

# MINIMIZING THE NEGATIVE IMPACT OF BRAND DELETION<sup>1</sup>

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## ABSTRACT

**Purpose:** This research is primarily concerned with studying the impact of brand workers' problems on brand deletion (BD) outcomes. We also analyze how the level of consensus achieved during BD adoption and implementation influences the impact of brand workers' problems on BD outcomes.

**Design/methodology/approach:** A questionnaire was designed to obtain data from a representative sample of 155 real cases of brand deletion.

**Findings:** Findings indicate that in contexts where workers feel their jobs are threatened or challenged, BD success may be undermined. However, the company does possess one important mechanism that can alleviate the negative impact of brand workers' problems: empowering them to pave the way towards consensus-building. Our results do not support a negative effect of brand workers' problems on BD time efficiency nor any effect of BD time efficiency on BD's contribution to a firm's economic performance.

**Originality/value:** This pioneering study proposes and empirically validates the relationship between brand workers' problems and BD success and BD time efficiency, moderated by consensus.

**Practical implications:** Managers must be aware that problems derived from brand workers' actions are especially harmful for the company when there is no consensus, such that managers must prevent deletion from occurring under these circumstances.

**Keywords:** brand deletion, workers' problems, consensus, brand deletion outcomes, floodlight analysis.

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## **1. Introduction**

Brands are business assets that can generate sustainable competitive advantage (Kozlenkova et al., 2014; Morgan, 2012). Specifically, brands may be seen as a potential source of value creation through the loyalty they inspire, their positive reputation, perceived quality, and brand associations. Yet building and sustaining strong brands requires substantial investments. A brand which fails to evidence that the investments required to keep it on the market are profitable is a candidate for removal from the firm's brand portfolio (Kumar, 2003; Shah, 2017b; Varadarajan et al., 2006). Having too many brands in the portfolio may lead to investing too little money and resources in each brand, with the subsequent underperformance. In order to achieve efficient and effective use of the available resources, in many cases it is necessary to delete weak brands that are not performing well and which drain valuable resources (Shah, 2020). We define brand deletion (BD) as the discontinuing of a brand from a firm's brand portfolio.

Over the last few decades, the business context has forced many companies to revise their brand portfolios and to consider deleting one or more brands. Unilever, P&G and The Coca-Cola Company are very well-known examples of corporations that have recently undertaken ambitious programs to rationalize their brand portfolios, and which resulted in the deletion of hundreds of brands, although similar moves can be seen in many companies across diverse sectors. To name but a few key examples, mention can be made of General Motors (which deleted several emblematic auto brands such as Hummer, Pontiac, Saab, Opel...), Santander Bank (Abbey, Banesto, Popular...), or even technology giants such as Microsoft (Lumia, Skype, Internet Explorer, MSN Messenger...), and Google (Google +, Adwords, DoubleClick, Hangouts, Chrome Apps, Glass...). However, deleting a brand is a strategic and extremely difficult decision. Even though BD may be an adequate solution, it is a last resort decision. A firm must weigh up the economic benefits of deletion (e.g., cost savings, resource reallocation, strategic alignment in the brand portfolio, etc.) as well as the legitimate interests of diverse stakeholders who may oppose the deletion and who prefer to keep the brand on the market and under the firm's control.

One of the main discouraging factors is that BD breeds uncertainty among brand workers (Shah, 2015) which might trigger negative emotions and generate a toxic situation, stemming from the assumption that deletion is a direct attack on their competence and poses a threat to their future in the company (Varadarajan et al., 2006; Shah, 2015 and 2017a). Brand workers' problems refer to the opposition or rejection expressed by a substantial group of workers who

are concerned about the uncertainty generated and the negative consequences for their interests that the strategic decision to delete a brand from the company's portfolio may cause. The scarce literature on BD has not yet addressed the human resource problems caused by this strategy nor how workers' reaction to the BD announcement might affect the firm's performance. We also address the recent call by Zhu et al. (2021) to expand current knowledge of how a company's stakeholders (e.g. employees) influence BD performance. The first objective of this research is therefore to examine the impact on BD outcomes of the problems emerging from employees having to deal with BD.

As suggested in product elimination literature, how the decision is adopted and the elimination implemented are critical processes because it is during these processes that a firm must manage the inconvenience caused to the various stakeholders. The principal source of opposition to the deletion of a product or brand often comes from within the company itself. To alleviate this opposition, managers may adopt an empowering leadership approach, defined as behaviors whereby managers share decision-making duties with their subordinates (Srivastava et al., 2006; Arshad et al., 2022). By doing so, managers help to achieve a climate of consensus which can prove critical for successful implementation. Consensus is defined as the shared understanding of strategic priorities among individuals at different levels of the organization (Floyd and Wooldrige, 1992; Kellermanns et al., 2005). Applied to the BD decision, an effort to reach a consensus among stakeholders is expected to have a positive influence on BD outcomes, given that it enhances perceptions concerning the quality and legitimacy of the decision, and hence favors greater acceptance by those company members who work for the brand to be deleted. In this research, as a second objective we propose exploring how the level of consensus moderates the relationship between brand workers' problems and BD outcomes.

Three main BD outcomes are considered in this study: BD success, BD time efficiency, and BD contribution to the firm's economic performance. BD success is defined as the extent to which the company is satisfied with the deletion and has achieved the objectives established when the decision was made. Second, because BD is a very difficult decision that cannot be made and implemented overnight or in a short span of time, BD time efficiency is a key performance dimension which can be particularly relevant in BD decisions that have negative implications for stakeholders (e.g., involving internal restructuring, layoffs, etc.). Finally, it is necessary to assess how BD contributes towards a firm's economic performance. An

improvement in key economic performance indicators should be observed if the BD has proved to be both timely and successful.

## **2. Theoretical framework**

Assumptive world theory contends that individuals' actions are based on their assumptions, which shape how they interact with the world around them and how they behave accordingly (Janoff-Bulman, 1989; Werther, 2006). Applied to company members working for a brand, the latter may assume that their competence and future in the company are linked to the brand they work for. Based on these assumptions, workers may develop brand-self connections and behave by embodying the brand and elevating its value (Gill-Simmen et al., 2018). Subsequently, when managers make the strategic decision to delete the brand, a shadow of uncertainty is cast over the brand workers (Shah, 2015). When the first rumors or news about the deletion appear, they would assume that managers have questioned their assumption of competence and future in the company. Company members working for the brand will thus engage in resistance to BD because management's decision has challenged their assumptive worldview regarding the brand they work for. Brand workers' doubts and resistance may harm the final BD outcomes. The company will therefore need to find mechanisms to minimize the damage to the outcomes.

Researchers agree that in order to avoid worker resistance, there is a need to involve company members in the early stage of the decision-making process when strategic priorities are established. In our case, if resistance to BD is to be avoided then managers should make the effort to integrate different views when BD is being considered. In this sense, operating and middle managers can identify which priorities need to be taken to the decision table in the context of daily operations, thanks to their close relationship with stakeholders –e.g., customers, suppliers, workers, etc. (Wooldridge et al., 2008). Employees directly involved in the brand also play a key role in strategy implementation.

In line with this view, some scholars advocate that managers should identify the workforce's vision regarding their particular interests, which can either favor or conflict with a strategic priority (Pranjal and Sarkar, 2020). By doing so, managers are using the empowering leadership approach to recognize their workforce's daily work by inviting them to participate in decision-making activities (Arshad et al., 2022). They are also creating the environment required to develop a shared manager-employee consensus (Bragaw and Misangyi, 2022). By listening to what workers feel about the deletion of the brand they work for, managers are able

to identify workers' assumptions about the BD and so provide information about the reasons behind the BD and, consequently, act upon assumptions. This can temper the resistance to the deletion expressed by some workers. For instance, managers can reduce employee anxiety about BD by reallocating them to other brands of the portfolio, such that they feel that their competence has been reinforced and their job continuity secured. It can also help them to develop new self-connections with the brand they have been reallocated to (Boateng, et al., 2020; Hoppe, 2018). Moreover, this is expected to improve employee motivation and collaboration in the BD process (Temprano-García et al., 2021) and to help establish a clearer path for carrying out the right BD tasks within the time allocated for their completion. A company's actions aimed at seeking knowledge on the decision –and through such knowledge a consensus leading to cooperation in the process– may help reduce the negative impact on BD success stemming from assumptions caused by lack of information. In this scenario, workers are enriched by having more information about the rationale underlying the BD. In line with the assumptive world theory, they may base their actions on new assumptions which neither challenge their competence nor their future in the company once the brand they work for has been deleted.

In this paper, we aim to progress in two areas not yet addressed in BD literature. First, we examine the impact on BD outcomes of the problems to emerge when employees have to deal with the deleted brand (H1 and H2). Based on assumptive world theory, we believe that when workers assume their future is compromised and their sense of belonging to the company is ignored, BD performance outcomes will be negatively impacted. Secondly, we analyze how the level of consensus moderates the relationship between brand workers' problems and BD outcomes (H3 and H4). Consensus –viewed as a process that concludes with a common assumption of the organization's strategic priorities– can help to re-establish the initial negative impact on deletion outcomes.

### **3. Hypotheses development**

One difficult aspect of BD is dealing with the uncertainty associated with the decision for those workers whose jobs are linked to the brand (Shah, 2015). When the brand they work for is deleted, they assume that their ties with the company will be severed. This leads them to express major concerns about their future in the company, which gives way to greater frustration at work (Shimoni, 2017). As a result of their frustration at work, they are likely to engage in non-productive behavior, such as withholding their effort in work-related tasks, and job avoidance (Bordia et al., 2008). Indeed, one such task may involve being expected to help

carry out the BD. Therefore, by withholding their efforts in their BD duties, they may undermine BD success.

In addition, those working for the brand may feel attached to the brand and assume that they are responsible for its performance (Tho et al., 2018). Brand attachment is defined by Park et al. (2010, p. 2) as “the strength of the bond connecting the brand with the self, (...) involves thoughts and feelings about the brand and the brand’s relationship to the self”. When the attachment between an individual and a brand is strong, they not only develop cognitive associations between themselves and the brand but also forge an emotional bond with the brand (Thomson et al., 2005). Just like customers (and often more frequently and intensely than customers), employees can also establish such links. It is therefore understandable that employees should experience complex feelings about the brand, such as anxiety and sadness from brand-self separation. As a consequence, when they are aware that the brand they work for will be deleted, they may experience negative feelings in addition to their concerns about their future prospects in the company and the resulting low morale discussed earlier. All of this makes the BD process particularly stressful and emotionally charged. Even for those who do not feel that their position is threatened or that their job is at risk, guilty feelings triggered by poor brand performance or the disappearance of a brand to which employees had an affective attachment would generate distrust, a feeling of failure and a toxic workplace environment which may undermine BD success. Therefore, we propose:

H1. There is a negative impact of brand workers’ problems on BD success.

As stated earlier, when managers decide to delete a brand, workers may assume that their competence and future in the company are compromised. They are therefore likely to engage in action such as shirking, failing to cooperate or to carry out their professional duties in order to jeopardize the scheduled BD deadlines and thereby delay deletion. Moreover, brand workers’ counterproductive actions impact overall company processes (e.g., reducing managerial productivity, diminishing the remaining workers’ productivity, stocking up resources that could be used for more productive purposes) (Ford et al., 2008; Poulis et al., 2013). Brand workers’ counterproductive actions thus become a key issue that management must address. While managers are addressing this issue, they may neglect the coordination activities necessary for correct BD accomplishment. In this unfavorable context, doubts arise about how to carry out the process, including deciding who should be responsible for which tasks. This switch of focus –from executing the defined BD strategy to gaining acceptance or overcoming resistance (Maitlis and Ozcelik, 2004)– is time-consuming and leads management

to delay the BD process. In sum, both the counterproductive actions undertaken by workers aimed at undermining BD accomplishment and managers neglecting BD coordination, reduce BD time efficiency and make the company lose momentum in the BD strategy. Thus, we state that:

H2. There is a negative relationship impact of brand workers' problems on BD time efficiency.

The gains to emerge from a BD strategy may be unclear to some company members, especially those whose jobs are related to the brand which is to be deleted. Managerial efforts to adopt an empowering leadership approach –and thus sit brand workers at the decision table– will allow them to communicate and achieve ample consensus regarding the benefits of BD and might alleviate brand workers' concerns, since these actions reduce the uncertainty inherent in this strategy, improve perceptions of support by the company (Cullen et al., 2014) and can help brand workers to develop more accurate assumptions about their competence and future in the company. During consensus-building, employees become aware of the rationale and the advantages of BD. Consensus shifts cognitive diversity towards a common understanding of priorities and anticipated goals, thereby reducing employee stress and enhancing their motivation and collaboration to use resources optimally. Consensus-building may initially slow down the BD strategy formulation phase, but investing time in achieving consensus can prevent potential issues during implementation, which leads to a smoother strategy execution process (Wooldridge and Floyd, 1990). In other words, consensus serves as a catalyst for the process and is a mechanism that can enhance the coordination and integration of collective efforts (Wooldridge et al., 2008). Consensus enables workers to boost their sense of belonging and commitment to a promising future (Thelisson and Meier, 2022) rather than seeing it as a past burden for the firm. Company members are likely to have a more favorable view of BD if it is perceived as an action that frees up worker time and talent to support stronger brands. In contrast –and in line with Westley's (1990) findings– worker exclusion from conversations might lead to disaffection, lack of incentive when executing strategies, and intra-organizational conflict, thus hampering BD outcomes (success and time). In sum, even when there is no total acceptance of the BD decision, consensus-building efforts help to alleviate the negative impact of brand workers' problems, since the latter feel that their interests have at least been considered and that their concerns have been voiced. Therefore, we hypothesize that:

H3. Consensus positively moderates the negative relationship between brand workers' problems and BD success, i.e., the greater the consensus, the weaker the negative effect of brand workers' problems on BD success.

H4. Consensus positively moderates the negative relationship between brand workers' problems and BD time efficiency, i.e., the greater the consensus, the weaker the negative effect of brand workers' problems on BD time efficiency.

Figure 1 shows the research model, and includes the hypotheses proposed as well as the control variables and relationships included.

(Insert Figure 1)

#### **4. Methodology**

In order to test the proposed model, we collected the data as follows. Firstly, we looked through the Amadeus database in search of Spanish companies that met the following criteria: (a) having at least one brand listed in the Spanish Patent and Trademark Office (SPTO), and (b) employing over 50 workers. This search produced 4,075 companies from manufacturing and service industries. Of the 4,075 companies, we used a random sample selection procedure to build a sample of 1,362 companies. Subsequently, we informed the company managers in the sample, via email and telephone, about our research and encouraged them to participate if they had deleted a brand within the last five years. After several rounds of contacts, we managed to engage 232 companies in our research. We also excluded 789 companies, either because they had not deleted a brand or because they were a branch and the company's headquarters had already been selected to form part of the sample. Lastly, 341 companies declined to cooperate in our research because they did not wish to share sensitive information about their brand portfolio strategy, despite our assurances concerning confidentiality of informants' answers. After intense work involving personal visits to the companies and telephoning managers, the final sample comprised 155 cases of BD. The final response rate was thus 48%. These 155 cases of BD were distributed among 111 companies.

Companies in our sample and the firms who did not finally take part in our research were compared according to their size, which was measured in terms of the number of employees and turnover. No significant differences were found, either in general or within each activity sector considered. Spain was the main target market of the brands in our sample. Brands had been on the market for an average of 21 years prior to deletion. Respondents were mostly marketing or brand managers, although we also received responses from top management



executives (e.g., CEO or corporate manager) or heads in departments such as finance, legal or quality. All of them were asked about their direct participation in the BD decision and implementation and about their knowledge of the reasons and facts behind the deletion. Mean scores for these questions were, respectively, 5.75 and 6.38 out of 7, which proves that our key informants are a valid source of information. Additionally, we compared the correlation between the data on sales and employees extracted from the Amadeus database, and the data on sales and employees reported by respondents. The high correlations (0.89 for sales and 0.88 for employees) indicate that the answers given by informants are reliable. Two types of BD are represented in our sample: *total brand killing or disposal*, i.e., the brand disappears from the firm's portfolio, and *brand name change*, i.e., the brand is eliminated in order to sell the same or very similar products or services under another brand name or trademark of the same or from a different company (Temprano-García et al., 2018). Table 1 shows these and other sample characteristics.

(Insert Table 1)

Measurement instruments are presented in Table 2. Because BD literature is extremely scarce, scales previously used in related research contexts –such as strategic management or product deletion– were adapted to operationalize the model constructs. Specifically, we operationalized the brand workers' problems scale with a three-item scale based on Argouslidis (2007), and consensus with a four-item scale adapted from Flood et al. (2000). We used self-explanatory scales to operationalize the three BD outcomes considered in this study. Additionally, we incorporated into our model two control variables measuring the firm's prior economic situation and its experience in BDs.

Prior to hypothesis testing, we assessed item and construct reliabilities by verifying that standardized loadings are all significant and greater than 0.7, that Cronbach's alpha and composite reliability (CR) values are all above 0.7, and that average variance extracted (AVE) exceeds the recommended minimum of 0.5 (Table 2). Additionally, following Fornell and Larcker's (1981) criteria and Henseler et al.'s (2015) procedure, we confirm discriminant validity (see Table 3).

(Insert Table 2)

One possible issue is that use of a single key informant may lead to common method bias (CMB). Different formats and scale endpoints were therefore used for the instruments through which the constructs in our model were operationalized, which a priori helps to minimize

CMB (Podsakoff et al., 2003). In addition, we applied Liang et al. (2007)'s common method factor procedure, and calculated each indicator's variances substantively explained by the main construct and by the method (Williams et al., 2003). Results show that the average substantively explained variance of the indicators is 0.840, while the average method-based variance is 0.003. The ratio of substantive variance to method variance is 280/1, and most method factor loadings are not significant. As a result, we conclude that CMB is unlikely to be a serious concern in our research.

(Insert Table 3)

## 5. Results

Hypotheses are tested using Partial Least Squares (PLS) path modelling with SmartPLS 4 software (Ringle et al., 2022) and results are presented in Table 4. Findings from model 1 reveal a negative relationship between brand workers' problems and BD success ( $\beta=-0.23$ ,  $p<.05$ ), which provides support for H1. This is the main negative effect of brand workers' problems on BD outcomes, since data do not support hypothesis H2 regarding the impact of this kind of problem on BD time efficiency. As expected, the coefficient for this relationship is negative but not significant ( $\beta=-0.12$ ).

In model 2 we introduce the moderating effects of consensus. Data support hypothesis H3, since we find a significant and positive moderating effect of consensus on the relationship between brand workers' problems and BD success ( $\beta=0.19$ ,  $p<.05$ ). As regards hypothesis H4, we observe a marginally significant moderating effect of consensus on the relationship between brand workers' problems and BD time efficiency although, contrary to our expectations, the sign is negative ( $\beta=-0.15$ ,  $p=0.107$ , two-tailed test). These moderating effects improve the coefficient of determination ( $R^2$ ) of BD success and BD time efficiency.

(Insert Table 4)

To further analyze the moderating effects, we used probing interactions. Specifically, we applied the Johnson–Neyman floodlight test (J–N) (Johnson and Neyman, 1936; Mohr et al., 2012; Spiller et al., 2013). This procedure derives the value along the continuum of consensus at which the effect of brand workers' problems can significantly influence BD success and BD time efficiency. It thus sheds light over the full range of the variable and makes it easier to detect the scope in which the simple effect is significant and the scope in which it is not. This technique does not require arbitrarily operationalizing low (usually one standard deviation below the mean) or high (one standard deviation above the mean) levels of

consensus. By applying floodlight analysis using the PROCESS macro 4.0 (Hayes, 2017), we are able to visualize the region of significance derived from the J–N technique, through a plot of conditional effects of brand workers’ problems on BD success and BD time efficiency as a function of consensus where confidence bands are depicted. The consensus values within the region of significance are portrayed as points where a conditional effect of brand workers’ problems on BD success and BD time efficiency, respectively, of zero lie somewhere outside the lower and upper limit of the confidence bands.

Fig. 2a shows the region of significance for the conditional effect of brand workers’ problems on BD success. As can be seen, when consensus is below 4.58, the lower and upper limit of the confidence bands at 95% are below zero and account for 61.94% of the sample. In other words, there is a significant negative effect of brand workers’ problems on BD success. However, the effect of brand workers’ problems on BD time efficiency was only significant for 39.35% of the sample (Fig. 2b). Specifically, when consensus was above 4.54, the confidence band is below zero; that is, the impact of brand workers’ problems on BD time efficiency is negative. In sum, what we find in this analysis is that the lack of consensus in a context of problems with brand workers does indeed damage BD success without significantly reducing the potential impact of these problems on BD time efficiency. In contrast, high consensus prevents brand workers’ problems from diminishing BD success, although these problems become an impediment to achieving deadline objectives and timely BD execution.

(Insert Figure 2)

The model estimated includes two un-hypothesized relationships addressing the effect of BD success and BD time efficiency on the contribution to firm’s performance. The initial assumption is that both effects will be positive, although the model test only confirms one of them. Results indicate that BD success has a strongly positive impact on the contribution of BD to a firm’s economic performance ( $\beta=0.41$ ,  $p<.01$ ). Nevertheless, BD time efficiency is not significantly related to the contribution that BD makes to a firm’s economic performance ( $\beta=-0.07$ ). Additionally, the model includes the direct effect of brand workers’ problems on BD contribution to firm’s economic performance, and we find a statistically significant positive effect ( $\beta=0.19$ ,  $p<.01$ ), although these two variables are not significantly correlated (see Table 3) , so we cannot conclude the former positively influences the latter<sup>2</sup>.

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<sup>2</sup> We conjecture this positive  $\beta$  might be explained because in some cases the company was already experiencing problems with the workers, and probably the decision to delete a brand was in part made to find a solution to these problems, which would ultimately translate into an improvement of the firm’s economic performance.

## 6. Discussion and managerial implications

Addressing recent calls from BD literature to expand current knowledge of this strategy (Varadarajan et al., 2006; Shah, 2017a, 2017b, 2020), this research explores how brand workers' problems impact BD success and BD time efficiency. Specifically, we address the call by Zhu et al. (2021) and von der Osten and Toaldo (2022) to analyze stakeholder impact on BD performance. Additionally, we look at how the level of consensus moderates the impact of brand workers' problems on BD success and BD time efficiency.

In line with assumptive world theory (Janoff-Bulman, 1989; Werther, 2006), our findings reveal that in contexts where workers feel their jobs threatened or challenged, BD success may be undermined. In such a context, brand workers use the information they have available at that moment –which is fraught with uncertainty (Shah, 2015)– to elaborate their assumptions in a scenario where the brand they were working for is deleted. Fears thus emerge and the workplace atmosphere deteriorates, which translates into doubts about whether the BD helped to achieve the goals set out by the company, thus leading to negative perceptions of the BD strategy success.

However, we also find that the company does possess one key mechanism with which to alleviate the negative impact of brand workers' problems; consensus-building. As mentioned earlier, many brand workers lack strategic information to fully understand the rationale behind the BD strategy. When managers empower their brand workers and involve them in the decision-making process, they expand the scope of information exchanges about BD, narrow brand workers' uncertainty concerning BD, and improve their knowledge and understanding of the strategic vision for BD. When brand workers learn that deletion of the brand seeks, for example, to reallocate resources to stronger brands in the company, prior assumptions based on a lack of information –such as their future in the company being in jeopardy– are replaced with new assumptions based on complete information, such as empowerment and a sense of belonging and continuity in the company (Cullen et al., 2014). Through this mechanism, all the parties involved reach a minimum level of satisfaction with the outcome. Their initial

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However, we believe this finding is mostly due to a statistical reason, the presence of a suppression effect between two of the predictors of BD contribution to firm's economic performance. Suppression occurs when two or more predictors of the dependent variable, in this case brand workers' problems and BD success, share a substantial amount of variance, which may make misleading the interpretation of beta coefficients. Therefore, we cannot conclude that brand workers' problems have a positive influence on BD contribution to firm's economic performance because the real relationship between these two variables is concealed by the presence in the equation of BD success, which is the truly relevant predictor of the final dependent variable.

willingness to resist BD is thus largely dissipated, thereby paving the way for a smoother BD implementation.

The results do not support our hypothesis regarding the negative effect of brand workers' problems on BD time efficiency. Despite the negative sign in the relationship, its impact is not statistically significant. In this sense, it should be noted that subjective perceptual measures were used to assess BD time efficiency, such that this result might be due to senior management taking into account the severity of brand workers' problems when estimating the time required to complete deletion, with more time likely having been allocated when major issues with workers were anticipated. Moreover, if conflicts proved more severe than initially expected, senior managers might also have made an extra effort to stick to the planned timeline and not to prolong the deletion process unnecessarily. Furthermore –and unlike what happens with BD success– seeking to reach high levels of consensus would not improve BD time efficiency when built under a framework dominated by doubts, fears and possible discrepancies. Managers must dedicate time to explain that the BD is motivated by reasons that can help to benefit the company and its employees as a whole (for instance, by providing brand workers with the rationale as to why resource reallocation to the strongest brands in the portfolio is necessary). This is the first step towards providing workers with comprehensive information and thereby paving the way towards consensus. However, managerial endeavors to ensure that a common view on BD is reached that takes into account brand workers should not extend in time beyond what is necessary.

Nevertheless, on balance between BD success and BD time efficiency, it can be said that for companies facing BD in a less favorable internal environment, the benefits of high consensus in terms of BD success clearly outweigh the potential disadvantages in terms of BD time efficiency. It should be remembered that BD time efficiency is not related to BD's contribution to company performance, whereas BD success is. The negative impact of a high consensus in the relationship between workers' problems and BD time efficiency does not translate into a negative contribution of BD to company performance.

The results from this study contribute to a better understanding of BD strategy and have interesting **implications for managers** undertaking brand portfolio restructuring. Our findings demonstrate that how companies deal with the potential worker problems derived from this strategy does indeed prove crucial. It is vital for brand growth to engage employees in cooperating and aligning their efforts so as to provide customers with impactful and differentiating brand experiences. Yet engaging employees should not only be confined to the

more operational or tactical side of branding. Ideally, firms should enhance commitment and should enable their employees to actively participate in the more strategic brand management decisions, including the important decision to prune the brand portfolio, since this not only directly affects those employees working for the deleted brands but the entire company as a whole. In this sense, managers need to be aware that BD breeds uncertainty amongst workers, particularly among those whose jobs are more closely linked to the brand. If managers do nothing to dispel this uncertainty, brand workers will show resistance to its deletion due to the feelings of insecurity created concerning their competence and indeed their very continuity in the company. Given such a feeling of concern, brand workers will likely engage in a reticent or indolent attitude, stemming from their lack of motivation, which may lead them to shirk their daily tasks.

It is therefore essential for managers to dispel the uncertainty surrounding BD –firstly by providing the strategic rationale behind BD for brand workers. After sharing this information, managers are advised to make an effort to build a consensus concerning the suitability of the BD. Consensus is particularly important in a contentious BD, and consensus-building efforts pay off and lead to a more successful BD. Deleting a brand poses a major change for the company and can have a serious (and sometimes dramatic) impact for certain stakeholders. It is thus crucial to act with leadership and to “sell the idea” (i.e., the BD strategy) and achieve ample consensus concerning its appropriateness before the deletion is materialized so as to promptly gain acceptance and overcome resistance. Consensus might cause an initial delay in decision making, which may be reduced if managers prioritize a thorough and agile approach to build such a consensus in an effective and timely manner. Nevertheless, although dealing with brand workers’ problems requires devoting more time, consensus will eventually pay off, as it paves the way to a successful deletion, which ultimately contributes to superior firm performance. In sum, we advise managers not to put extra effort into seeking to delete a brand quickly since this does not seem to be a critical factor within the BD strategy. It is preferable to dedicate the time necessary to adequately handle the worker-related problems that arise when deleting a brand and to promote a common viewpoint. Managers must also be aware that neglecting the problems derived from brand workers’ actions prove particularly damaging to the company when there is no consensus, such that they must prevent deletion from occurring under these circumstances.

## 7. Conclusions, limitations and future research

In the last decades many companies are pruning their brand portfolios, but more scholarly research is necessary for a better understanding of the drivers and the outcomes of the BD strategy. Our research contributes to the scarce literature on BD by examining the impact of brand workers' problems on BD success and BD time efficiency, and how these relationships are moderated by the effort made by top managers to reach a consensus among stakeholders about the suitability of the strategic decision to delete a brand from the firm's portfolio. The study's findings suggest that brand workers' problems can undermine BD success, but consensus-building help to alleviate this negative impact. Furthermore, consensus should be prioritized even though it might be challenging and time-consuming in a hostile context characterized by workers actively opposing the deletion of the brand they are working for. If top managers pursue a successful BD which positively contributes to firm's performance, they should devote the necessary time to gain acceptance for this strategy by providing transparent information and engaging brand workers in the decision-making process.

We are aware that our work suffers from a number of **limitations**. First, we use a single-informant, which may be a concern as a potential source of common method bias. However, we show that common method bias is unlikely to be a serious threat in our research by assessing it with the common method factor procedure (Liang et al., 2007). Second, the research may suffer from retrospective bias. This bias refers to the different perception of how events have occurred when the outcome is already known. For example, after a successful BD the degree of consensus may be perceived to have been greater than it actually was, because the respondent assumes a positive relationship between consensus and success. Third, since we include a wide variety of brands and industries in our study, the use of real figures for the research variables –such as time to BD or increased profitability after BD– seems inadequate and problematic since they might be interpreted meaningfully only within the same industry. As a result, we use perceptual measures, which may be a source of bias.

Finally, in addition to working on solving the methodological limitations mentioned above, this study provides other opportunities for **future research**. First, future enquiry should take into account other relevant company stakeholders. For example, prior research has explored consumer responses to BD (Mishra, 2018; Shah, 2020), with the results showing both favorable and unfavorable company evaluations, depending on different contingencies such as degree of loyalty to the deleted brand, degree of brand strength or type of BD. However, there is still a lack of understanding as to how consumer response to BD might affect firm

performance. Second, future research should include different moderators in order to explore varying contexts in the relationship between brand workers' problems and performance. For example, it may be relevant to explore the moderating role played by the type of BD in this relationship (Temprano-Garcia et al., 2018), since the magnitude and nature of the problems faced by workers may differ depending on the type of BD. When a brand is totally killed or sold to another company, employees may strongly resist the decision as they feel their job security is threatened. In cases of brand name change, the perceived risk of job loss may not be so pressing, although other employee-related problems may arise, such as disagreement or mere lack of understanding of this decision, which may lead to disengagement from the brand and the company, and ultimately to potential boycotts. In this sense, researchers could delve deeper into this question and explicitly examine what specific problems emerge for each type of BD. Lastly, it would also be interesting to analyze the relationship between brand workers' problems and performance under different degrees of adaptability among workers. Adaptability refers to individual ability to fit into different scenarios. We thus expect the relationship between brand workers' problems and BD success and BD time efficiency to be boosted or mitigated if the group of more adaptable brand workers outweighs the group of less adaptable ones.

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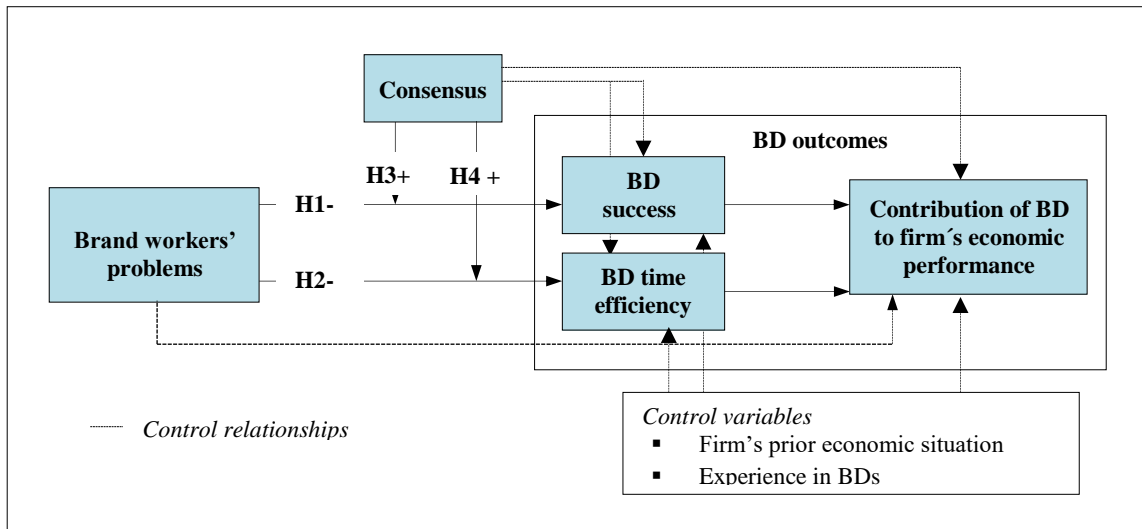
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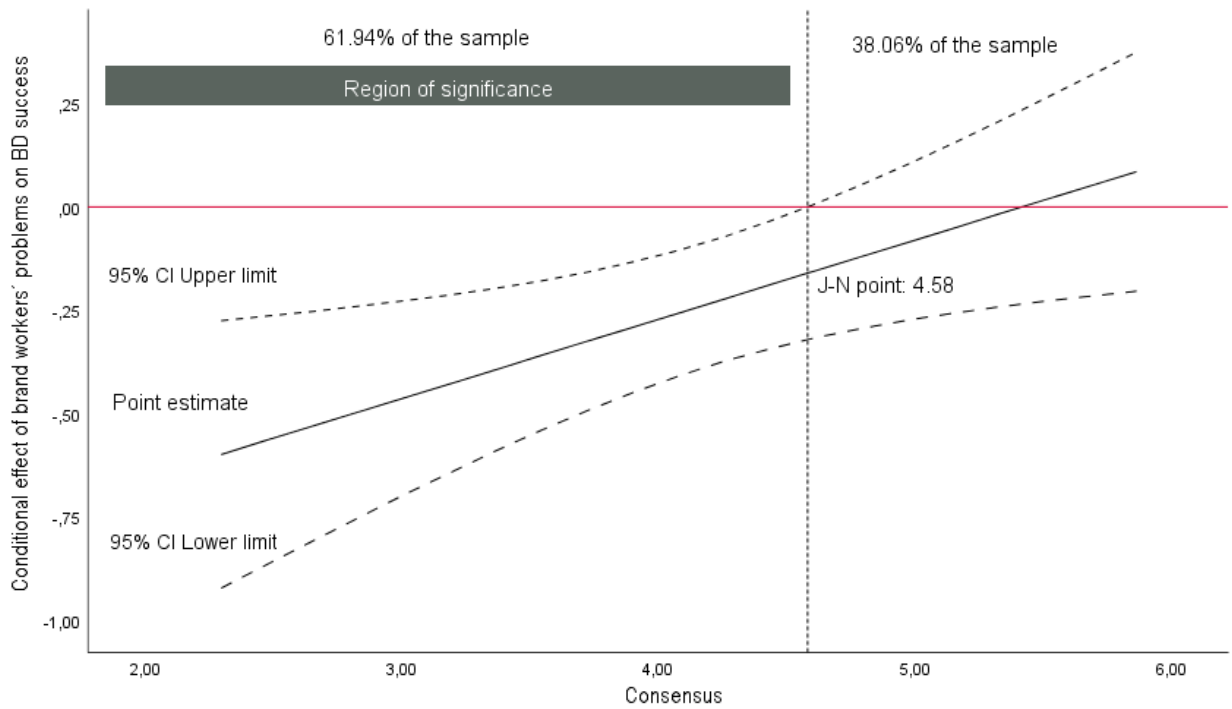
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FIGURE 1  
Research model



**FIGURE 2**  
**Floodlight analysis for probing interactions**

**a. Effect of brand workers' problems on BD success as a function of consensus**



**b. Effect of brand workers' problems on BD time efficiency as a function of consensus**

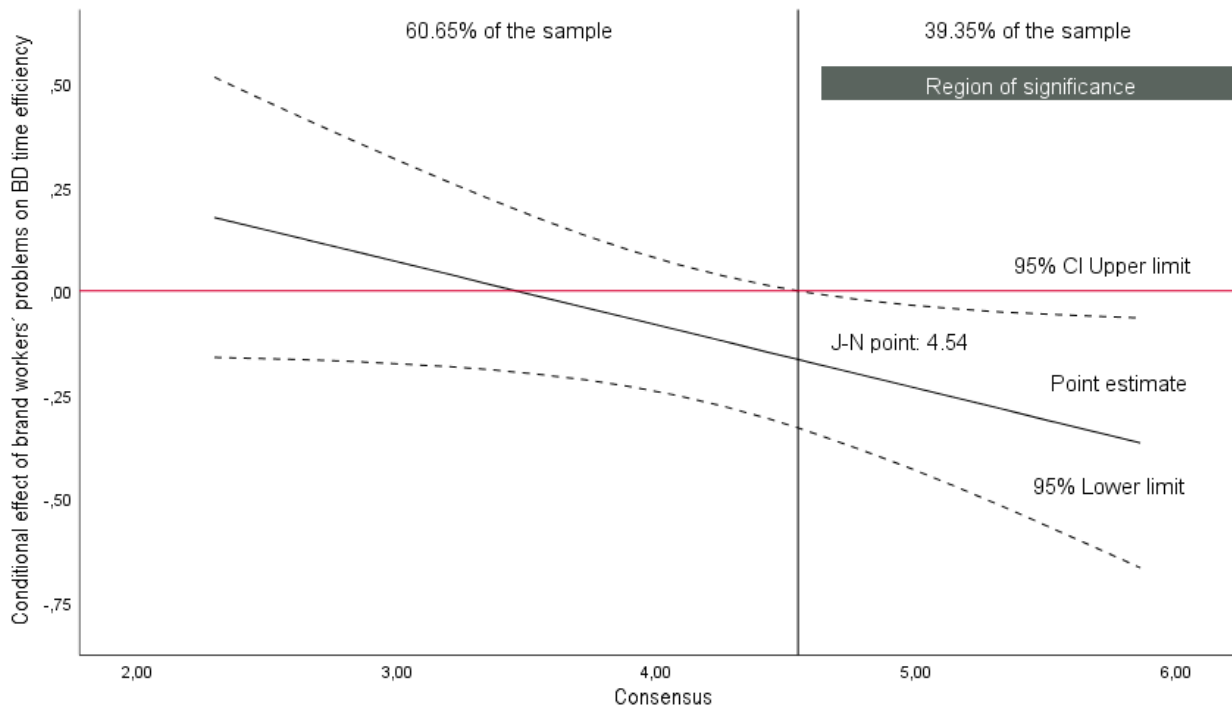


TABLE 1  
Sample characteristics

<b>Brand characteristics</b>					
<b>Deleted brand</b>	<b>N</b>	<b>%</b>	<b>Type of BD</b>	<b>N</b>	<b>%</b>
Created	108	69.70%	Total brand killing or disposal	71	45.80%
Acquired	47	30.30%	Brand name change	84	54.20%
TOTAL	155	100.00%	TOTAL	155	100.00%
<b>Geographical scope</b>					
	<b>N</b>	<b>%</b>			
Local/regional	23	14.80%			
National	95	61.30%			
International	37	23.90%			
TOTAL	155	100.00%			
<b>Firm characteristics</b>					
<b>Industry</b>	<b>N</b>	<b>%</b>	<b>Market targeted</b>		<b>%</b>
Manufacturing	39	35.10%	Consumer		55.70%
Service	72	64.90%	Industrial		44.30%
TOTAL	111	100.00%	TOTAL		100.00%
<b>Number of employees</b>	<b>N</b>	<b>%</b>	<b>Turnover</b>	<b>N</b>	<b>%</b>
<50	5	3.60%	<= 10	6	2.70%
<250	32	28.83%	<= 50	26	23.42%
>251	71	63.96%	>50	67	60.36%
N.A.	3	2.70%	N.A.	12	10.81%
TOTAL	111	100.00%	TOTAL	111	100.00%
<b>Key informant position</b>					
	<b>N</b>	<b>% of total</b>			
Marketing manager	88	56.8			
Top managers	46	29.7			
Other manager*	21	13.5			
TOTAL	155	100.00			

\* Other manager includes finance manager (10), legal manager (6) and quality manager (5).

TABLE 2  
Construct measurement

Construct	Items	Mean (s.d.)	Outer loading
<b>Brand workers' problems*</b> ( $\alpha = 0.85$ ; CR = 0.91; AVE = 0.77)	Prior to adopting the brand deletion decision: Members of the company working with the brand would feel their future was threatened.	2.52 (1.75)	0.88
	There was no clear working alternative for those members of the company who dealt with the deleted brand.	2.15 (1.61)	0.90
	It would damage firm members' sense of belonging to the company.	2.52 (1.83)	0.85
<b>BD success**</b> ( $\alpha = 0.92$ ; CR = 0.95; AVE = 0.86)	Deletion of this brand has been good for the future of the company.	8.31 (1.87)	0.93
	The company achieved the goals for which the decision was made.	8.42 (1.67)	0.92
	The deletion decision is considered a complete success.	8.18 (1.96)	0.93
<b>BD time efficiency*</b> ( $r = 0.77$ ; CR = 0.93; AVE = 0.87)	Brand deletion was executed in a time-efficient manner.	5.75 (1.29)	0.98
	Brand deletion did not extend beyond what was necessary.	5.55 (1.57)	0.88
<b>Contribution of BD to the firm's economic performance***</b> ( $r = 0.67$ ; CR = 0.91; AVE = 0.84)	Our financial performance (margins, profits...): Worsened due to elimination. / Improved due to elimination.	5.05 (1.43)	0.90
	Our market performance (number of customers, sales, market share...): Worsened due to elimination. / Improved due to elimination.	4.97 (1.42)	0.93
<b>Consensus*</b> ( $\alpha = 0.88$ ; CR = 0.88; AVE = 0.80)	Senior management believed it was worth taking more time to reach consensus in the deletion decision.	4.31 (1.82)	0.90
	The firm's management team worked hard to reach an agreement when making this decision.	4.08 (1.93)	0.93
	The decision was not made until the majority of members involved deemed it was acceptable for them.	4.12 (1.86)	0.86
<b>Firm's prior economic situation*</b> ( $\alpha = 0.94$ ; CR = 0.96; AVE = 0.88)	Our market performance was satisfactory.	4.97 (1.60)	0.92
	The company was performing well financially.	4.98 (1.65)	0.96
	The company was experiencing substantial growth.	4.58 (1.84)	0.94
<b>Experience in BDs*</b>	Degree of experience in BD decisions.	5.70 (2.55)	

\* 7-point Likert scales (1: totally disagree, 7: completely agree).

\*\* 10-point Likert scale.

\*\*\* 7-point semantic differential scales (1: statement before the slash, 7: statement after the slash).

TABLE 3  
Zero-order correlations and discriminant validity

	1	2	3	4	5	6	7
1. Brand workers' problems	<b>0.877</b>	0.252	0.143	0.136	0.106	0.125	0.029
2. BD success	-0.231**	<b>0.928</b>	0.132	0.469	0.258	0.081	0.061
3. BD time efficiency	-0.114	0.129	<b>0.934</b>	0.042	0.170	0.061	0.057
4. Contribution of BD to firm's economic performance	0.096	0.406**	0.003	<b>0.914</b>	0.322	0.121	0.122
5. Consensus	-0.001	0.237**	0.189*	0.279**	<b>0.897</b>	0.223	0.046
6. Firm's prior economic situation	-0.114	0.078	0.055	0.114	0.193*	<b>0.940</b>	0.040
7. Experience in BDs	0.027	0.031	0.055	0.107	0.030	-0.035	<b>n.a.</b>

Note: diagonal elements (in bold) are the values of the square root of the AVE. The values below the diagonal are the zero-order correlation coefficients. Elements above the diagonal are the values of the HTMT ratio.

n.a.: not-applicable, \*p < 0.05, \*\*p < 0.01.

TABLE 4  
Standardized parameters estimates

	Model 1	Model 2
<i>Hypothesized relationships</i>		
Brand workers' problems → BD success	<b>-0.23*</b> (H1)	- 0.24*
Brand workers' problems → Time efficiency	-0.12 (H2)	- 0.11
Brand workers' problems * Consensus → BD success		<b>0.19*</b> (H3)
Brand workers' problems * Consensus → Time efficiency		<b>- 0.15<sup>†</sup></b> (H4)
<i>Control relationships</i>		
BD success → Contribution to firm's performance	0.41**	0.41**
Time efficiency → Contribution to firm's performance	-0.07	-0.07
Brand workers' problems → Contribution to firm's perform.	0.19**	0.19**
Consensus → BD success	0.23**	0.23**
Consensus → Time efficiency	0.19*	0.19*
Consensus → Contribution to firm's performance	0.18**	0.18**
Firm's prior econ. situation → Time efficiency	0.01	-0.01
Firm's prior econ. situation → BD success	0.01	0.03
Firm's prior econ. situation → Contribution to firm's performance	0.08	0.08
Experience in BDs → Time efficiency	0.05	0.07
Experience in BDs → BD success	0.03	0.02
Experience in BDs → Contribution to firm's performance	0.09	0.09
	<b>R<sup>2</sup> BD success</b>	<b>0.11</b>
	<b>R<sup>2</sup> Time efficiency</b>	<b>0.05</b>
	<b>R<sup>2</sup> Contribution to firm performance</b>	<b>0.25</b>

Significance levels: \*\* p<.01; \* p<.05 (one-tailed test); <sup>†</sup> p=0.107 (two-tailed test).