concept of customer mindset, customer satisfaction and brand equity. Furthermore, the relationship between customer satisfaction, customer loyalty and brand equity will be investigated. In order to accomplish the research, an investigation of two brands is performed. The relationship between the theoretically based hypotheses will be processed through the data program and analysis. The data collection will be accomplished through arranged structured interviews with customers of the brands. The data will, in turn, be processed quantitatively and transmitted into a statistical software program. The data results received from the statistical program will be presented, followed by an analysis. A discussion about the data results will be presented. As a last stage of figure 2, conclusions will be drawn from the data analysis.

![Figure 2. The research process. Own construct.](image)
3.2 Configuration

3.2.1 Research Strategy

The purpose of the research is to investigate the implications of rebranding on customer mindset, customer satisfaction and brand equity. Additionally, the connection between these concepts and the customer loyalty will be examined. The empirical evidence will be based on quantitative data collected through structured interviews.

The quantitative research strategy is characterized by measurements, statistical performance and data analysis (Patel & Davidson 2011; Björklund & Paulsson 2012). The strategy regards measurement of variables (Neuman 2011). The quantitative research consists of several steps with formulation of theories as the initial step, followed by a report and measurement of empirical data (Bryman & Bell 2011; Neuman 2011). In order to measure and present the empirical data, a quantitative research is the most adequate to apply in the study (Jacobsen 2002).

The quantitative approach is distinguished from the qualitative approach by the excluded focus on social and cultural aspects, as well as interactions between people (Neuman 2011). An alternative is to apply a qualitative research approach, where an interpretation of words and the social reality is amplified (Bryman & Bell 2011). However, the interpretation of the social reality will not be focused upon in the research. Moreover, the theories will be a starting point, followed by measurements of data, which further points out the need for conducting a quantitative research strategy (Jacobsen 2002).

The opportunity to find connections between defined variables is of interest for the quantitative approach (Bryman & Bell 2011; Jacobsen 2002). The connections between customer satisfaction, customer loyalty and brand equity will be of interest in the research. Furthermore, quantitative studies tend to be more structured than the qualitative ones, in order to delimit the research and focus on the research questions at hand (Bryman & Bell 2011). An advantage of the quantitative approach is that the underlying objectivism amplifies the opportunity for replication or reproduction of the same study (Bryman & Bell 2011). The replication is necessary for the reliability of the research. Replication shows the extent of reaching same results in different studies (Jacobsen
However, the advantage of qualitative research is the contribution of richer data and a greater understanding of the context in matter. Through the engagement to the social environment and the receiving of different perspectives (Bryman & Bell 2011), qualitative research is more open for new information (Jacobsen 2002). Nevertheless, the social context as well as extensive information will not be considered in the research. Hence, a quantitative research is arguably the most appropriate alternative.

The research is founded on a positivistic standpoint where the researchers seek for objectivism and science free from subjective judgments (Bryman & Bell 2011; Neuman 2011; Jacobsen 2002). The positivist social science often utilises quantitative data in order to reach the objectivity in studies (Neuman 2011). In order to stay objective, the quantitative strategy with positivist perspective is combined. The testing of theory-based hypotheses, through analysing the measurements, is a part of the positivistic perspective (Neuman 2011; Björklund & Paulsson 2012; Patel & Davidson 2011).

One alternative to the interpretation perspective of positivism, is the interpretivism. The interpretivism regards, on the other hand, the subjective aspect of reality (Neuman 2011; Bryman & Bell 2011). Due to the researchers’ orientation towards the objective aspect of reality, the interpretivism is thus not considered.

Moreover, the ontological view of the research can be described as realistic. The view lies in the belief that the world exists beyond the own perception of and experience from it, where an objectivity is dominating (Patel & Davidson 2011). The research will be founded on the realistic ontological view through the striving of reaching objectivity.

The research will be carried out as an explanatory study, where the researchers investigate an issue and, further on, seek for a connection between variables as well as a deeper understanding of the relationships (Saunders, Lewis & Thornhill 2016; Björklund & Paulsson 2012). As the data collection is being transmitted into a statistical program, connections between the variables are tested (Saunders, Lewis & Thornhill 2016). Moreover, in the explanatory research, existing theories are tested and the subject in
matter is already known (Neuman 2011).

One alternative to the explanatory research, is the exploratory study. The exploratory study is exploring issues or phenomenon that are not extensively explored yet, due to inconsistency in theories (Saunders, Lewis & Thornhill 2016; Ghauri & Gronhaug 2005; Jacobsen 2002).

However, as a result of the already and overall explored subjects as well as the attempt for researchers to test the relationships between concepts (Neuman 2011), the explanatory research is a preferred alternative.

3.2.2 Research Perspective

The research approach will have a basis in the deductive research perspective. A deductive research method will depart from theories and hypotheses formulated from these. The deductive perspective will test the hypotheses through empirical findings and data analysis (Bryman & Bell 2011; Neuman 2011; Jacobsen 2002; Ghauri & Gronhaug 2005). When tested, the hypotheses will either be confirmed or rejected (Bryman & Bell 2011). The deductive approach concerns development of expectations about reality and aims to eventually relate it to the empirical evidence (Jacobsen 2002).

The motivation for the deductive research perspective is founded on the idea that the approach partly explains the effect of rebranding, and the relationship between concepts, with a basis on existing theories. Additionally, the hypotheses are developed from existing theories, whereas an expansion or development of new theories (Bryman & Bell 2011) are not considered in the research.

Simultaneously, the deductive research approach can be criticised for the risk of overseeing relevant information that is not directly responding to the researchers’ expectations produced from the theories (Jacobsen 2002; Bryman & Bell 2011). This risk will be minimized through a broadening of the theoretical framework by the usage of several theories and findings related to the concepts.

An alternative to the deductive approach is to apply an inductive research perspective. The inductive perspective, on the contrary, generates theories from empirical observation.
and results based on empirical and social reality (Neuman 2011; Bryman & Bell 2011; Saunders, Lewis & Thornhill 2016; Jacobsen 2002; Ghauri & Gronhaug 2006). The main alignment of the quantitative research is commonly the deductive approach. Conversely, in the qualitative study it is rather consisting of the inductive perspective (Bryman & Bell 2011). Due to the already investigated subject of rebranding and the relationship between the concepts, as well as an empirical testing, a deductive research approach is more suitable for the research at hand.

3.2.3 Research Design

The research design of the study consists of the application of a single rebranded organisation, hence a single-case study is the chosen design. The research will investigate the process of rebranding in a single organisation, from Statoil to Circle K. The case study is mostly applied when researchers desire to investigate an aspect of the organisation (Ghauri & Gronhaug 2005). Case-study research consists of a deeper examination of particular cases for a specific or for multiple periods of time, focusing on specific elements in each case (Neuman 2011). Cases can be represented by individuals, organisations, groups, places or events (Neuman 2011; Bryman & Bell 2011; Jacobsen 2002).

One of the strengths with case studies is when investigating a specific case, the involvement with the case can lead to clarification of relationships between variables (Neuman 2011; Jacobsen 2002). The case study can help the researchers to involve multiple aspects of the situation in order to receive a clear picture (Neuman 2011; Jacobsen 2002). Moreover, the case-study can help the researchers to depict differences and similarities between the cases regarded (Jacobsen 2002). The investigation of the impacts of rebranding on relevant variables and relationships between the variables will be examined on one rebranded organisation. Hence, the chosen research design is perceived as most appropriate to adopt.

An alternative to the case study design of the research is the longitudinal design. The design would be appropriate for investigating a phenomenon during two or several time periods, in order to discern differences in time for the variables (Bryman & Bell 2011).
The longitudinal design would be of interest if the research purpose was to compare the causality and changes in two periods of time, that is before and after rebranding. Due to the preferable time period taking place after the rebranding, as well as the aim for a clear structure and less data management, the choice of longitudinal design will not be as appropriate as a case study.

3.2.4 The Case

Since 2010, the Norwegian multinational energy company Statoil ASA had a separate legal entity named Statoil Fuel & Retail AS. Statoil Fuel & Retail AS is a Norwegian fuel retailer for road transport which offers fuel and convenience, as well as automated fuel stations. Since 2012, Statoil Fuel & Retail is the subsidiary company of Alimentation Couche-Tard Inc., a leading Canadian convenience store operator (Circle K 2015a; Circle K 2018a; MarketLine 2015; Couche-Tard 2014). As a result of the Canadian operators’ acquisition, the brand name Statoil became a temporary asset due to the ownership of the name at Statoil ASA. Before 2021, the brand name has to be changed (Misc. Editors 2015). The result was that the brand name Circle K was implemented, a name originated from a corporation that joined Alimentation Couche-Tard Inc., in 2003 (Circle K 2018b; Andersson 2015).

Although the brand name had to be changed due to the acquisition, the company captured the chance to develop a new customer target group. The new brand name of Circle K would represent more than an oil company, and would eventually and hopefully attract a younger customer segment as well as female customers (Olsson 2015).

In the beginning of 2016, the rebranding of Statoil to Circle K was a fact in Scandinavia, Baltics, Poland and Russia. In Sweden, the brand change was publicly communicated through campaigns, media and other platforms (Resumé 2016). According to the newspaper Automotorsport, the rebranding of Statoil tore up diverse emotions and reactions from customers on social media (Söderholm 2015).

In May the same year, the fuel stations of former Statoil changed 1750 signboards and 2000 flags all around Sweden’s 490 fuel stations (Circle K 2017; Circle K 2018a; Andersson 2015). The process with the brand change is expected to be fully completed in 2018 or 2019 (Circle K 2015b). According to Circle K themselves, since the brand
change the company has developed an extensive range of customer offerings with a consideration for the global customer needs as well as for the local one. Furthermore, the company has introduced new products, projects and stores around the country (Circle K 2018a). Morgan Wiktorsson, the CEO of Circle K in Sweden, states that the customer experience in and outside the stations as well as the products and service has been further introduced and improved (Circle K 2018a; Circle K 2017).

3.3 Data Generation

3.3.1 Secondary Data

Secondary data is raw data created by other researchers that provides material for researchers (Blaikie 2003; Hox & Boeije 2005; Jacobsen 2002). The data can be collected for the purpose of presenting general information, or for a specific research (Blaikie 2003; Ghauri & Gronhaug 2006; Hox & Boeije 2005).

The secondary data may be used for a replication of studies (Hox & Boeije 2005). Another advantage with secondary data is that is provides researchers with time and cost savings, by utilizing the already available data (Baikie 2003; Ghauri & Gronhaug 2005).

The researchers will however exclusively apply own empirical findings in the research, and therefore the secondary data will not be utilised.

3.3.2 Primary Data

Another variant of the data generated is the primary data (Blaikie 2003). Primary data is data created for the study at hand, which it is particularly relevant for (Ghauri & Gronhaug 2005; Jacobsen 2002; Lancaster 2005; Blaikie 2003; Vartanian 2011). The primary data can be collected through questionnaires, experiments or observations (Ghauri & Gronhaug 2005; Jacobsen 2002; Vartanian 2011).

The primary data will be collected from respondents through the structured interviews in the research. The responses will be used for the statistical performance. The statistical performance will in turn generate a statistical model, which will represent a tool in order to produce data analysis and provide an answer to the research questions. Primary data will provide data that is well matched and consistent with the research at hand.
When conducting a survey methodology, or design, a definition of the research’s population needs to be clarified (Bryman & Bell 2011; Easterby-Smith, Thorpe & Jackson 2015). This is due to the necessity to understand how to distribute the structured interviews of the research (Bryman & Bell 2011).

The population is described as a collection of entities available for the sample (Bryman & Bell 2011; Neuman 2011; Wahlin 2015). The entities can for instance include individuals, countries or organisations (Bryman & Bell 2011; Wahlin 2015). The population of the research will include all customers of Circle K and Statoil respectively, in Sweden. This is due to the formulation of the research purpose and questions. The target population, on the other hand, is a sequence of the population representing the focus or target group of the research (Saunders, Lewis & Thornhill 2016). For the research, the representative target population comprises the customers of Circle K and Statoil in Gothenburg and Linköping.

From the target population, a sample can be retrieved (Saunders, Lewis & Thornhill 2016; Wahlin 2015). The sample of the population is relevant for the quantitative study, due to limitations of researches and in order to draw conclusions about the population (Bryman & Bell 2011; Neuman 2011; Wahlin 2015). In order for the researchers to generalise the sample to the population, the sample must therefore be representative (Bryman & Bell 2011; Neuman 2011). In other case, the sample will be biased and not representative for the population (Bryman & Bell 2011).

In order to reach the sample, the sampling frame needs to be selected. The sampling frame consists of a register of the entities in the target population (Bryman & Bell 2011; Ghauri & Gronhaug 2005; Saunders, Lewis & Thornhill 2016). In the research, the sampling frame will be difficult to retrieve due to the unavailable information about the customers of Circle K and Statoil of the two chosen stations in Gothenburg and Linköping.

However, the sample size from the population will consist of one hundred respondents. The number of respondents is based on own estimation and subjective judgment of what is considered to be adequate and convenient for the researchers. Moreover, the statistical program conducted in the research allows up to one hundred observations (Garson 2016). Due to the unavailable information about the individuals of the target population, further and more accurate estimation of the sample size cannot be calculated as according to the literature (Saunders, Lewis & Thornhill 2016).

The sampling techniques available are either probability sampling or non-probability sampling (Bryman & Bell 2011; Neuman 2011; Saunders, Lewis & Thornhill 2016).
to the unavailable sampling frame on the customers of Circle K and Statoil of two stations in Gothenburg and Linköping, the researchers are utilizing a non-probability sampling method.

One of the non-probability samplings is the *convenience sampling*, occurring when selecting a sample that is considerably convenient and easy to access (Saunders, Lewis & Thornhill 2016). The choice of convenience sampling bottoms in the researchers’ convenient access to the one gas stations in respective city. Moreover, the difficulty in reaching customers of Circle K and former Statoil through a sample frame, motivates the choice for the convenient sampling method. The convenience sampling will be applied for both the pre-test as well as for the structured interview. A pre-test is carried out in order to discern potential misunderstandings of the statements. The pre-test will be carried out with five conveniently chosen individuals.

An alternative to the convenience sampling is the *cluster sampling method*. The cluster sampling would be the sampling method applied in the research if the sampling frame of the target population was available for the researchers, hence if the probability sample method was applied. The clusters are therefore groups of the target population and are included in the sampling frame within the population (Bryman & Bell 2011; Saunders, Lewis & Thornhill 2016). For the research, the clusters would comprise the two Circle K stations in Gothenburg and Linköping. From the two clusters located in the cities, 50 respondents in each city would be randomly chosen.

The advantage of the cluster sampling method is the possibility to generalise the sample to the complete population (Bryman & Bell 2011; Saunders, Lewis & Thornhill 2016). However, the sampling frame is not accessible in the case and therefore the cluster sampling method cannot be applied.

### 3.3.3 Structured Interviews

A method to collect quantitative data is through the survey methodology, or design, which is described as a process of collecting data through surveys or structured interviews. Interviews can be divided into *structured* and *unstructured* interviews (Ghauri & Gronhaug 2005). Structured interviews are applied in the research and consists of given
and closed response categories (Bryman & Bell 2011; Ghauri & Gronhaug 2005). Unstructured interview differs from the structured interview through its requirement for personal and social involvement with the respondents (Ghauri & Gronhaug 2005). Unstructured interviews are seen as favourable for enriching the data material through the possibility for developing and adding questions (Ghauri & Gronhaug 2005). However, the personal and social engagement with the respondents will not be relevant for the research at hand. Neither will a richer data material be needed for the research due to the purpose and limitation of the study. Hence, the alternative of unstructured interviews will not be regarded.

An alternative to structured interviews in the research is to collect data through surveys. Surveys are cheaper, faster, more convenient for the respondent as well as more consistent in their content, compared to structured interviews (Bryman & Bell 2011). While surveys require the respondent to write the answers down (Bryman & Bell 2011), interviews require interaction between the interviewer and the respondent, and that the questions are asked by the interviewer (Ghauri & Gronhaug 2005; Bryman & Bell 2011; Björklund & Paulsson 2012). Due to that the interview in the research will require a personal meeting with the respondent, the respondent will not be given the opportunity to answer by hand.

Additionally, due to the perceived need to assist the respondents to interpret and understand a few statements correctly (Bryman & Bell 2011), the choice of structured interviews is perceived as more appropriate for the research. Moreover, the twenty-six statements of the structured interviews can be seen as overly extensive for a survey (Bryman & Bell 2011). This could eventually result in non-responses or drop-outs, if a survey was applied. The issue with statistical losses with surveys is proven to be greater compared with interviews. This disadvantage can, however, be overcome by asking fewer questions (Bryman & Bell 2011). In the research, several statements will be included in order to completely cover the content of the concepts. Therefore, a shorter questionnaire will not be suitable. The higher costs as a result of conducting interviews are also seen as negligible in the research, which further motivates the choice for the structured interviews.

The structured interviews will be based on closed statements, which provide given response categories beforehand (Bryman & Bell 2011; Homburg 2017). Closed
statements enable the processing of the responses easily, enable a complete registration of the answers and increase the comparison between the answers (Bryman & Bell 2011; Homburg 2017). Compared to open questions or statements, closed statements offer less extended variation in the coding of answers (Bryman & Bell 2011). Hence, closed questions or statements are considered to be managed more easily in quantitative studies (Bryman & Bell 2011).

The alternative to the closed statements is to construct open statements in structured interviews. However, due to the research purpose and the time limitation, a larger number of statements as well as a higher number of respondents are perceived to be of greater relevance for the research. Moreover, closed statements will require less effort from the researchers (Bryman & Bell 2011) due to that the analysis and coding of the responses will most likely require less time when applying closed statements (Bryman & Bell 2011).

The structured interviews can be conducted with computer support (Bryman & Bell 2011). The research will be carried out through an immediate registration of the responses on computer, referred to as computer-assisted personal interviewing (CAPI) (Bryman & Bell 2011). The choice of the computer usage is due to its supportive, convenient, fast and easy functionality when registering responses during the interviews. The interview statements are formulated in Microsoft Excel and the register of the responses will be typed down with received numbers for each articulated statement during the interview. The computer usage will facilitate the standardisation of the response registration on Excel (Bryman & Bell 2011). The following step consist of transferring the data to the statistical program SmartPLS, which will create a statistical model representing the empirical findings.

A common scale to measure the response categories is through the Likert-Scale (Wakita & Ueshima & Noguchi 2012). The advantage of the Likert scale is that it offers the respondents several graded answers (Homburg 2017; Easterby-Smith, Thorpe & Jackson 2015). The structured interviews are based on the Likert scale due to its popular measurement and its grading opportunities for the respondents (Wu & Leung 2017; Wakita, Ueshima & Noguchi 2012). The Likert scale can consist of four to seven possibilities to answer (Wu & Leung 2017; Wakita, Ueshima & Noguchi 2012). The research of Lissitz and Green (1975) shows that a five-point scale is reliable, whereas
Preston and Colman (2000) rather argue for the reliability of the seven-point scale. In the research, the opportunity for the respondents to have a neutral opinion to the statements will be offered through an uneven number on the scale (Easterby-Smith, Thorpe & Jackson 2015). Hence, the alternative of applying a five or seven graded Likert scale was left to choose from. The choice of a five-point Likert scale is due to its common usage and familiarity to the respondents (Allen & Seaman 2007; Easterby-Smith, Thorpe & Jackson 2015), and to the fact that the respondents may perceive it as less complex than the seven-point Likert scale.

The statements in the research will be rated from one to five on the Likert scale, one indicating the lowest level of agreement with the statement, or representing complete disagreement. Simultaneously, five is the highest level of agreement, stating a complete agreement with the statement (Easterby-Smith, Thorpe & Jackson 2015; Wu & Leung 2017).

In order to interpret the data received, a coding process of the structured interviews will be realised. The coding process involves the transmission of the numbers received by the respondents in the response categories to a statistical program (Bryman & Bell 2011). Through the development of the interview beforehand, the coding of the statements in the research is already made (Bryman & Bell 2011).

In order to increase the credibility of the research, the researchers will introduce the research and its purpose (Bryman & Bell 2011). A short presentation and introduction of the structured interview for each respondent will be carried out.

It is important for the researchers to understand the structure of statements clearly (Bryman & Bell 2011). Additionally, the importance of following the structure of statements and not deviating from it by articulating the statements with another formulation, should be considered (Bryman & Bell 2011). Considering that the statements will be formulated in Microsoft Excel, the risk of deviating from the formulations will not prevail. The respondents will be instructed about the graded responses in order to understand how to reply to the statements formulated and articulated. Moreover, the aspect of the order of statements is considered. The order of these will be formulated according to the structure and will strictly be the same for each respondent (Bryman & Bell 2011).
The data was collected at two gas stations chosen for convenience in Linköping and Gothenburg. The structured interviews were performed at three different time schedules during day time, and the performance was held until one hundred responses were collected.

3.3.4 Critiques

Collecting primary data can require time, effort and cost (Ghauri & Gronhaug 2005; Lancaster 2005). The difficulty in achieving the complete access to the target group is also a concern when collecting primary data (Ghauri & Gronhaug 2005).

The drawback with the structured interview technique used in the research is the need for the statements to be formulated in a precise and clear way, and to not take a lot of the respondent’s time (Bryman & Bell 2011; Patel & Davidson 2011; Björklund & Paulsson 2012). If this criterion is not achieved, the respondents can perceive the interview as difficult to understand and statistical losses may follow. Moreover, the lack of understanding can lead to decreased validity of the structured interviews (Bryman & Bell 2011). The potential issue can be restricted through conducting a pre-test. An eventual correction of the formulations, through the pre-test, will be made before the structured interviews are executed.

The statements should be as short as possible for the respondent to perceive them easily (Bryman & Bell 2011). The statements will be brief and an attempt to formulate them clearly in the research, will be made. In general, interviews with closed statements can be perceived as impersonal (Bryman & Bell 2011). However, the impersonal aspect will be reduced through a personal meeting with the respondent and by a short presentation about the research.

The sampling method applied in the research will represent the convenience sampling, a non-probability sampling approach. However, the disadvantage with the chosen sampling method is the bias and lack of credibility as well as reliability of the material obtained (Saunders, Lewis & Thornhill 2016). This is a result of the difficulty in possessing representativeness of the sample (Saunders, Lewis & Thornhill 2016; Neuman 2011). Hence, the non-representative sample does not provide representative data of the
population at hand (Neuman 2011).
The empirical findings retrieved through the structured interviews will not be considerably representative to the population. Nevertheless, the research can be further investigated by other researchers in order to generate a better representation (Bryman & Bell 2011).

3.4 Data Interpretation and Analysis

3.4.1 SmartPLS

In the research, the statistical performance will be accomplished through the Partial Least Squares. The Partial Least Squares Structural Equation Modelling (PLS-SEM) is a common modelling approach within marketing and management research, analysing the relationship between variables and constructs that are based on empirical data and the theoretical framework (Hair, Ringle & Sarstedt 2011; Henseler, Ringle & Sinkovics 2009).
The motivation for the usage of Partial Least Squares lies in its appropriateness when providing a relative small sample size (Birkinshaw, Morrison & Hulland 1995) and to investigate and explain the relationship among variables (Calantone, Graham & Mintu-Wimsatt 1998; Festge & Schwaiger 2007).
One of the applications to the software PLS-SEM is SmartPLS, which performs path model estimations (Wong 2013). For the research, SmartPLS will be the applied software which will present the empirical data retrieved.
Alternative to SmartPLS and to its hypotheses testing, would be the usage of other statistical programs such as Minitab and SPSS. However, and due to the researchers’ previous experience and knowledge about software SmartPLS as well as the relative small sample size retrieved, the choice for the PLS-SEM was perceived as most adequate to utilise.

Through SmartPLS, the path model is created that will show a complex model of the two locations chosen, as well as of the brand Circle K and former Statoil.
The SmartPLS path model can be divided into two elements; the inner and outer model. The inner model shows the paths or relationships between the variables of the model,
while the outer model represents the measurement model. The measurement model shows the relationship between the variables and their related statements and indicators (Wong 2013; Hair, Ringle & Sarstedt 2011).

The variables of the path model are the rebranding, customer satisfaction, customer loyalty, brand equity and customer mindset. Each statement of the structured interview represents one indicator that is connected to a variable. A variable can consist of one or several indicators. Due to the concepts of the former and new brand investigated, eight variables will be created in the path model; the “Satisfaction Statoil”, “Satisfaction Circle K”, “Loyalty Statoil”, “Loyalty Circle K”, “Equity Statoil”, “Equity Circle K”, “Rebranding” and “Mindset”. The path model is based on the theoretically formulated hypotheses and has been composed according to these. The variables are the result of a combination of the related indicators which means that the variables are indirectly measured (Wong 2013; Garson 2016). As an example, the variable “Loyalty” is indirectly measured and observed through the indicators that are connected to the variable.

In the path model created, the arrows will lead to the measured indicators from the variables which indicate that the PLS path model is reflective (Garson 2016). The reflective model implies that changes in the variable are seen in changes of the indicators and the arrows are therefore pointing from the variable to the indicators (Hair, Ringle & Sarstedt 2011).

3.4.2 Reverse Coding

Negative alluded statements of the structured interview will require a reverse coding. The reverse coding refers to that the graded responses need to be reversed in order for the data results to be interpreted and analysed in same manner. This implies that a grading of 1 on the Likert scale is reversed to 5, and conversely, for the negative alluded statement. However, there is no influence of the reverse coding on the respondents and their answers, which will not distract the respondents. If the negative alluded statements are not reversed coded, the statements cannot be compared or analysed in the research.
3.4.3 Path Coefficients and Outer Loadings

The connections between the rebranding, customer satisfaction, customer loyalty, brand equity and mindset are modelled out in order to discern the level of path coefficients and relationship between the variables. The path coefficients are observed as the numbers in the arrows between the variables (Garson 2016). The path coefficient shows the level of standard deviation of the dependent variable that depends on variation of the determining or related independent one (Li 1956). The path coefficient can therefore help to explain the relationship and the level of effect between the dependent variable and the independent one (Wong 2013; Mohsin, Khan & Naqvi 2009).

The path coefficient can lie between 0 and plus 1, or between 0 and minus 1 where 1 describes the strongest path (Garson 2016). A path coefficient of 0.50 or above is therefore considered to be strong. The path model of the research does not consist of negative path coefficients, which is why the number closest to 0 represent the weakest path (Garson 2016).

However, the outer loadings are the numbers in the arrows between the variables and their related indicators. The outer loadings represent the path contribution from the indicator to the variable (Garson 2016). The indicator’s outer loadings should preferably stay above 0.7, although the threshold of 0.4 is seen as acceptable (Garson 2016; Hair, Ringle & Sarstedt 2011; Wong 2013; Hulland 1999). It is also appropriate to remove an indicator of the reflective model if the impact of this loss on the variable is negligible (Garson 2016). If the outer loading of an indicator is below 0.4 in the research, the statement will be excluded from the reflective model if the removal is negligible.

3.4.4 P-values and Hypothesis Testing

Significance testing is accomplished through the function of bootstrapping in SmartPLS (Garson 2016). The consistent PLS Algorithm is unable to test the significance, due to that the function does not use a normal distribution (Hair, Ringle, Sarstedt & Hult 2014). In order to accomplish the significance testing of the path coefficients, the p-values need to be presented in the model (Hair, Ringle & Sarstedt 2011). The bootstrapping shows the significance of the path coefficients (Garson 2016).

The P-value is received through the bootstrapping and provides a measurement for the
hypotheses testing (Westfall & Young 1993). The p-values received will be compared with the confidence level of 95%, in order to confirm or reject the formulated hypotheses at the alpha level of 1 - 95% = 0.05. If the p-value lies below the regarding alpha level, the hypothesis is by rule confirmed. If the p-value is above the alpha level, the hypothesis is rejected (Wahlin 2015). However, depending on the hypotheses formulation, each of them have either a positive or negative allusion. Due to the positive path coefficients, the paths are signifying positive relationships between the variables. Therefore, when performing the hypothesis testing, the formulation of the hypothesis needs to be considered. This means that if the p-value is below the alpha level of 0.05, the positive relationship between the variables is supported. However, if the positive relationship is confirmed, the negative alluded hypothesis cannot be confirmed. Hence, the negative hypothesis is rejected. Contrarily, if the p-value is above the alpha level of 0.05, the positive relationship cannot be confirmed and will be rejected. However, the negative alluded hypothesis will then be confirmed.

3.4.5 T-test

In order to investigate the second research question, a t-test needs to be performed to compare the customer satisfaction and customer loyalty of the original and new brand. When performing a t-test the mean is used in order to determine whether there are differences between groups (Djurfeldt, Larsson & Stjärnhagen 2010). If the t-test states statistical significance at the chosen alpha level 0.05, which means that the t-test shows a value below the alpha level, a difference between the groups can be proven. On the contrary, if statistical insignificance is prevailing at the chosen alpha level, meaning that the t-test shows a value above the alpha level, a difference between groups cannot be supported (Djurfeldt, Larsson & Stjärnhagen 2010).

3.5 Validity, Reliability, Generalisability and Transferability

In order to argue for the robustness of the research, validity, reliability, generalisability and transferability will be discussed. The transparency of the research will be demonstrated through a developed presentation of the data selection, interpretation and
analysis. The transparency will set a foundation for the replicability, which is an important element of the quantitative research (Bryman & Bell 2011). Moreover, the ethical aspects of the research will be considered through the transparently formulated research process (Bryman & Bell 2011).

The following paragraphs will consider the measurement for validity and reliability of the research. The measurements will be performed through the PLS Algorithm, due to the design of the software. The PLS Algorithm will be regarded for the measurements.

3.5.1 Validity

Validity describes if the researchers are measuring what ought to be measured (Jacobsen 2002; Björklund & Paulsson 2012). In order to establish construct validity for the path model, two validity methods will be applied; the convergent and discriminant validity (Campbell & Fiske 1959; Castilla-Earls & Fulcher-Rood 2018). The convergent and the discriminant validity will be concerned in order to discuss the validity of the data retrieved from the statistical performance.

The convergent validity concerns how correlated the indicators are within the inner model construct (Castilla-Earls & Fulcher- Rood 2018; Carlson & Herdman 2012; Wong 2013; Hamid, Sami & Sidek 2017). The testing of the convergent validity can be performed in SmartPLS (Garson 2016) and can be measured through the Average Variance Extracted (AVE) (Hair et al 2012; Wong 2013). AVE is defining the level of variance of the variable that is explained by the variance of the respectively related indicators (Garson 2016). AVE should arguably stay above 0.5 (Garson 2016; Bagozzi & Yi 1988; Chin 1998). The critical level of 0.5 implies that the variable should explain 50 percent of the variance of respective indicator (Garson 2016).

The discriminant validity involves the question if the indicators of a variable are not rather correlated with other variables (Castilla-Earls & Fulcher- Rood 2018; Carlson & Herdman 2012). The discriminant validity is prevailing when the connection between the indicator loadings related to the own variable is greater than the connection that the indicator loadings have with other variables (Hair et al 2014). When assessing the discriminant validity, the Heterotrait-Monotrait Ratio (HTMT) is
argued to be a solid approach (Garson 2016; Henseler, Ringle & Sarstedt 2015). The HTMT shows the ratio of the correlations of indicators across constructs, and the correlation with indicators of the same construct (Henseler, Ringle & Sarstedt 2015). The HTMT ratio received should stay below 1.0 (Garson 2016). The precise threshold for the HTMT is debated (Garson 2016), although a value below 0.9 can imply that a discriminant validity is occurring (Henseler, Ringle & Sarstedt 2015). Hence, the threshold for the research will stay at the value of 0.90.

3.5.2 Reliability

Reliability describes how well a method of measurement proves the same result, at another time (Patel & Davidson 2011; Björklund & Paulsson 2012; Jacobsen 2002). Hence, it measures the replication, consistency and transparency of the research (Saunders, Lewis & Thornhill 2016; Bryman & Bell 2011; Greener 2008; Hair et al. 2014).

In the statistical software, SmartPLS, the reliability can be tested through the measurement of composite reliability.

In order to test the reliability, one can examine the internal consistency reliability of the model. The internal consistency reliability measures the reliability of each outer model construct (Hair et al. 2012). The composite reliability and Cronbach’s alpha are common measurements for testing the internal consistency reliability of the reflective model (Wong 2013; Bagozzi & Yi 1988). In PLS-based research, the composite reliability is preferable, compared to Cronbach’s alpha, due to its higher and more accurate estimation of reliability (Garson 2016; Wong 2013; Hair et al 2012; Hair et al. 2014). Hence, the research will regard the composite reliability.

The values of the internal consistency reliability should stay at 0.70 or above (Wong 2013). The composite reliability can hold a number between 0 and 1, where 1 represents a perfectly estimated reliability (Garson 2016). When conducting a confirmatory research, involving test of hypotheses and relationships between variables, the composite reliabilities are argued to be equal to or greater than approximately 0.70 (Bagozzi & Yi 2012). However, the minimum of 0.6 is occasionally accepted (Bagozzi & Yi 1988). If the composite reliability is equal to or greater than 0.80, it is considerably good for the
3.5.3 Generalisability

Generalisability can include the possibility to use the own findings in order to demonstrate their significance and to test the existing theories (Saunders, Lewis & Thornhill 2016).

Due to the chosen sampling method of convenience, the possibility for generalisation to the population is limited. Conversely, the sample from the structured interviews is not representative for the target population (Bryman & Bell 2011; Neuman 2011). This implies that the data result and interpretation will provide restricted generalisability. However, generalisability can be achieved if the alternative of cluster sampling method is applied. Due to the restriction of the research, the alternative will not be realised and therefore the sample will not generalise to the target population.

3.5.4 Transferability

Transferability includes how well the description of the research process is provided to the reader (Saunders, Lewis & Thornhill 2016). The transferability of the research will be reached through a careful description of the research design, context and data findings, which will be demonstrated throughout the study.

3.6 Ethics

The ethics refer to the standardised behaviour towards the involved individuals, throughout the research conducted. When designing and conducting the research, it is necessary to adhere to the ethical principles and standards in order to avoid ethical conflict (Saunders, Lewis & Thornhill 2016; Bryman & Bell 2011). Ethics of the structured interviews should be considered, where the statements articulated can raise several ethical issues (Saunders, Lewis & Thornhill 2016). When concerning the structured interviews, a few ethical principles entail privacy of
respondents, voluntary participation and the right to withdraw (Saunders, Lewis & Thornhill 2016; Bryman & Bell 2011; Jacobsen 2002).

Privacy of the respondents involves respect for respondents, consent and maintaining anonymity. The respondents of the research will not need to share personal information with the researchers, due to the focus of the study. The privacy, consent and anonymity of the employees and respondents will be respected throughout the research. The employees of the companies will be informed about the research and asked for permission for conducting the structured interviews. Hence, the ethical criteria for informed consent will be achieved (Saunders, Lewis & Thornhill 2016; Bryman & Bell 2011). The respect for the respondents’ anonymity will further enhance the reliability of the data retrieved (Saunders, Lewis & Thornhill 2016).

The participation of the interviews is of free will, whereas the respondents will not be persuaded or pressured into participation (Saunders, Lewis & Thornhill 2016). Moreover, the respondents are provided with objectivity in the closed statements of the structured interview. The five-point Likert scale offers the respondent to assume an objective and neutral standpoint with the grade of three, to the statement at hand. The provision of the objective standpoint will further increase the quality of the research, through the avoidance of partiality to the statements and misrepresentation of the results (Saunders, Lewis & Thornhill 2016).

Voluntary participation offers the respondents the right to discontinue with the interview when desired (Saunders, Lewis & Thornhill 2016). The researchers will not attempt to extend the scope of participation if the respondent decides to withdraw from the interview. Hence, this ethical principle will be unchallenged.

When conducting interviews which require a personal meeting with the respondents, the time of day needs to be considered (Saunders, Lewis & Thornhill 2016). The time of day chosen for the interview should be convenient for the respondents. In the research, the interviews will be performed at the company at a reasonable time of day.

The rights of the involved individuals and the ethical guidelines will be integrated in the research. Simultaneously, the researcher’s will enhance the ethical standards for the
reputation of the study.
4. Empirical Evidence

The empirical evidence will present the relevant data results of the research. The chapter introduces the results of the path coefficients and outer loadings, in order to determine the path and relevance of the variables and indicators measured. This is followed by a presentation of the excluded indicators. Moreover, the p-values will be presented for the testing of paths as well as the T-test for the variables of customer satisfaction and customer loyalty. In the end of the chapter, the results of the robustness measurements of the research will be presented.

4.1 Path Coefficients

The path model with the function of bootstrapping in SmartPLS will be considered and is displayed in figure 3. The yellow rectangles of the path model represent the related indicators while the blue circles stand for variables (Garson 2016). The figure is applied due to the assumption that the bootstrapped model is valid to a greater extent, compared to a model without the function applied (Westfall & Young 1993).

The path coefficients are displayed between the variables of the bootstrapping path model (Garson 2016). Depicted in figure 3 in the bootstrapping model, the strongest path is represented between the variables “Loyalty Statoil” and “Loyalty Circle K” with a path of 0.750. Other strong paths are shown between “Satisfaction Statoil” and “Satisfaction Circle K” as well as “Rebranding” and “Mindset”.

On the contrary, the weakest path is detected between variables of “Satisfaction Circle K” and “Loyalty Circle K”, with a path of 0.232. Other weak paths are displayed between “Satisfaction Statoil” and “Loyalty Statoil”, “Rebranding” and “Satisfaction Circle K” as well as “Rebranding” and “Equity Circle K”.

The paths between “Loyalty Statoil” and “Equity Statoil” as well as “Loyalty Circle K” and “Equity Circle K”, lie marginally below the threshold of 0.50. However, the paths are nevertheless considered as moderate due to the minor difference.
Figure 3: Bootstrapping Path model. Retrieved at SmartPLS.

4.2 Outer Loadings

The outer loadings are also displayed in the path model in figure 3. The outer loadings of the path model should preferably stay above 0.70, although at the threshold of 0.4 the loadings are still considerably accepted (Garson 2016; Hair, Ringle and Sarstedt 2011; Wong 2013; Hulland 1999). The outer loadings are displayed between the variable and the related indicator (Garson 2016), in the bootstrapping model.

For the variable “Loyalty Statoil”, all the indicators have a value above 0.7, except for the statement 3c; My relationship to Statoil increased my loyalty to Statoil. The indicator 3c is nevertheless above 0.4. For the variable “Loyalty Circle K”, all the indicators have satisfying values which lie above 0.7. For the variable “Rebranding”, indicators are strongly correlated to the variable, with exception for indicator and statement 5b; I perceive that my customer satisfaction level is unchanged after the rebranding. The indicator lies marginally below 0.7, nevertheless above the critical value 0.4. The “Mindset” displays pleasing values as well, which all lie above 0.7.

The variable “Equity Statoil” consists of two indicators, 4b and 4d. Statement 4b lies above the value of 0.70, whereas statement 4d; I was aware of the brand Statoil lies marginally below the threshold of 0.40.

For the “Equity Circle K”, statements 4c and 4e lie above the critical value 0.40.
However, statement 4e; *I am aware of the brand Circle K* lies below the value 0.70. The variables with a single indicator possess a complete outer loading of 1 due to the single statement representing the contribution to the related variable (Garson 2016). The variables with a single indicator are “Satisfaction Statoil” and “Satisfaction Circle K”.

### 4.3 Excluded Indicators

Three out of twenty-six statements were removed from the path model, after conducting the structured interviews. 4a; *I do not favour the new brand name Circle K*, 4f; *I have unfavourable associations to the brand Statoil*, 4g; *I have unfavourable associations to the brand Circle K* were the removed indicators. Statement 4a was an excluded indicator due to its outer loading below the threshold of 0.40 and due to that the indicator does not have a supportive and matching statement with similar meaning. As an example, statement 4g was excluded due to that the supportive and matching statement 4f showed a negative outer loading. The statement 4g; *I have unfavourable associations to the brand Circle K*, was removed due to its connection to 4f; *I have unfavourable associations to the brand Statoil*. The statements 4f and 4g are built on the same formulation, with the difference in brand regarded. Due to the necessary exclusion of statement 4f from the model, 4g needs to be removed as well in order for the interview to have statements that concern both brands.

### 4.4 P-values and Hypothesis Testing

The p-values are received from the bootstrapping and are illustrated in table 1. The p-values are compared to alpha level 0.05. If the p-values lie above the alpha level 0.05, the relationship between two variables is insignificant (Wahlin 2015).

Table 1 shows that the p-values are low for all connections. The results show that all connections are statistically significant at the alpha level 0.05.
Table 1: P-values of paths. Retrieved model at SmartPLS.

<table>
<thead>
<tr>
<th>Connection</th>
<th>p-values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty Circle K (\rightarrow) Equity Circle K</td>
<td>0.000</td>
</tr>
<tr>
<td>Loyalty Statoil (\rightarrow) Equity Statoil</td>
<td>0.000</td>
</tr>
<tr>
<td>Loyalty Statoil (\rightarrow) Loyalty Circle K</td>
<td>0.000</td>
</tr>
<tr>
<td>Rebranding (\rightarrow) Equity Circle K</td>
<td>0.000</td>
</tr>
<tr>
<td>Rebranding (\rightarrow) Mindset</td>
<td>0.000</td>
</tr>
<tr>
<td>Rebranding (\rightarrow) Satisfaction Circle K</td>
<td>0.001</td>
</tr>
<tr>
<td>Satisfaction Circle K (\rightarrow) Loyalty Circle K</td>
<td>0.003</td>
</tr>
<tr>
<td>Satisfaction Statoil (\rightarrow) Loyalty Statoil</td>
<td>0.000</td>
</tr>
<tr>
<td>Satisfaction Statoil (\rightarrow) Satisfaction Circle K</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The result of the p-values will be utilised in the analysis, in order to confirm or reject the hypotheses. A positive relationship between variables is confirmed if the p-value lies below alpha level 0.05 and thereby shows significance.

4.5 T-Test

The T-test for the variables “Satisfaction Statoil” and “Satisfaction Circle K”, as well as “Loyalty Statoil” and “Loyalty Circle K” was performed. The results of the T-test are the p-value which shows that difference in satisfaction of the brands is statistically significant at alpha level 0.05. The mean of “Satisfaction Statoil” shows a higher value than of “Satisfaction Circle K”.

Meanwhile, the p-value for loyalty of the brands show statistical insignificance at alpha level 0.05. The mean for “Loyalty Statoil” is lower compared to “Loyalty Circle K”.

Table 2: T-test. Own construct.

<table>
<thead>
<tr>
<th></th>
<th>Satisfaction Statoil</th>
<th>Satisfaction Circle K</th>
<th>Loyalty Statoil</th>
<th>Loyalty Circle K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>4.4</td>
<td>4.2</td>
<td>2.88</td>
<td>2.92</td>
</tr>
<tr>
<td>P-value</td>
<td>0.005101039</td>
<td>0.35158847</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.6 Validity

4.6.1 Convergent Validity

For the convergent validity, the Average Variance Extracted (AVE) should stay above 0.50 (Garson 2016). Two variables “Satisfaction Circle K” and “Satisfaction Statoil”, have an AVE value which lies at the highest achievable value of 1. The value is followed by “Loyalty Circle K” and “Loyalty Statoil”, which both have an AVE at 0.70 and above. Another high AVE value is displayed for the “Mindset”. The variables of brand equity for both brands show AVE values above the threshold of 0.50. However, the variable “Rebranding” displays a critical value marginally below the threshold of 0.50.

Table 3: AVE. Retrieved at SmartPLS.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Circle K</td>
<td>0.587</td>
</tr>
<tr>
<td>Equity Statoil</td>
<td>0.553</td>
</tr>
<tr>
<td>Loyalty Circle K</td>
<td>0.725</td>
</tr>
<tr>
<td>Loyalty Statoil</td>
<td>0.700</td>
</tr>
<tr>
<td>Mindset</td>
<td>0.639</td>
</tr>
<tr>
<td>Rebranding</td>
<td>0.481</td>
</tr>
<tr>
<td>Satisfaction Circle K</td>
<td>1.000</td>
</tr>
<tr>
<td>Satisfaction Statoil</td>
<td>1.000</td>
</tr>
</tbody>
</table>

4.6.2 Discriminant Validity

For the discriminant validity, the Heterotrait-Monotrait Ratio (HTMT) should lie below 0.9 (Garson 2016).

The results of each combination of variables is regarded. The results from the HTMT are displayed in table 4. The first variable of the column is the “Equity Circle K”, which holds acceptable HTMT values for each variable combined, in the rows, with exception for its relationship with variable “Equity Statoil”. The relationship between “Equity Circle K” and “Equity Statoil” shows the highest HTMT value with a value of 1.657. The variable “Equity Statoil” has acceptable HTMT values in combination with the variables in the rows.
“Loyalty Circle K” has acceptable HTMT values with other variables and has the highest
HTMT value in connection to “Loyalty Statoil”, a value of 0.865. “Loyalty Statoil” possess acceptable HTMT values with the remaining variables in the row and column.

The “Mindset” has acceptable HTMT values and the strongest relationship with the variable “Rebranding” with a value of 0.815.

“Rebranding” has acceptable HTMT values with the remaining and connected variables. Moreover, “Satisfaction Circle K” has acceptable HTMT values and the highest value in connection to “Satisfaction Statoil” with a value of 0.686. “Satisfaction Statoil” has acceptable HTMT values in combination to the remaining variables.

Table 4: HTMT. Retrieved at SmartPLS.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Equity Circle K</th>
<th>Equity Statoil</th>
<th>Loyalty Circle K</th>
<th>Loyalty Statoil</th>
<th>Mindset</th>
<th>Rebranding</th>
<th>Satisfaction Circle K</th>
<th>Satisfaction Statoil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Circle K</td>
<td>1.657</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Statoil</td>
<td>0.479</td>
<td>0.491</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyalty Circle K</td>
<td>0.360</td>
<td>0.585</td>
<td>0.865</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyalty Statoil</td>
<td>0.246</td>
<td>0.188</td>
<td>0.115</td>
<td>0.326</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mindset</td>
<td>0.388</td>
<td>0.276</td>
<td>0.213</td>
<td>0.357</td>
<td>0.815</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rebranding</td>
<td>0.602</td>
<td>0.516</td>
<td>0.384</td>
<td>0.314</td>
<td>0.371</td>
<td>0.461</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction Circle K</td>
<td>0.316</td>
<td>0.728</td>
<td>0.254</td>
<td>0.340</td>
<td>0.167</td>
<td>0.282</td>
<td>0.686</td>
<td></td>
</tr>
<tr>
<td>Satisfaction Statoil</td>
<td>0.316</td>
<td>0.728</td>
<td>0.254</td>
<td>0.340</td>
<td>0.167</td>
<td>0.282</td>
<td>0.686</td>
<td></td>
</tr>
</tbody>
</table>

4.7 Reliability

4.7.1 Internal Consistency Reliability

For the internal consistency reliability, the composite reliability is displayed in table 5. The value of 1 represents a perfectly estimated reliability and the value should approximately lie between 0.7 and 1 (Garson 2016; Bagozzi & Yi 2012). The results in table 5 show a perfectly estimated composite reliability for the two variables “Satisfaction Circle K” and “Satisfaction Statoil”. The value of the variables is closely followed by “Loyalty Circle K” and “Loyalty Statoil”, which possess values of 0.913 and 0.920 respectively. The values of “Mindset” and “Rebranding” are followed by the loyalty for both brands. The “Mindset” holds a composite reliability value of 0.841, whereas the “Rebranding” holds a value of 0.816. The lowest value of the composite reliability is held by “Equity Circle K” and “Equity Statoil”, where “Equity Circle K” holds an acceptable value of 0.712. However, “Equity Statoil” displays a value marginally below the
threshold of 0.70.

Table 5: Composite reliability. Retrieved at SmartPLS.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Circle K</td>
<td>0.712</td>
</tr>
<tr>
<td>Equity Statoil</td>
<td>0.669</td>
</tr>
<tr>
<td>Loyalty Circle K</td>
<td>0.913</td>
</tr>
<tr>
<td>Loyalty Statoil</td>
<td>0.920</td>
</tr>
<tr>
<td>Mindset</td>
<td>0.841</td>
</tr>
<tr>
<td>Rebranding</td>
<td>0.816</td>
</tr>
<tr>
<td>Satisfaction Circle K</td>
<td>1.000</td>
</tr>
<tr>
<td>Satisfaction Statoil</td>
<td>1.000</td>
</tr>
</tbody>
</table>
5. Analysis

The chapter will cover the analysis of the data results received from the empirical evidence, with the support from the theoretical framework. The data results will be further investigated and explained. The chapter will introduce the reverse coding of the statements and regard the results of the path coefficients, outer loadings, excluded indicators, p-values and hypothesis testing as well as the T-test which will be analysed. The measurements of validity and reliability will be regarded in the end of the chapter.

5.1 Reverse Coding

All negative alluded statements of the structured interview were reverse coded in order for the statements to be comparable. The coding for the statements 1a, 1b and 1c concerning the customer mindset are reversed due to their negative allusion. Statement 1b is negative alluded due to that Kapferer (2008) describes that the customers can fear changes when rebranding. Rebranding can therefore result in negative implications on the customer attitude towards the brand (Fombrun & Van Riel 2004; Cornelissen 2011).

Statements 2b and 2c regarding loyalty are also negative alluded, which necessitates a reverse coding. Furthermore, statements 4a, 4f and 4g are negative alluded due to their formulations.

Statement 5a related to customer satisfaction and rebranding is reverse coded as well due to the theory by Pilch (2007) who describes that a great differentiation, as a result of rebranding, can result in changed customer satisfaction or experience. Differentiation can in turn change the customer experience in an unfavourable manner for the company, which points out the necessary execution of reverse coding.
5.2 Path Coefficients

The path coefficient between the variables "Satisfaction Statoil" and "Loyalty Statoil" represent a value of 0.326 which indicates a low path due to that it lies below the threshold of 0.5. A reason for the low path can be that “Satisfaction Statoil” only consists of a single statement, 5d. A single indicator can be an insufficient measurement to explain a variable. Therefore, the single indicator 5d is not explaining the variable “Satisfaction Statoil” well enough. Due to the lack of sufficient measurement of “Satisfaction Statoil”, the path between “Satisfaction Statoil” and “Loyalty Statoil” is weak.

The path between “Loyalty Statoil” and “Equity Statoil” shows a weak path of 0.451, which lies marginally below the threshold of 0.50. The reason for the weak path can be explained by that three indicators for brand equity were excluded from the path model. The results of the two remaining indicators for each variable of the brand equity indicate that the indicators are not sufficiently measuring the brand equity variables for the two brands. Due to the necessary exclusion of indicators, all of the defined elements of brand equity are not regarded in the path model. However, the path lies close to the threshold of 0.50 and is therefore perceived as an acceptably strong path.

The path between “Satisfaction Circle K” and “Loyalty Circle K” shows an impact of 0.232, and the path is therefore weak. The result of the weak path coefficient between satisfaction and loyalty of the new brand Circle K is perceived as unexpected due to the theoretically supported research (Barnett, Jermier & Lafferty 2006; Osman 1993; Bloemer & de Ruyter 1998; Anderson & Mittal 2000; Anderson 1996; Fornell 1992; Gruca & Rego 2005) about the proven effect of satisfaction on loyalty. A reason for the result can depend on that there is only one statement representing satisfaction of the brand Circle K and therefore the satisfaction cannot measure the loyalty to a sufficient extent. The path between “Satisfaction Circle K” and “Loyalty Circle K” is lower than the path between “Satisfaction Statoil” and “Loyalty Statoil” due to that the level of satisfaction decreased from the original brand to the new brand.

The path between “Loyalty Statoil” and “Loyalty Circle K” holds a value of 0.750, which further indicates a strong and positive relationship. This can be explained by the several
indicators related to each variable, which makes the measurement sufficient. The strong path between loyalty of the two brands indicate that the suggestions made by Thomson, MacInnis and Park (2005) as well as Collange (2014), cannot be supported due to the positive and even strong path between the loyalty of the original brand and loyalty of the new brand. MacInnis and Park (2005) as well as Collange (2014) state that the attached and committed customer to a brand, stay loyal to the same brand.

The path between the “Loyalty Circle K” and “Equity Circle K” holds a value of 0.457 and is perceived as weak. Nevertheless, the path between “Loyalty Circle K” and “Equity Circle K” lies close to the threshold of 0.50 and is perceived as acceptably strong. The acceptably strong path between “Loyalty Circle K” and “Equity Circle K” can be supported by researchers’ suggestions (Aaker 1991; Aaker & Jacobsen 1994; Trust, Zeithaml & Lemon 2000; Ou, Verhoef & Wiesel 2017; Torres, Augusto & Lisboa 2015; Pappu, Quester & Cooksey 2006; Pappu & Quester 2016; Bolbăcă et al. 2014; Asif et al. 2015) due to that the path is positive.

The impact of the variable “Satisfaction Statoil” on “Satisfaction Circle K” shows a great path coefficient of 0.628, which is regarded as a strong path. Although the variables consist of a single indicator, they are similar in their content. This can explain the strong path between the variables. Hence, the level of standard deviation is well explained.

The influence of “Rebranding” on “Satisfaction Circle K” shows a weak path of 0.291, which can also be explained by that “Satisfaction Circle K” only consists of one indicator. Furthermore, the path still implies that the rebranding of Statoil has been positively influencing on the satisfaction of Circle K, yet not to a great extent. The weak path between “Rebranding” and “Satisfaction Circle K” could support Huang (2010), Pilch (2007), Chaniago (2010), Bamfo, Dodge and Osei-Wusu’s (2018) about the lack of impact of rebranding on satisfaction. Simultaneously, the suggestions by Plewa, Lu and Veale (2011) as well as Stuart & Muzellec (2004) are also supported due to that the path between “Rebranding” and “Satisfaction Circle K” is yet positive.

There is a difference in the path between “Rebranding” and “Satisfaction Circle K”, and the path between “Satisfaction Statoil” and “Satisfaction Circle K”. The path between “Satisfaction Statoil” and “Satisfaction Circle K” covers the customer satisfaction which
regards customer expectations of the company performance (Johnson & Fornell 1991; Fornell et al. 1996). However, the path between “Rebranding” and “Satisfaction Circle K” concerns how the process of brand change influences on the customer expectations of the performance.

The connection between “Rebranding” and “Equity Circle K” holds a path of 0.323, which is perceived as weak. This can be explained by that “Equity Circle K” does not cover all the elements of brand equity and that the variable “Rebranding” therefore cannot explain the variable “Equity Circle K” well enough. The variable “Rebranding” is overall well explained by its indicators, although the relationship between the variables would be stronger if “Equity Circle K” possessed additional elements of brand equity. Moreover, the suggestions by Muzellec & Lambkin (2006), Aaker (1991) as well as Roy and Sarker (2015) about the negative path between “Rebranding” and “Equity Circle K” cannot be supported, due to the positive yet weak connection between the variables.

The connection between “Rebranding” and the “Mindset” implies a strong path coefficient, of 0.672. Hence, an explanation is that there are several indicators connected to each variable and are therefore measuring the variables well. The strong path between the variables implies that there is a positive relationship between them, which does not support the researchers’ suggestions about the negative influence (Kapferer 2008; Fombrun & Van Riel 2004; Cornelissen 2011; Aimé-Garnier & Roux 2006; Muzellec and Lambkin 2006; Collange 2014).

5.3 Outer Loadings

The outer loadings for “Satisfaction Statoil” and “Satisfaction Circle K” represent the value of 1 due to that each of the variables only consist of one indicator.

The variable “Loyalty Statoil” consists partly of statements 2a; *I was attached to Statoil*, 2d; *I was loyal to Statoil*, 3a; *I had a strong relationship to Statoil* and 3e; *I was a long-term customer at Statoil*, which all possess pleasing outer loadings. However, the related statement of 3c; *My relationship to Statoil increased my loyalty to Statoil*, lies marginally...
below the preferable value 0.7. Yet, it is still seen as above the critical level of 0.4.

All outer loadings connected to the variable “Loyalty Circle K” show desirable values above 0.70. The variable consists of the statements 2e; *I am loyal to Circle K*, 3b; *I have a strong relationship to Circle K*, 3d; *My relationship to Circle K increases my loyalty to Circle K* and 3f; *I am a long-term customer at Circle K*. This means that the correlation between the indicators and the variable is strong and acceptable, and that the related statements are explaining the loyalty of Circle K.

The variable “Equity Statoil” consist of two indicators, 4b; *I favoured the quality of Statoil* and 4d; *I was aware of the brand Statoil*. Statement 4d lies marginally below the critical and acceptable value of 0.4. The reason for the low value of 4d is due to that the statement does not contribute enough to the variable “Equity Statoil”. The low value of the statement indicates that the element brand awareness could be an insufficient measurement of brand equity. However, the statement 4d lies close to the threshold of 0.4 and can therefore measure it to a certain extent. Statement 4d was not excluded from the path model due to that the loss of the indicator is not perceived as negligible (Garson 2016).

On the other hand, statement 4b measures the brand equity sufficiently due to its value above the preferable 0.7.

The variable “Equity Circle K” also consists of two indicators, 4c; *I favour the quality of Circle K* and 4e; *I am aware of the brand Circle K*. Both statements lie above the threshold of 0.4. Although statement 4c lies above the preferable value of 0.7, statement 4e lies above the critical value. Statement 4c indicates that brand quality is measuring the brand equity well. Furthermore, statement 4e indicates a sufficient measurement due to its value above the threshold and contributes therefore to the variable “Equity Circle K”.

For the variable “Rebranding”, most indicators illustrate high outer loadings. However, the outer loading of statement 5b lies marginally above the critical value of 0.4. This indicates that 5b; *I perceive that my customer satisfaction level is unchanged after the rebranding*, is not explaining the path between itself and the variable well enough. A reason for the low outer loading of statement 5b is due to its similarity to statement 5c; *I perceive that the service and product quality is unchanged after the rebranding*. 
Nevertheless, the difference lies in that statement 5b regards the customer satisfaction while 5c regards service and product quality. The customer satisfaction is broader in its definition and is influenced by the service and product quality (Adebanjo, Abbas & Mann 2010; McGaughey 2002; Chaniago 2016; Bolton & Drew 1991; Oliver 1996; Bamfo, Dogde & Osei-Wusu 2018). The respondents could have perceived statement 5b as extensive, while statement 5c is perceived as more accurate and well defined.

Considering the last variable, the “Mindset”, with its several indicators holds outer loading values above the preferable value of 0.7. The variable “Mindset” consists of statements 1a; I expected overall deterioration in service and product quality, environment and atmosphere, 1b; My mindset about the company has changed, in connection to rebranding, and 1c; I evaluate the company unfavourably after the rebranding. The indicator’s outer loadings imply that the statements related to the “Mindset” have a strong relationship to the variable. Furthermore, the results imply that the variable has been measured by the connected indicators, which are helping to explain the variable.

5.3.1 Excluded Indicators

Indicators 4a; I do not favour the new brand name Circle K, 4f; I have unfavourable associations to the brand Statoil and 4g; I have unfavourable associations to the brand Circle K were excluded from the path model. Statement 4a was an excluded indicator due to its outer loading which lies substantially below the threshold of 0.40 and due to that the indicator does not have a supportive and matching statement with a similar meaning. A reason for the low outer loading of statement 4a is due to that the respondents show a lack of strong perception about the new brand name.

Furthermore, statement 4g was excluded due to that the supportive and matching statement 4f showed a negative outer loading.

The definition of brand equity by Kaikati and Kaikati (2003) propose that the brand name, brand loyalty, perceived brand quality and brand associations are important elements of the brand equity. The negative outer loading for statement 4f shows that brand associations, defined by Kaikati and Kaikati (2003) as well as Aaker (1991), is potentially not a sufficient measurement of brand equity for Statoil.
The statement 4g; *I have unfavourable associations to the brand Circle K*, was removed due to its connection to 4f; *I have unfavourable associations to the brand Statoil*. The statements 4f and 4g are built on the same formulation, with the difference in brand regarded. Due to the necessary exclusion of statement 4f from the model, 4g needs to be removed as well in order for the interview to have statements that concern both brands.

### 5.4 P-values and Hypothesis Testing

The results in table 1 show that the p-values for each connection between the variables measured are low. In turn, the results imply that the positive relationships between the variables measured are statistically significant, hence confirmed.

However, the negative alluded formulation of hypotheses 1, 2 and 3 in the theoretical framework implies the need to consider the formulation in order to confirm or reject the hypotheses.

The hypothesis 1; *Rebranding affects the mindset of the customer negatively*, is negative alluded. Table 1 shows that the positive relationship between “Rebranding” and “Mindset” is statistically significant at alpha level 0.05, due to the low p-value. Due to the negative alluded hypothesis 1, the negative relationship between rebranding and mindset is statistically insignificant and therefore the hypothesis 1 cannot be confirmed. The lack of statistical support for hypothesis 1 results into a rejection of the hypothesis. Hypothesis 1 is therefore rejected.

The rejection of hypothesis 1 implies that Kapferer’s (2008) suggestion regarding customer fear of changes, as well as Fombrun and Van Riel’s (2004) and Cornelissen’s (2011) stated negative influence of rebranding, cannot be confirmed to prevail in the case. Furthermore, the suggestion made by Aimé-Garnier and Roux (2006), Muzellec and Lambkin (2006) as well as Collange (2014) regarding that rebranding can negatively influence on the customer evaluation of the company, cannot be confirmed either.

The path between the variables “Loyalty Statoil” and “Loyalty Circle K” has a p-value of 0.000, which lies below the alpha level 0.05. This implies that the positive relationship between the variables is statistically significant. Hypothesis 2; *The strong customer*
attachment and relationship to the original brand affects the customer loyalty to the new brand negatively, is negative alluded and therefore the relationship cannot be confirmed. Hence, hypothesis 2 is rejected. The rejection of hypothesis 2 does not support Collange’s (2014) as well as Thomson, MacInnis and Park’s (2005) suggestions about the negative effect of attachment and relationship to the original brand, on the loyalty to the new brand. Hence, there is no support for the negative connection between the attachment and relationship to the original brand, on the loyalty to the new brand.

Variables “Rebranding” and “Equity Circle K” are positively related in table 1, and the relationship is statistically significant at the alpha level 0.05. However, hypothesis 3; Rebranding influences brand equity negatively, is negative alluded. Due to that the positive path between rebranding and brand equity is statistically significant at alpha level 0.05, the negative alluded hypothesis could not be confirmed. The hypothesis 3 is therefore rejected. The rejection of hypothesis 3 can support Muzellec and Lambkin’s (2006) theory that rebranding can replace negative associations and images of the brand with positive images. As the brand awareness is the initial recognition of the brand name, the brand associations is the second step of recognition (Rockute, Minelgaite, Zailskaitė-Jakste & Damasevicius 2018). The rejection supports therefore that the rebranding has not resulted in negative influence on brand equity and that the rebranding has been approved of, by the customers (Muzellec & Lambkin 2006). Furthermore, the rejection of hypothesis 3 does not support Aaker’s (1991) theory that rebranding can affect the brand value negatively.

Hypothesis 4; Rebranding can affect customer satisfaction positively, consists of a positive alluded formulation. The positive connection between “Rebranding” and “Satisfaction Circle K” is statistically significant due to the low p-value. The connection is therefore confirmed and hypothesis 4 is correspondingly confirmed. The confirmation of the hypothesis supports Plewa, Lu and Veale’s (2011) suggestion about the positive connection. The confirmed hypothesis can indicate that the communication of the rebranding was successfully carried out, as according to Stuart and Muzellec (2004). The relationship between customer satisfaction and loyalty of both brands is statistically significant, due to the low p-value retrieved. Therefore, the positive relationship between the variables is confirmed. The positive alluded formulation of hypothesis 5; Customer
satisfaction influences customer loyalty positively, implies that there is statistical significance for the connection. Hence, hypothesis 5 is confirmed.

The confirmation stands in agreement to Faullant (2007) and Boslau’s (2009) suggestion that the satisfied customer will be loyal to the brand. Moreover, the confirmation supports other researchers’ proposals (Barnett, Jermier & Lafferty 2006; Osman 1993; Bloemer & de Ruyter 1998; Anderson & Mittal 2000; Anderson 1996; Fornell 1992; Gruca & Rego 2005), which also imply that customer satisfaction results into great customer loyalty.

The positive relationship between loyalty and equity, for both brands, shows statistical significance at the alpha level 0.05. Hence, the relationship is confirmed and the positive alluded hypothesis 6; Customer loyalty affects brand equity positively, is confirmed. The confirmation of hypothesis 6 supports therefore Torres, Augusto and Lisboa’s (2015) proposal, as well as researchers Bobâlcâ et al. (2014) and Asif et al.’s (2015) suggestions about loyalty strongly influencing on brand equity.

5.5 T-Test

The T-test shows that the difference between “Satisfaction Statoil” and “Satisfaction Circle K” is statistically significant at alpha level 0.05, which in turn indicates that there is a difference in the results between the original and the new brand. Furthermore, the mean confirms that the satisfaction for Circle K decreased compared to the satisfaction towards Statoil. An explanation for the decreased level of customer satisfaction from the original to the new brand is that customer satisfaction can be perceived as a changeable and short-term fulfilment. Potentially, the expectations for the new brand were raised and not responded to, which in turn resulted in a decreased customer satisfaction of Circle K. Another reason for the decreased customer satisfaction of the new brand can be explained by the recent implementation of the rebranding. The customers might not have managed to develop their customer satisfaction to the new brand, to the same extent. Eventually, customers need time to develop their perception about their customer satisfaction a few additional years after the rebranding.

The T-test for loyalty of the brands illustrates that the difference between the original and
new brand is statistically insignificant at alpha level 0.05, which in turn indicates that the difference in the results between the brands cannot be proven. Although the means in table 2 show that loyalty marginally increased to Circle K, the increase cannot be proven due to the statistical insignificance at alpha level 0.05. Hence, the results show that there is no difference in loyalty between the original and the new brand. An explanation to the results is that the customer loyalty can be perceived as a long-term relationship to the brand. If the customer expectations are not responded to in one aspect of the customer experience, the customer can still remain loyal to the brand of reasons such as feeling a strong relationship to the brand.

5.6 Validity

5.6.1 Convergent Validity

The results received from the Average Variance Extracted (AVE) show overall acceptable values for each variable. However, the “Rebranding” is marginally below the critical value of 0.5. The result implies that the variable is not explained to a great extent by the variance in its related indicators. An explanation to the low AVE value of “Rebranding” is that the indicators are also related to loyalty and satisfaction. Nevertheless, the variable “Rebranding” is yet explained by its indicators due to that the value lies close to the threshold.

5.6.2 Discriminant Validity

The Heterotrait-Monotrait Ratio (HTMT) results show an acceptable discriminant validity, with the exception for the combination of “Equity Statoil” with “Equity Circle K”. The connection lies above the threshold of 0.9 and is therefore not acceptable. The discriminant validity is not prevailing to a great extent for the connection.

The lack of discriminant validity is explained by that the indicators of the variables are rather related to other variables than to its own variable. The indicators of the variable
“Equity Statoil” are rather related to “Equity Circle K” than to its own variable, and conversely. The results show that the two variables of brand equity possess indicators that are similar in their formulations, which explains the high HTMT value. Furthermore, this confirms that “Equity Statoil” and “Equity Circle K” measure the two elements of brand equity in the same manner.

5.7 Reliability

5.7.1 Internal Consistency Reliability

The composite reliability of each variable is acceptable and above the preferable value of 0.7, with exception for “Equity Statoil” which lies marginally below the value of 0.7. Nevertheless, the internal consistency reliability for “Equity Statoil” is above the critical value of 0.6 (Bagozzi & Yi 1988). An explanation for the marginally lower internal consistency reliability for the two variables related to brand equity is due to that brand equity consists of several elements defined in the theoretical framework, although merely two elements of brand equity can be investigated in the research. Simultaneously, the internal consistency reliability of “Equity Statoil” and “Equity Circle K” are yet above the critical value 0.6.

The internal consistency reliability is prevailing for all the outer model constructs of the study. The results imply that the indicators for all variables, are reliable. For the customer satisfaction of both brands, the internal consistency reliability shows a value of 1. The explanation for the value of 1 depends on the single indicators connected to the variables of the brands. Therefore, the results of each outer model constructs for the two variables show perfect internal consistency reliability.

The variables “Loyalty Statoil” and “Loyalty Circle K” show high composite reliability due to the several indicators related to each variable. The indicators have in turn high outer loadings. The variable “Loyalty Statoil” has a greater composite reliability than “Loyalty Circle K”, despite that one indicator has an outer loading value below the preferable value 0.7. However, an explanation for the higher composite reliability of “Loyalty Statoil” can be the additional indicator explaining the variable, and in turn the reliability of the outer model construct better.
Furthermore, the variables “Mindset” and “Rebranding” show preferable internal consistency reliability. Although “Rebranding” shows low convergent validity, the internal consistency reliability implies that the outer model construct can show the same results when replicating the study.
6. Discussion

The chapter consists of a further discussion of the data analyses in the research. The path coefficients, p-values and hypothesis testing as well as the T-test will be discussed in the chapter. Furthermore, the literature will be discussed in the sections.

6.1 Path Coefficients

The analysis shows that merely three out of nine path coefficients are strong. The three paths between “Satisfaction Statoil” and “Satisfaction Circle K”, “Loyalty Statoil” and “Loyalty Circle K” as well as “Rebranding” and “Mindset”, indicate strong connections. The explanation for the strong paths can be that the indicators of the variables are similar and strongly related to each other, with the difference in brand. As an example, statement 5d; I was satisfied with Statoil, of variable “Satisfaction Statoil”, shows strong similarity to the statement 5e; I am satisfied with Circle K, of the “Satisfaction Circle K”, where the difference lies in the brand. Therefore, the variables correlate well and therefore show strong paths.

The remaining paths are weak due to that the variable connected to another variable possesses one or two indicators, which is not sufficiently measuring the path. One or two indicators cannot explain the inner and outer model construct well enough.

6.2 P-values and Hypothesis Testing

For the hypothesis testing, three out of six theoretically based hypotheses are confirmed. This leaves three out of six hypotheses which are rejected.

Hypothesis 1 concerning the mindset in relation to the rebranding was rejected due to that there was no negative effect of rebranding on the customer mindset and therefore the evaluation of the company. According to Kapferer (2008), Fombrun and Van Riel (2004) as well as Cornelissen (2011), the negative influence of rebranding on the mindset can follow from fear of changes.
However, the results show that the suggestions by the authors cannot be confirmed in the research. This indicates that the customers of Circle K did not perceive any fear of brand changes. The evaluation of the company has not been negatively influenced from the rebranding either, which does not support the research by Aimé-Garnier and Roux (2006), Muzellec and Lambkin (2006) as well as Collange (2014). Hypotheses 1 implies that the rebranding was implemented in a favourable way, which can indicate that the communication of the brand was successfully carried out.

Moreover, the rejected hypothesis 2 proves that, in the case of Circle K, there is no negative connection between attachment and relationship of the original brand and the customer loyalty of the new brand. The suggestions by Collange (2014) as well as Thomson, MacInnis and Park (2005) cannot be confirmed. The rejection of hypothesis 2 proves that the attachment and relationship to the original brand does not indicate a negative effect on customer loyalty of the new brand. Hence, the negative influence from the original brand on the new brand is not proven to occur.

Hypothesis 3 was rejected due to that the hypothesis was negative alluded and that the negative relationship could not be confirmed. Nevertheless, the variables of brand equity did not include all the definitions and indicators for brand equity. If other definitions and thereby indicators of brand equity were regarded for the variables “Equity Statoil” and “Equity Circle K”, the results could have differed. The rejection of hypothesis 3 results into the lack of support for Aaker (1991), Muzellec and Lambkin (2006) as well as Roy and Sarkar’s (2015) suggestions about the negative effect of rebranding on the brand equity.

Furthermore, the path between “Equity Statoil” and “Equity Circle K” should be further investigated in order to compare the brand equity of the original and new brand.

On the other hand, hypothesis 4 confirms the positive relationship between rebranding and customer satisfaction. Moreover, the respondents felt overall satisfied with both brands. The positive connection is supporting Plewa, Lu and Veale’s (2011) suggestion and also indicates that the rebranding of Circle K was successfully implemented (Stuart & Muzellec 2004), which in turn implies that the brand communication was successfully carried out to the customers.
In turn, hypothesis 5 confirms the positive connection between customer satisfaction and customer loyalty. This implies that the more satisfied the customer is, the greater is the customer loyalty. Furthermore, this confirms the researchers’ suggestions about the positive connection between the customer satisfaction and loyalty (Faullant 2007; Boslau 2009; Barnett, Jermier & Lafferty 2006; Osman 1993; Bloemer & de Ruyter 1998; Anderson & Mittal 2000; Anderson 1996; Fornell 1992; Gruca & Rego 2005). The connection between satisfaction and loyalty is well defined and the results shows a supportive link that has been explored well by researchers.

Hypothesis 6 is also confirmed, where the customer loyalty is proven to affect the brand equity positively. This means that if the customers are loyal, they will value the quality of the brand and become more aware of the brand. The result supports Torres, Augusto and Lisboa’s (2015) suggestion about the loyalty influencing the brand equity. Moreover, Aaker (1991), Pappu, Quester and Cooksey (2006), Pappu and Quester (2016), Kaikati and Kaikati (2003) imply that the brand equity is formed by the brand awareness, brand associations, brand loyalty, perceived quality and brand name. However, due to the exclusion of the statements concerning the brand associations and value of brand name, the perceived quality as well as the brand awareness are the two measurements of the brand equity in the research.

6.3 T-test

The results from the t-test show that the difference in customer satisfaction of the original and new brand is statistically significant at alpha level 0.05. The means in table 2 show that customer satisfaction of Circle K decreased compared to customer satisfaction of Statoil. A difference between the customer satisfaction of the original and new brand can therefore be concluded to prevail. Furthermore, the t-test can support hypothesis 4, which confirms a positive relationship between rebranding and customer satisfaction. The positive relationship between rebranding and customer satisfaction of Circle K is supported by the t-test through the positive path between satisfaction of Statoil and satisfaction of Circle K. Although the customer satisfaction decreased for Circle K compared to customer satisfaction for Statoil, the means in table 2 illustrate that the
customer satisfaction lies on a high level, above 4 out of 5, on the Likert scale.

The t-test shows that the difference in loyalty for both brands is statistically insignificant at alpha level 0.05, which means that there is no proven difference between the original and the new brand. This can be supported by hypothesis 2 which was rejected. The lack of proven difference between the original and the new brand according to the t-test supports the rejection of hypothesis 2. Therefore, the results from the t-test supports the findings from the hypothesis testing on hypothesis 2 that there cannot be a negative effect from the attachment and relationship to the original brand on the loyalty to the new brand.
7. Conclusion

The chapter will present the main objective of the research as well as the conclusions drawn from the data results, analysis and discussion. A contribution to the study will also be presented. In the end of the chapter, proposals for further research are suggested.

7.1 Research Questions

The investigation of customer satisfaction, customer mindset and brand equity from the aspect of rebranding, following acquisition, is the main objective of the research. The challenges related to rebranding are occasionally inevitable (Muzellec & Lambkin 2006) and a developed understanding of the challenges and risks are therefore required. Moreover, the relationship between customer satisfaction, customer loyalty and brand equity is examined.

The rebranding is the process of selecting and establishing a new brand (Merrilees & Miller 2008), which was one of the concepts investigated in the research. Furthermore, customer satisfaction and customer loyalty of each established brand are investigated in the study.

7.1.1 The Effects of Rebranding

Concerning the concept of customer mindset, which consists of customer attitude and company evaluation, is that customer mindset has not been negatively affected from the rebranding. Consequently, the customers did not develop a negative attitude towards the new brand and did not fear the changes that would follow from the rebranding (Kapferer 2008). Although, the announcement of the rebranding of Statoil raised reactions on social media (Söderholm 2015), the research proves that the customers did not develop a negative mindset towards the rebranding after all.

The lack of the negative proven effect of rebranding on the customer mindset indicates therefore that the brand communication of Circle K was successful. To interpret it further, the successful communication of the new brand proves that the customers were
accustomed to the changes and were therefore not surprised by the rebranding. The process of rebranding was initially implemented in 2016 and will be completed in 2018 or 2019 (Circle K 2015b), which gives the customers time to adjust to the changes. According to Circle K, the new brand developed a range of products and services (Circle K 2018a) in order to improve the customer attitude towards the brand. The findings indicate that Circle K did maintain or even improve their product and service quality, atmosphere and environment of the stores. The findings of the connection between rebranding and customer mindset prove a different outcome compared to the literature, which can indicate that a further investigation of the relationship is needed in order to support the theories.

The relationship between rebranding and customer satisfaction is proven to be positive. The process of rebranding shows a positive path related to customer satisfaction which further indicates that the communication to the customers was successfully carried out. The literature supports the positive relationship between rebranding and customer satisfaction. The findings concerning the relationship between rebranding and customer satisfaction prove that the product and service quality of the new brand is maintained or even improved at the company (Circle K 2018a; Circle K 2017). A reason for the positive relationship is that the customers are satisfied with the new brand due to that the company managed to offer the same or improved product and service quality. The findings indicate that the company did invest in the product and service offerings in order to meet the customer expectations. Furthermore, the findings can support Pilch’s (2007) claim that customer experience should remain unchanged unless the rebranding establishes a considerable differentiation. Eventually, the rebranding of Statoil resulted into a considerable differentiation where the product and services were improved as according to the company. This could have resulted in the positive connection between rebranding and customer satisfaction. On the other hand, Pilch’s (2007) claim can also be supported by the findings about customer experience and satisfaction remaining unchanged, due to the lack of the company’s establishment of a great differentiation. This would indicate that the product and service quality remained the same. Further on, this could also have resulted in the positive connection between rebranding and customer satisfaction.

The findings prove that there is no negative effect of rebranding on brand equity. Furthermore, the findings indicate that the customers approved of the rebranding and did
not change their perception of the brand quality in an unfavourable manner. The customer approval further implies that the company maintained or even improved their product and service quality. The brand awareness was neither negatively affected by rebranding, which indicates that a successfully communication to the customers and of the rebranding was accomplished. Moreover, the customers became aware of the brand change through the brand communication. The brand communication was successfully accomplished through the great investments on the brand as well as through the communication on social media, in order to reach the customers and establish brand awareness. The brand awareness was further established through the investments on changing the flags and signboards all over the country (Circle K 2017; Circle K 2018a; Andersson 2015). The combination of strategically communicating through social media as well as implementing brand changes could have increased the customers’ brand awareness.

Furthermore, the positive relationship between customer satisfaction and customer loyalty is proven to prevail. The findings imply that the more satisfied the customer is, the greater is the customer loyalty to the brand. Therefore, repeated satisfying customer experience will evolve in repurchasing and thereby increased customer loyalty (Faullant 2007; Boslau 2009). The satisfied customer feels that the expectations towards the brand and the company offerings are met and therefore shows greater loyalty, which motivates a long-term commitment to the brand. Moreover, the relationship between customer satisfaction and customer loyalty is common in the literature and is greatly supported by other researchers (Johnson & Fornell 1991; Fornell et al. 1996; Heskett et al. 1994; Liljander and Strandvik 2011; Bove and Johnson 2001; Oliver 1999).

Finally, the supported and positive relationship between customer loyalty and brand equity is prevailing as well. If the customer is loyal and feels a long-term commitment to the brand, the customer will become aware of the brand as well as value the brand quality to a greater extent. Other elements of the brand equity, such as value of the brand name and brand associations, were not applied in the research due to the necessary exclusion of the corresponding indicators. The exclusion indicates that other elements are suggested to be considered and developed in order to test the relationship between customer loyalty and brand equity further.
Conclusively, the rebranding does not affect customer mindset and brand equity in a negative manner. The customer attitude and company evaluation as well as the brand awareness and brand quality do not correlate negatively to the rebranding itself. Furthermore, customer satisfaction is positively influenced by rebranding. The findings support that the satisfied customer feels that the customer expectations are met, in connection to rebranding. Overall and according to the findings, the rebranding of Statoil did not have negative effects on the concepts in the research. However, the effects of rebranding should not be neglected due to its influence on the brand identity and reputation (Muzellec & Lambkin 2006).

7.1.2 Do Customer Satisfaction and Loyalty Change between The Old and The New Brand?

The findings show that the customer satisfaction of the new brand decreased compared to the original brand, which indicates that the customer of Circle K is satisfied to a less extent compared to Statoil. Although, the customers are still satisfied with both brands. The decrease of the customer satisfaction of the new brand can be explained by the short term and changeable fulfilment of customer satisfaction. Furthermore, the decrease of customer satisfaction of the new brand can be explained by the recent implementation of rebranding and that the customers did not manage to develop their customer satisfaction to a satisfying extent.

Meanwhile, the difference in customer loyalty between the original and new brand is not supported. An explanation is that customer loyalty can be described as a long-term commitment to a brand (Liljander & Strandvik 2011; Bove & Johnson 2001; Mattila 2001; Collange 2014; Thomson, MacInnis & Park 2005; Yi et al. 2018; Fredorikhin, Park & Thomson 2008; Hwang & Kamndampully 2012). While customer satisfaction can be a rather short term fulfilment of the customer needs, the customer loyalty is a sustainable, long-lasting and long term devotion to the brand. Customer satisfaction can be seen as a temporarily solution in matter of meeting the customer needs (Westbrook & Oliver 1991). On the other hand, customer loyalty can occasionally need great investment and require time to build. Conversely, the unsatisfied customer of a product or service can still remain loyal to the brand through the commitment that the customer feels to the brand. However, repeated unsatisfying purchases can lead to customer dissatisfaction and disloyalty.
The findings show that customer loyalty to the company remains unchanged due to the commitment that the customers feel to the company. The unchanged customer loyalty indicates that Statoil invested in establishing a long-term relationship and attachment to the customers, which now the new brand Circle K can benefit from. Furthermore, the unaffected customer loyalty of the company proves that the brand communication was successfully carried out to the customers. Through the successful brand communication, the company managed to reflect their brand image and values well (Smith & Zook 2016).

Conclusively, the comparison between customer satisfaction of the original and the new brand shows that customer satisfaction of Circle K decreased due to the potential changes in the products and services offered, which reflect a short-term fulfilment. However, there were no differences in customer loyalty between the brands. The reason for the unaffected customer loyalty is due to that the customers were loyal to Statoil and transmitted the loyalty to the new brand.

7.2 Contribution of the Study

The objective of the study is to investigate the relationship between rebranding, customer mindset, customer satisfaction, customer loyalty and brand equity. The path model in the research can be used in order to evaluate the effects of rebranding by estimating the strength of the paths.

The contribution of the study is to present the distinguished definition of rebranding compared to each established brand. The customer mindset, in connection to rebranding, has not been explored to a great extent. The customer mindset is therefore investigated closely in the research. Existing research indicates a negative correlation between rebranding and the customer mindset. On the contrary, the research shows a strong relationship between rebranding and customer mindset. The positive relationship indicates that companies should focus on the customer perception, attitude and evaluation when rebranding. If the customers evaluate the company favourably, the customers will contribute to profitability and thereby to
company success.
The not extensively explored concept of customer mindset, in connection to rebranding, is presented in order to investigate the customer perception of rebranding. The customer perception of rebranding, in acquisition context, is essential for companies to distinguish how well the firm is communicating the rebranding to the customers. According to the findings, the customers did not perceive the rebranding negatively in the research. Moreover, the positive relationship between rebranding and customer mindset in the research indicates that the brand communication to the customers was successfully carried out. Hence, the opportunity to realise new strategic positions and accomplish differentiation as well as improvements (Smith & Zook 2016; Kapferer 1995; Keller 2002; Muzellec & Lambkin 2006, 2008; Koch 2014), is a possibility through rebranding. Rebranding could in long term be a beneficial solution in acquisition context.

Another contribution of the study is for Circle K to utilise the study to determine their success with rebranding, retrospectively. In the research, customer mindset, customer satisfaction and brand equity were not negatively affected by the rebranding. Further on, the company should focus on increasing the customer satisfaction due to its decrease of the new brand. Although the customer loyalty was maintained, there is a possibility to improve the loyalty further.

7.3 Proposal for Future Research

Future studies are suggested to further broaden and investigate the concept of the mindset in the context of rebranding, in order to extend the current literature. This can be accomplished by developing the definition of the concept in the context of rebranding as well as conducting further research about the relationship between rebranding and customer mindset.

The connection between brand equity of the original and the new brand should additionally be investigated. This connection was not investigated in the research due to the time limitation and the several elements of brand equity which needed to be considered. However, other studies are suggested to examine the relationship. Moreover, other researchers are suggested to replicate the study and apply the mentioned
proposals, a few years after the implementation of the rebranding. This should be accomplished in order for customer mindset, customer satisfaction, customer loyalty and brand quality of the new brand, to develop even further.

Future studies are also recommended to eventually collect a register of the customers that are members of the company, in order to be able to conduct a probability sampling method. The method will enable generalisation of the results to the population, through the sample.
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9. Appendix

9.1 Structured Interview

Structured Interview Statements

Mindset
1a. I expected overall deterioration in service and product quality, environment and atmosphere, in connection to the rebranding
1b. My mindset about the company has changed, in connection to the rebranding
1c. I evaluate the company unfavourably after the rebranding

Attachment and Loyalty
2a. I was attached to Statoil
2b. My attachment to Statoil decreased my purchase intention at Circle K
2c. I felt reluctant to the rebranding of Statoil
2d. I was loyal to Statoil
2e. I am loyal to Circle K

Relationships and Loyalty
3a. I had a strong relationship to Statoil
3b. I have a strong relationship to Circle K
3c. My relationship to Statoil increased my loyalty to Statoil
3d. My relationship to Circle K increases my loyalty to Circle K
3e. I was a long-term customer at Statoil
3f. I am a long-term customer at Circle K

Brand Equity
4a. I do not favour the new brand name, Circle K
4b. I favoured the quality of Statoil
4c. I favour the quality of Circle K
4d. I was aware of the brand Statoil
4e. I am aware of the brand Circle K
4f. I have unfavourable associations to the brand Statoil
4g. I have unfavourable associations to the brand Circle K

Satisfaction
5a. I perceive overall differences in products and services from the rebranding
5b. I perceive that my customer satisfaction level is unchanged after the rebranding
5c. I perceive that the service and product quality is unchanged after the rebranding
5d. I was satisfied with Statoil
5e. I am satisfied with Circle