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**From Acquisition to Integration: Exploring Customer Responses to
Acquisitions in the Fashion industry**

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The views stated in this thesis are those of the author and not necessarily those of the supervisor, second reader, Erasmus School of Economics or Erasmus University Rotterdam.

Abstract

This thesis examines whether consumers associate changes in brand ownership with alterations in product quality. To explore this topic, ten in-depth interviews were conducted to understand customers' underlying preferences. The literature review and exploratory research demonstrate that consumers link changes in brand ownership with variations in product quality, influenced by various factors. Concerns are particularly evident when acquisitions involve lower-tier companies, that is due to lower ethical and production standards, reflecting broader worries about maintaining the acquired brand's quality and integrity. Despite these concerns, some individuals expressed openness towards acquisitions, recognizing potential benefits if managed properly.

Keywords: Acquisitions, Fashion industry, Consumer behaviour

Table of Contents

Abstract	iii
Table of Contents	iv
List of tables	vi
1. Introduction	1
2. Literature review.....	4
2.1. Acquisitions	4
2.2. Impact on consumers	4
2.3. Acquisitions in fashion industry	7
2.4. Consumer decision making.....	8
2.5. Consumer behaviour and brand image.....	10
3. Research Methodology	12
3.1. Qualitative vs quantitative research	12
3.2. Data collection method	12
3.3. Research sample.....	13
3.4. Data analysis method	14
3.5. Possible limitations and biases.....	14
4. Research Outcome.....	15
4.1. Perception	15
4.2. Loyalty	18
4.3. Quality	19
4.4. Origin.....	21
5. Conclusions and Recommendations	24
5.1. Discussion.....	24
5.2. Recommendations.....	25
5.3. Limitations.....	26
5.4. Conclusion	26
6. Bibliography.....	28
7. Appendix	34
7.1. Interview guide	34
7.2. Transcripts.....	36
7.2.1. Interview 1 – Respondent A	36
7.2.2. Interview 2 – Respondent B	40
7.2.3. Interview 3 – Respondent C.....	43
7.2.4. Interview 4 – Respondent D.....	47
7.2.5. Interview 5 – Respondent E	51
7.2.6. Interview 6 – Respondent F	55
7.2.7. Interview 7 – Respondent G.....	59

7.2.8.	<i>Interview 8 – Respondent H</i>	62
7.2.9.	<i>Interview 9 – Respondent I</i>	66
7.2.10.	<i>Interview 10 – Respondent J</i>	69
7.3.	Interview consent form	73
7.4.	Cross table analysis of themes	74

List of tables

Table 1: Representation of the sample characteristics.....	13
Table 2: Thematic analysis to answer hypotheses 1 and 2.....	16
Table 3: Thematic analysis to answer hypothesis 3.	18
Table 4: Thematic analysis to answer hypothesis 5.	20
Table 5: Thematic analysis to answer hypothesis 4.	22
Table 6: Cross table of themes.	74

1. Introduction

The fashion market is highly competitive, leaving little room for smaller boutique brands to thrive independently. To maintain market presence, smaller brands often find it necessary to be acquired by major players in the fashion industry. Conversely, a common growth strategy for dominant companies involves acquiring other firms, offering potential benefits such as synergies with existing brands, cost reduction, and improved efficiency (Capron & Hulland, 1999). Research findings suggest that merger and acquisition (M&A) activities frequently evoke a negative perception among consumers (Thorbjørnsen & Dahlén, 2011). However, amidst these feelings, there is a lack of comprehensive understanding regarding the underlying reasons for such perceptions. This paper will specifically examine brand acquisition, defined as "a firm's acquisition of an existing brand offered in the market by another firm... resulting in a legal change in ownership" (Damoiseau et al., 2011, p. 269). Acquiring a brand entails inheriting an established customer base and market presence, making seamless integration challenging without potentially upsetting some customers (Damoiseau et al., 2011). Many individuals develop a strong affinity for particular brands, leading to habitual repurchasing behaviours and resistance to alterations in their preferred products.

While M&A research is often performed, it usually focuses on the effects on the companies rather than on the effects that the M&A has on the customers and their preferences which are often overlooked due to the economic benefit focus. It is important to note that by shifting focus on consumers could provide a potential solution to the high failure rate of mergers (McLelland et al., 2014). A study done by Thorbjørnsen & Dalen (2011) has shown that people do have negative feelings towards the acquirer brand, even if they were informed about it beforehand. Thorbjørnsen & Dalen (2011) have done five experimental studies to answer six of their hypotheses. The research clearly shows that customers of the target brand have stronger negative feelings towards the acquirer brand, as well as they are more likely to switch brands after the acquisition. Additionally, a previously done literature study by Biraglia et al. (2023, p. 601) suggests that "negative effect of acquisitions depends on the acquired brand's values, brand age, leadership continuity, and the alignment between acquiring and acquired brands". On top of that, it was found that the bigger the difference between the brands merging, the more brand equity the acquirer brand gets, even if the acquired brand was perceived as better before. Meaning that the acquired brand's image will decrease significantly after the acquisition (Lee et al., 2011). Most of the research has been done with empirical research, namely experiments and quantitative research, which provides the most accurate results.

Dissatisfaction with acquisitions can pose significant challenges for acquiring brands, especially in the highly competitive fashion market where customers can easily switch brands at any sign of change. Customer satisfaction and service quality are crucial for maintaining high retention rates, yet company management often overlooks those in favour of financial considerations (Umashankar et al., 2021). Research identifies a negative relationship between M&A and customer satisfaction, emphasizing the need for executive attention to customer issues and strong marketing leadership to mitigate these effects. Understanding consumers' reactions and the factors influencing their responses is essential for companies

aiming for sustainable growth. This is particularly relevant in the fashion sector, where acquisitions by companies like LVMH and Inditex have highlighted varying customer perceptions based on the acquiring brand's tier (Chung & Kim, 2020). Therefore, the main research question arises: *Do consumers associate changes in brand ownership with alterations in product quality?*

To get the significant results for this study, an empirical as well as theoretical research will be carried out. Firstly, the thesis will conduct theoretical research by reviewing existing literature on acquisitions and the customers reactions to them. The literature will be examined to understand what effect, if any, the acquisitions had in the past, as well as examine previous cases to recognise any later changes in product quality post-acquisition. Secondly, the empirical phase of this study will be done, with conducting in-depth interviews to explore how consumers respond to acquisitions within the fashion industry and identify the key factors that influence their reactions to such events. Through these interviews, the study aims to delve into consumer perceptions and uncover the critical elements that contribute to certain attitudes towards brand acquisitions. The interview process will incorporate hypothetical questions designed to encourage interviewees to express their genuine opinions and reveal their underlying preferences regarding brand ownership changes. This approach seeks to capture nuanced insights into consumer behaviour and preferences related to fashion brand acquisitions.

This paper expects that overall consumers' preference towards the acquired brand will have a negative effect after the acquisition in fashion industry. Loyal customers are likely to have stronger negative reactions to the acquisition of a dominant brand, whereas frequent switchers and less loyal customers may not be as affected. On top of that, the research will probably also find that brand loyalty is one of the major factors that influence brand acquisitions, as well as the change in brand name, publicity of the acquisition, and the quality of the product after the acquisition. While the size of the company does matter; it is believed that the quality will play a bigger role in the brand's preference. Overall, it will be interesting to understand which component is the most important for people to make their preference positive, and consequently identify the best possible strategy for companies acquiring smaller brands.

Given that previous research has indicated many consumers possess negative feelings towards M&A activities, exploratory research suggests that this reaction does not apply in the fashion industry. It can be concluded that consumers indeed associate changes in brand ownership with perceived alterations in product quality. However, their reactions are complex and influenced by several factors. Consumers exhibit particular concern when acquisitions are made by lower-tier companies, fearing a significant decrease in the acquired brand's quality. Additionally, there are intensified concerns when the acquirer is an Asian company, especially from China, due to common perceptions of lower ethical and production standards in these regions. These concerns reflect a broader worry about maintaining the quality, ethical integrity, and original values of the acquired brand post-acquisition.

The remainder of this research is structured as follows. Chapter 2 reviews relevant literature on acquisitions, consumer behaviour, and their connection to the fashion industry. Chapter 3 outlines the research

methodology, detailing the use of qualitative interviews to gather participant insights. Chapter 4 presents the empirical research findings, analysing consumer perceptions and behaviours related to brand acquisitions. Chapter 5 discusses these findings within the context of existing literature, while answering the propositions. By integrating empirical data with theoretical frameworks, this thesis hopes to enhance understanding of consumer reactions to brand acquisitions.

2. Literature review

2.1. Acquisitions

“Acquisitions are transactions in which ownership of a firm and its brand is transferred to another company” (Biraglia et al., 2023, p. 602). According to the expert Rebecca Doherty from McKinsey (2024), acquisitions are one of the most important strategies for company growth, where companies hope that “one plus one equals more than two”. Goedhart et al. (2017) agreed that acquisitions are meant to create value, where the emphasis is on the development of target’s performance by reducing costs and improving operating margin, however it was highlighted that only handful of companies are able to do so. Successful acquisitions often result from eliminating excess capacity in the industry and accelerating product availability. This is particularly beneficial for smaller companies that struggle to reach a bigger customer base due to their size. Larger acquiring companies can offer these smaller brands the opportunity to leverage economies of scale, thereby creating value (Goedhart et al., 2017). Additionally, acquiring companies seek access to the existing customer base, infrastructure, and market presence of the target, which can significantly shorten the time required for organic growth (Niedzwiedz, 2023).

On the other hand, rewards are often accompanied by risks, where companies might have a hard time integrating, negatively impacting the synergies that were expected to be created with the acquisition. Some acquisitions are overpriced, making the process of turning it into a benefit longer (Niedzwiedz, 2023). Li et al. (2018) emphasized that 1% of all acquisitions are overpriced, leading to synergies loss. One of such examples is the failed acquisition of Skype by eBay. The reason for failure in the latter case was the misalignment of consumers and company’s goals. While the company thought that consumers wanted free video calls, making communication between the seller and buyer easier, and helping reduce the risk of fraud, it turned out that consumers preferred emails to calls (Wray, 2017). This showcases the important role of consumers in the acquisition process.

While acquisitions remain a vital strategy for company growth, their success hinges on several critical factors, as highlighted by experts like Doherty (2024) and studies by Goedhart et al. (2017). The aim is to create value and leverage synergies, a task that poses significant challenges for many companies. Successful acquisitions, such as Groupe PSA's acquisition of Opel - which increased its market cap for more than 700% in the years following the acquisition (Hall, 2013) - serve as prime examples of the potential benefits, including market expansion and cost reductions. However, the journey is filled with risks and challenges, such as integration difficulties, customer satisfaction issues, and the potential for overvaluation, as portrayed by eBay's acquisition of Skype. Therefore, it's evident that detailed planning, customer management and strategic alignment are essential for realizing the full potential of acquisitions.

2.2. Impact on consumers

Acquisition discussions often focus on the company's financial aspects, primarily aiming to achieve strategic objectives more cost-effectively and with reduced risk (Poniachek, 2022). In retail, however,

things differ as the customers are the ones playing a key role. According to recent research by Biraglia et al. (2023), acquisitions can negatively impact the acquired brand. The latter can also be seen in the past revenues of the brands that were recently acquired. One of the prime examples of this is Rimowa, a luxury luggage and bags brand which was acquired by LVMH in 2016. Data from the platform North Data shows that Rimowa had €224 million in revenue the year before the acquisition (2015), increasing to €304 million in the year of the acquisition (2016). The years after the acquisition, were however marked by a decrease in the revenue reaching its lowest point in 2020 at €107 million of revenue. The explanation for it might be in research by Lehman et al. (2019), stating that consumers sense the strongest negative reaction due to perceived loss of brand's unique values. His research explained that every company has started with certain set of values imposed by the owner or management of the team, and those present the core spirit of the brand (Lee et al., 2016). These core values of the company are expected to be upheld throughout the lifetime of the company and a sudden shift, such as an acquisition, can take the consumer by surprise fostering a negative reaction (Biraglia et al. 2023). Results of the study show that the negative effect is lower when the following applies; brand was previously already acquired, the management of the company remains unchanged, the value of the acquirer align with that of a target company and the acquiring brands are younger. Similarly, Umashankar et al. (2021) found that acquisitions negatively impact customers, diverting attention from other gains. Unlike Biraglia (2023), who attributed this negative reaction to the loss of a brand's unique values, Umashankar (2021) believed the issue lies in shifting executive focus from customers to financial matters post-acquisition. He further suggested that strong marketing leadership is essential for managing customer relations during acquisitions, especially when the acquired brands enter the deal with a focus on growth.

Another notable example of a poorly handled acquisition is Unilever's purchase of the prestigious ice cream brand GROM. At the time of the acquisition, 83% of customers described the acquisition as "bad news" (Bottero, 2015), leading to disappointment and consequentially a decline in demand, forcing the closure of several GROM shops, including its original one in Turin. Customers felt that the brand lost its authentic value as Unilever was primarily focused on expansion and supermarket distribution. This case illustrates that consumers often perceive acquired brands as compromised in terms of authenticity, leading to lower brand preference and reduced purchase likelihood (Biraglia et al., 2023).

This paper will focus on the fashion market, which can be divided into luxury and mass market. The latter can be recognised by production in large quantities, cheaper materials used, ready to wear items and cheaper rates (Agnihotri, 2017). However, not all brands in the mass market are the same, as they follow an even more detailed division – instant and fast fashion. Fast fashion, with Zara as its pioneer, created a data-analytics driven model which enables the company to design, produce and sell most of its inventory in the same season (Pucker, 2024). Fast fashion market is dominated by leading groups like Inditex and H&M Group. Inditex, which was amongst the top five economics performers in 2023, has acquired or developed some of the most popular fashion brands on the market, including Zara, Massimo Dutti, Pull & Bear, and Stradivarius (Balchandani, 2022). While Inditex has built many of its brands from the ground up, a Swedish

H&M Group has focused on acquiring smaller brands, such as Fabric Scandinavien AB, which owned Monki and Weekday. The Swedish group has later announced their merger (Banham, 2023). In the recent years it became evident that even fast fashion is not fast enough for some anymore, hence the rise of instant fashion. The latter emphasizes speed, affordability, and disposability, with its leading player Shein (Pucker, 2024). Unlike the luxury segment, the mass industry exhibits a different trend: major groups frequently acquire smaller, lesser-known companies and then expand or merge them. This approach decreases variety and increases the market presence of the conglomerates.

Despite the noticeable trend of acquisitions in the mass market, consumer reactions have not been extensively examined. While consumers find the unique values important, it remains uncertain whether the values after the acquisitions change, and how consumers react to them. To explore this issue, the first hypothesis is proposed:

Hypothesis 1: "The perceived originality and uniqueness of mass market brands diminish after acquisition, thus affecting consumer perceptions and preferences."

Following the article written for Zoho Desk (2023), a customer relationship management platform, "Mergers, and acquisitions (M&A) aren't inherently negative, but their primary aim is often to benefit shareholders, not customers". The same article also mentioned that businesses often prioritize enlarging their customer base via acquisitions rather than enhancing their offerings, nonetheless expansion by itself doesn't ensure customer loyalty. Studies from American Customer Satisfaction Index (ASCI) reveal that, on average, acquiring firms encounter a 3% reduction in customer satisfaction in the initial two years following an acquisition. On top of that, when the acquirer firm is a private equity company, the acquisition announcement leads to significant decline in customer visits to target's company outlets, such as stores (Pursiainen et al., 2023). It is however noticeable that when the deal is finalized and the initial shock is over, the original decrease in customer visit is reversed. Thorbjørnsen and Dahlén (2011) have confirmed the negative relationship to acquirer-dominant acquisitions. They emphasized that the reaction is negative even if the customers have a positive view of the acquiring brand prior to the acquisition. The research concludes that the reason for such behaviour is psychological, posing a threat to the customer freedom of choice (Thorbjørnsen & Dahlén, 2011).

On the contrary, research done by Potter for PwC (2019), shows that acquisition might be an opportunity for the company to strengthen the relationship with the customers as they are open to the opportunity of new benefits that they might be able to get after the acquisition. It was found that majority of people saw the actual acquisition experience to be rather positive than negative. Additionally, one third of the customers are also prepared to do more business with the company after it was acquired, however some still believe that companies often forget to think about their customers. One customer here said that "you can really tell which companies are here just for the profit" (Potter, 2019, p. 6).

Concluding, it can be said that in the general industry, customers often react to acquisitions negatively. This adverse reaction is frequently attributed to acquiring companies' focus on maximizing profit for their shareholders which sometimes comes at the expense of other factors, such as reduced customer satisfaction. Biraglia et al. (2023) and Umashanker et al. (2021) discovered that the negative customer response is linked to the loss of unique brand value that customers experience when companies are acquired, as well as the shift in executives' attention. Pursiainen et al. (2023) highlighted that this negative impact is particularly pronounced when the acquiring entity is a private equity firm, while Thorbjørnsen and Dahlén (2011) emphasized the role of the psychological factors, as consumers might feel that their freedom of choice might be compromised. On the other hand, PwC research suggests that some customers perceive acquisitions positively, seeing them as opportunities for additional benefits and improvements, even when the acquiring company is a private equity firm. Nonetheless, these findings underscore the importance of strategically managing customer relations during acquisitions. It is crucial to balance financial objectives with maintaining long-term customer relationships to prevent negative reactions. Given these dynamics, it would be valuable to investigate whether consumers in the fashion industry perceive a difference when the acquiring company is a private equity firm, leading to the second hypothesis:

Hypothesis 2: *"Customers perceive acquisitions in the fashion industry led by private equity firms more negatively compared to acquisitions led by other types of entities."*

2.3. Acquisitions in fashion industry

In the last couple of years, the world has seen a rapid growth in the fashion industry, with the non-luxury sector being able to generate more than double in economic profit than throughout all years between 2011 and 2020 combined (Balchandani et al., 2023). The luxury segment is not far behind, growing one third compared to 2021, and it is expected to form most of the economic profit pie in the fashion industry. According to the McKinsey analysts, the overall fashion industry is expected to grow for 9.16% by the year 2029 (Statista, 2024), making it an attractive industry for investments and consequently acquisitions (Balchandani et al., 2023).

The fashion industry, known for its fierce competition and ever-changing trends, presents significant challenges for new entrants. Luxury brand acquisitions began gaining recognition in the 1980s, allowing brands to maintain their unique identities while accessing financial resources for global expansion in so called conglomerates (Cabigiosu, 2020). The latter are defined by "...a number of different business that form one corporate group" (Nordqvist, 2024, p. 1). Notable examples include LVMH and Kering, which oversee brands like Gucci, Valentino, Louis Vuitton, and Christian Dior (Roberta, 2021). LVMH's acquisition of Boussac, the parent company of Christian Dior, in the 90s marked the start of LVMH's growth (Hamrin, 2023). Today, LVMH owns over 70 luxury brands across five segments (Hamrin, 2023). Their acquisition of Tiffany & Co. for \$15.8 billion is one of the largest in the fashion industry, showcasing how such acquisitions drive creative innovation, operational excellence and financial flow while maintaining a decentralized brand approach. The latter had €3.6 billion in revenue in the year before the acquisition

(2020). As it was reported by Fedow (2023), LVMH's sales in jewellery sector have more than doubled after the acquisition of Tiffany&Co. While the latter is seen as positive it must also be said that a larger group integration comes with certain sets of challenges. Multiple brands often include multiple different cultures, meaning that it is of great importance that an efficient coordination is performed after the acquisition in order to avoid any conflicts (Zhao, 2023). The same research also emphasized the importance of brand integration in the umbrella portfolio in order to achieve maximum synergies, as in the opposite case, the acquisition might have a negative impact on the brand as well as the customers.

Luxury sector is showing a growing trend where individual brands are being acquired by larger fashion groups such as LVMH, which acquired 75 brands in the last 33 years (Tfl, 2024). The traditional emphasis on brand strength and design is undergoing a shift in response to increasing production costs and declining consumer purchasing power (Charm et al., 2020). Economic pressures have prompted fashion brands to reevaluate their supply chains, sourcing methods, and pricing strategies. Acquisitions serve as a mechanism to streamline operations, share best practices, and optimize procurement, aiding in reducing the impact inflation and sustaining profitability (Ndure, 2023). Even if the trend of acquisitions is increasing, it is important to keep the customers satisfied and their loyalty unflustered. Brand loyalty is described as consumers' ongoing preference and commitment to repurchase or continue using a specific brand, mostly because of their positive experiences, perceived product quality, and emotional connections to the brand (Akoglu & Özbek, 2021). However, it is crucial to acknowledge the absence of recorded customer reactions and change in their behaviour regarding brands before and after acquisition. "Consumer behaviour is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desire" (Solomon et al., 2013, p. 27). While the brand loyalty and consumer behaviour influence one another, there are scarce evidence on how such acquisitions impact the consumers in the fashion industry, indicating a need for further investigation. This gives rise to the third hypothesis:

Hypothesis 3: "*Consumers loyal to luxury individual brands maintain their behaviour even after acquisition by major luxury conglomerates.*"

2.4. Consumer decision making

Prior to change in consumers behaviour comes the decision-making process, one that is especially crucial in the fashion industry. Research by Erdem & Keane (1996) created two models to understand how consumers decide from which brand to purchase when they are unfamiliar with the products' quality. Immediate satisfaction model explains that consumers choose based on what gives them immediate satisfaction, while future planning model consider their future benefits and what will give them satisfaction over time. Both models used the idea that consumers get the information about the brands from their own experiences and from advertising. Normally, the fast fashion brands like Zara are changing the trends often, encouraging consumers towards quick purchases. On the other hand, luxury brands are focusing on enduring value and are targeting customers that see their product more as an investment (Balchandani,

2023). Especially, 'hard luxury', such as watches, jewellery, and handbags, are getting purchased more, as consumers are reacting to inflation in the recent years (Battistini, 2023).

As previously mentioned in the research, monitoring consumer behaviour is crucial for customer retention after acquisition. As defined by Ascarza et al. (2017, p. 66), "Customer retention is the customer continuing to transact with the firm." One of the goals of a company is to increase the general value of its customer base, where customer retention plays an important role (Ascarza et al., 2017). Khoironi et al. (2018) examined three factors that significantly influence customer satisfaction and consequently their retention: Product quality, brand image and price account for 53% of variation in customer satisfaction, with product quality having the biggest impact. The later factors also have a substantial impact on customer loyalty, which plays an important factor for the acquiring company. Brand image is in such defined as "...a multi-dimensional construct that is triggered by cognitions, emotions, symbols, values and attitudes of consumers" (Malik et al., 2012, p. 13073). This research concludes that high product quality is essential for increasing customer satisfaction as well as loyalty (Khoironi et al., 2018), making it an interesting attribute when discussing acquisitions in fashion. Research done on luxury brands acquisitions investigated consumers' perceptions of brand values and brand loyalty and how those changes after the acquisition. It was found that lower-tier brands acquiring luxury brands benefit more in terms of perceived values and image, while higher-tier brands improve their perceived quality and perceived accessibility of the acquired brand (Chung & Kim, 2020).

Consumer behaviour is notably shifting among younger populations. They are becoming increasingly mindful of their purchases and the ethical practices of companies, recognizing that fast fashion is a major contributor to global warming and pollution (Balchandani, 2023). A McKinsey report highlights that half of Gen Z consumers in China aim to reduce their purchases from fast fashion brands. Niinimäki et al. (2020) further emphasize the environmental impact of fast fashion, noting that it generates 92 million tonnes of waste and consumes 79 trillion liters of water annually. Additionally, issues such as unsafe working conditions, underpaid workers, and child labour in the fast fashion industry deter consumers who do not want to support unethical practices (Ostberg, 2011; Niinimäki et al., 2020). Interestingly, although young consumers support sustainability in theory, they often do not apply these ethics to their fashion choices, preferring trendy, fast fashion items over sustainable options (Joy et al., 2012).

These concerns about ethical practices are not only tied to the fast fashion industry's environmental and social impact but also to the origin of a company, which plays a significant role in consumer perceptions. Often viewed as a cognitive cue, country-of-origin acts as "an informational stimulus about or relating to a product that is used by consumers to infer beliefs regarding product attributes such as quality" (Ostberg, 2011, p. 3). This means that consumers may associate higher quality with products from certain countries, such as Italy, even if the actual production occurs elsewhere. The symbolic and emotional values tied to the country-of-origin are crucial in shaping consumer preferences (Ostberg, 2011). This leads to the fourth hypothesis:

Hypothesis 4: *“Consumers in fashion industry react differently on acquiring company, based on its origin.”*

2.5. Consumer behaviour and brand image

Research by Gaustad et al. (2019) explained how acquisitions can affect consumers' identities, defined as “a critical psychological driver of behaviour in the marketplace” (Clair, 2023) and their connection with the brands. The findings reveal that the consumers with a stronger emotional connection to a brand have a more negative reaction to acquisitions, which consequently weakens their relationship with the brand (Gaustad et al., 2019). Surprisingly, even positive changes that improve brand associations can sometimes suggest unfavourable feelings among consumers. This phenomenon is particularly evident when consumers perceive the brand as a reflection of their ideal self, defined as: “ideal vision of themselves” (Malär et al., 2011, p. 35), where improvements strengthen the brand's appeal. However, if consumers identify the brand with their actual self: “how the majority of consumers actually see themselves” (Malär et al., 2011, p. 35), increasing brand associations can lead to a sense of disconnection, ultimately diminishing their connection towards the brand (Gaustad et al., 2019). This can also pose an issue for brands getting acquired as some consumers might identify their actual self with the brand and will not be welcoming towards any alterations.

Zhang (2015) agrees with Gaustad and emphasises that understanding how consumer see and respond to changes in brand image helps the company to develop an effective marketing strategy. It is important for the company to establish a positive brand image, which crafts a strong and distinctive brand associations in consumers' minds. This can boost the brand's image and cultivates a willingness to pay premium prices. Consumers often choose products based on the brand image rather than the product itself, especially when the brand aligns with their self-identity. “Self-identity is defined as an individual's adoption of particular groups and/or traits as part of their self-concept” (Abrahamse, 2019, p. 13). The consistency between brand image and self-identity adds to customer satisfaction and loyalty (Zhang, 2015). Results from the survey made by Chovanová et al. (2015) show that over half of the respondents purchase products based on the brand, with quality being the main factor of their decision-making process. Meaning that they are purchasing from brands based on the quality that their products offer and promote. Additionally, it was proved that strong brand image helps to achieve higher market share. This implies that understanding customer perceptions is crucial for the brands, as it allows companies to meet customer needs and foster loyal relationships. On top of that, brand personality has a significantly positive impact on brand love, brand loyalty, word-of-mouth, and higher resistance to negative information, in addition to willingness to pay more (Bairrada et al., 2019). Godey et al. (2016) found that social media also plays a big role in brand image, as entertainment, trendiness, customization, and positive word-of-mouth significantly increase brand awareness and brand image. Concluding that a favourable brand image can significantly impact customer loyalty and their purchasing decision, raising the last hypothesis:

Hypothesis 5: *“More consumers make purchasing decisions primarily based on brand rather than the perceived product quality.”*

Concluding the literature review, it is evident that consumers care deeply about a brand's values, what it stands for, and how it adapts to newer trends. For fashion brands, maintaining unique attributes and a positive brand image is crucial, especially after acquisitions, as changes in brand perception can lead to negative customer sentiments.

3. Research Methodology

3.1. Qualitative vs quantitative research

Before conducting research, it is important to think about how the data, needed for the research, is going to be collected and examined. There are two main types of research that are performed in the academic articles: qualitative and quantitative research. Both research types are valued and relied on in the academic world (Swanson & Holton, 2005).

Quantitative research uses large data samples to provide a macro view and draw generalized conclusions (Swanson & Holton, 2005). It employs numerical values, often from surveys or databases, and utilizes mathematics and statistics to describe phenomena. This approach answers questions like "How many" and "For how much" (Taherdoost, 2022) and aims to explain relationships between variables to test hypotheses (Borry, 2012). It allows for confident statements about large groups, ideally representative of the population.

On the other hand, there is qualitative research which focuses on understanding the meanings and experiences behind human minds and the society. In this type of research, it is essential that participants' subjective meanings, actions, and social contexts are accurately represented in the study (Fossey et al., 2002). It is mostly done by in-depth interviews, observations or focus groups, which helps you to get a closer understanding of consumers' underlying preferences, however with a smaller sample size. This research interprets text and other materials without depending on the numerical values. Qualitative research also makes use of interpretivism, meaning that individuals create their own social realities and present their subjective point of view (Patton, 2014).

3.2. Data collection method

To understand consumer reactions to acquisitions in the fashion industry, this study will employ qualitative research method. This approach facilitates the collection and analysis of non-numerical data through interviews and observations. Interviews allow for direct engagement with consumers, providing a deeper understanding of their perspectives on acquisitions and capturing their reactions comprehensively. Interviews are an ideal choice for this research, as they allow the researcher to explore how consumers might respond to acquisitions of different fashion brands.

The interviews will be semi-structured, allowing to personally connect with consumers and adapt based on individual responses, rather than strictly following a set list of questions (see Appendix for a full interview guide). The interview guide is designed to address the main hypotheses while still encouraging a conversational atmosphere. Questions range from general opinions on brand acquisitions and personal experiences, to the impact on brand perception, quality, and loyalty. For instance, one question asks, "How important is it to you that a brand maintains its originality and uniqueness after an acquisition?" The guide also explores the importance of communication and transparency, consumer views on private equity

acquisitions, and reactions to various hypothetical scenarios. Given that consumers have varied priorities and perspectives, interviews offer the flexibility needed to gain nuanced insights into their behaviours and preferences.

3.3. Research sample

To get a good understanding of consumer behaviour and their reactions on acquisitions, it was estimated that between 8 - 12 individuals should be interviewed. At the end the sample contained 10 individuals of different nationalities and age groups. The study aims to obtain insights into general consumer behaviour, through the chosen individuals. To ensure a diverse sample, the interviewees were selected randomly on the shopping street in Rotterdam – Lijnbaan and on the campus of the Erasmus university Rotterdam. All the interviews were done in the week between 27th of May and 2nd of June. The sample were individuals that are residing in the Netherlands, while the demographics such as age and nationality could differ.

Among ten individuals that currently live in the Netherlands, half of them were students (5), while the other half were working professionals. Most interviewees were women (7), while only three men agreed to the interview (Table 1). The field of study or work differed quite a bit between the interviewees (Table 1). Two students study economics, while others study art, law or communications and media. Working professionals also work in various fields, such as marketing, sales, engineering, law and fashion. Such variety allows for a broader view on the research topic, granting a more generalized view.

Majority of interviewees are in their twenties (7), while three are older, with the oldest being 56 years old. Rotterdam is known to have a variety of nationalities, which is also reflected in this sample as three people were Dutch, while others were from Poland, Romania, Spain, Germany, France, Slovenia or England.

To better analyse the interviews, they were recorded using a Voice Memos app from the Apple Store. The latter was used for its straightforward approach and ease of use, which made the writing of transcripts easier and more accurate as each interview lasted around 20 minutes. Before the interviews were conducted, all the participants signed the consents (see Appendix), stating that the data used will be anonymised and recordings will be deleted after being transcribed.

Table 1: Representation of the sample characteristics.

Interviewee	Gender	Age	Nationality	Occupation
A	Female	22	Polish	Student (Finance)
B	Female	21	Romanian	Student (Economics)
C	Female	18	Spanish	Student
D	Female	56	Slovenian/Dutch	Seamstress
E	Man	30	French	Salesman
F	Female	21	German	Student (Law)
G	Female	28	Dutch	Marketing manager
H	Female	21	French	Student (Communication and media)

I	Man	55	Italian	Mechanical engineer (CEO)
J	Man	25	British	Law associate

3.4.Data analysis method

This study will employ qualitative research methods, focusing on thematic analysis and triangulation rather than mathematical or statistical techniques. “Triangulation refers to the use of multiple methods or data sources in qualitative research to develop a comprehensive understanding of phenomena” (Carter et al., 2014, p. 545). To ensure better reliability and validity, ten interviews were conducted. After they were conducted, recorder and transcribed, thematic analysis was performed. The latter was used to find the main topics and a red line between all the interviews as well as to answer the hypotheses. After performing the thematic analysis for each interview separately, the topics were grouped and compared together, which will also be presented in a thematic analysis table. This method allows to understand the underlying preferences of consumers and drawing comparisons between them, while identifying how their behaviour changes when it comes to acquisitions in the fashion industry.

3.5.Possible limitations and biases

Every research comes with a set of limitations as well as biases. As researchers, it is our job to minimize both. This research will be based on interviews, which pose several challenges. Firstly, the setting of the interview will be in a public space with the participants being randomly selected, it means that only a certain type of people, usually the ones with an extrovert personality, would agree to respond. Additionally, selecting people in the public setting is convenience sampling, meaning the individuals were chosen based on availability and ease of access, rather than being selected randomly (Edgar & Manz, 2017). This method results in a limited sample size and a lack of diversity, making it difficult to generalize the findings to a wider population. The interviews are expected to be last around 20 minutes, meaning that the participants might also have been tired while answering the interview, and towards the end, may not have thought deeply about the questions, impacting the quality of their responses.

Speculative responses to hypothetical questions may not accurately reflect actual consumer behaviour, adding another layer of complexity. Furthermore, participants' reliance on memory to report past experiences introduces the risk of memory dependence, affecting the reliability of the data. The interview was conducted in a neutral manner; however, some biases might have appeared during the conversations, potentially influencing participants' responses. On top of that, social desirability bias could lead participants to provide answers they believe are more socially acceptable (Larson, 2018). Lastly, while interpreting the data and conducting the thematic analysis, subjective bias from the researcher might have occurred, which may affect the objectivity of the analysis.

4. Research Outcome

The results of this paper highlight varied perspectives on acquisitions within the fashion industry. This exploratory study conducted ten interviews with participants of different nationalities, ages, and occupations, providing a thorough view on the topic. By analysing these interviews, several common themes were identified, which will be explored to answer the main research question.

4.1. Perception

How people perceive acquisition is hardly answerable with positive or negative. First reaction to acquisitions for most people is neutral and it depends on certain factors surrounding them. Two interviewees expressed neutral feelings towards acquisitions, stating they generally don't have strong emotions towards them. The latter mentioned that they are often unaware of acquisitions since they are not heavily publicized and don't affect them directly. The remaining participants had either clearly positive or negative reactions. "I usually see them as positive, because I think it brings value...", while others mentioned bringing in new resources and ideas. However, there were also concerns about the acquired brand losing its image and value, especially if it is a boutique brand acquired mostly for profit. A communications and media student emphasized the fear of homogenization after acquisition, "... you lose the sense of smaller shops... then everything becomes the same". The most common concern was potential changes in quality or prices, which could change what consumers are familiar to.

Some respondents shared their personal experiences with acquisitions, and described the situations that affected them. Two students referred to Facebook's acquisition of Instagram and WhatsApp. One felt quite concerned, "Because of peer pressure, I did not stop using Instagram, but it did affect me for some time due to privacy concerns." Disappointment was also evident when local companies were acquired by major players, such as a Slovenian juice factory and a niche Polish beer brand. Despite no significant change in quality was seen, traditions were lost, which made the consumers angry. Other respondents were sceptical but remained satisfied when the quality was maintained post-acquisition. Leading to a conclusion that while consumers do not necessarily see the acquisition itself as mostly negative, the personal experience sheds a different light.

According to Pursiainen (2023) the effect of the acquisition is even more negative when the acquirer is a private equity company. The data collected in the interviews paints a different picture, one that disagrees with the latter statement. Most of the interviewees answered that they do not see why it would influence them negatively. They mentioned that the private equity company can bring fresh capital, allowing for the company to innovate, and invest more in the pillars that are in need of more capital. Only two of the interviewees see private equity acquisition as negative, as they believe that the private equity firms are just searching for a profit. Although most of the interviewees believe that an acquisition by a private equity company could be beneficial, there is some degree of concern that the product quality would change, or that the acquiring company could have a negative brand image which would then be mirrored on the acquired brand itself.

Consumers are increasingly mindful of acquisitions in the fashion industry, examining the ethics and track record of the acquiring company. One respondent noted the significance of acquisitions, especially if "...a brand has a lot of controversy and has a bad praxis...". The latter type of awareness explains a growing focus on ethical business practices, with transparent supply chains and strong ESG performance being crucial. Such awareness is especially evident among the students' interviewees. Some consumers are even willing stop purchasing from a brand if certain changes occur, aligning their purchases with their values. Reasons for discontinuing purchases include major product or brand alterations, social responsibility changes for the worse, poor customer service, and scandals like unethical labour practices. This indicates an increasing awareness that impacts the purchasing decisions. This shows that brands should be careful of ethics during acquisitions to retain their environmentally conscious customer base. The consumer consciousness is expected to grow in the following years, especially among younger consumers, leading to greater analysis of brand practices and a demand for transparency and ethical behaviour.

Customers are attracted to a brand primarily for its distinctive products. Consequently, all respondents highlighted the critical importance of preserving the brand's uniqueness. Consumers notice such uniqueness among the flood of standardized trends, and they tend to stay more loyal to such brands. After talking to consumers, some are quite worried that the uniqueness and the core values of the company might disappear when the company gets acquired. Most companies started off by being small family businesses, slowly growing bigger and adjusting to a wider audience. However, there are consumers who would prefer to keep the brand unique, to not forget where they came from, what they stand for and who they represent. Some even think that maintaining the customer base is crucial, and if that were to change after an acquisition, it would worsen the brand value. While customers would want to see the core values to remain the same, they do realize it is hard when the brand starts working under a bigger acquirer with its own set of values. On the other hand, few respondents have emphasized, that change in brand values and uniqueness does not necessarily have to be a bad thing, as "...it sometimes turned out to be better, as they updated the designs, made it more fashionable, trendy and better in quality." However, the majority prefers for their favourable fashion brand to maintain its core values and uniqueness as it is.

Table 2: Thematic analysis to answer hypotheses 1 and 2.

Theme	Code	Example
Perception	Mixed first reactions	"I would say it can go both positively or negatively, but it is for sure interesting." – Respondent A
		"...first thing that comes to mind is the potential for change, both good and bad." – Respondent E
		"...I feel like people don't care or don't feel it." – Respondent F
	Negative experience	"...they have become less personal." – Respondent J

	<p>“Because of peer pressure I did not stop using Instagram, however it did affect me for some time, as I still had privacy concerns.” – Respondent F</p> <p>“A lot of people were not happy at the time, including me. Heineken is a big company acquiring the smaller company and the quality would go down, and they would stop caring as it is part of the big change.” – Respondent A</p>
Positive feelings towards private equity	<p>“...they might prioritize financial return over brand heritage and values.” – Respondent E</p> <p>“...it would not affect me or the perception of the brand.” – Respondent C</p> <p>“I can imagine that the good management of a private equity acquirer can still lead the fashion brand well.” – Respondent D</p>
Originality and uniqueness are crucial	<p>“...values get diluted as the brand grows.” – Respondent J</p> <p>“...it is important, I do not like to see the brand that have all the same – products, trends, colours...” – Respondent H</p> <p>“A brand’s originality and core values are what make it stand out.” – Respondent G</p>
Purchasing behaviour depends on various factors	<p>“It really depends on the scenario. No, not really as long as long as the quality stays the same, no.” – Respondent J</p> <p>“If the acquisition led to negative changes in quality, ethics, or brand values, I would likely stop purchasing from that brand.” – Respondent G</p> <p>“...if the acquiring brand has bad reputation, such as child labour, or low paid salaries or something similar. Then, yes (would stop buying from a brand) of course. But it can also benefit.” – Respondent F</p>

4.2.Loyalty

To reduce customer churn, brands must prioritize maintaining a high retention rate, primarily through fostering customer loyalty. This research also revealed a notable lack of consumer awareness surrounding brand acquisitions within the fashion industry. While respondents shared their experiences, most felt the lack of familiarity with acquisitions, especially among brands that typically do not capture their attention. In today's dynamic marketplace, consumers often engage in multi-brand browsing before making a purchase, suggesting an overall lower level of brand loyalty.

However, certain acquisitions, especially those involving national or heritage brands, evoked strong emotional responses. For example, a seamstress recounted a negative experience with the acquisition of a local juice brand from her hometown. Similarly, a Polish student expressed a sense of betrayal when a valued national beer brand was acquired by Heineken, stating, "I think it made me buy it less, as it is just part of the big chain rather than something special." While not everyone reacted clearly, some individuals expressed initial concern with the acquisitions but preferred to wait and observe if any actual changes occurred post-acquisition.

This research has found that consumers are open to the trend of smaller brands getting acquired by major conglomerates in the fashion industry, however while they are generally open to the idea of umbrella branding, respondents expressed some specific concerns. Some of the primary concerns revolved around potential compromises in product quality, shifts in brand values, and the possibility of negative consequences for the acquired brand. This concern was particularly noticeable in regard to smaller brands, as illustrated by one respondent's statement: "...if there is a small brand that I am a regular customer from, and I have a specific reason I like shopping for, and if this reason would disappear after the acquisition, I would not be happy." This emphasizes the importance for acquiring companies to maintain the unique qualities of acquired brands, especially those with a dedicated and niche customer base. However, the majority stated that their loyalty would persist if the company were acquired by a major fashion conglomerate, as long as the core values did not significantly change.

Table 3: Thematic analysis to answer hypothesis 3.

Theme	Code	Example
Loyalty	Mixed feelings from personal experience	"...initially I was worried, but as I saw the brand maintained its standards, my loyalty remained." - Respondent A "...if the quality would worsen, I would go to another bank, but because it remained, I stuck with it." - Respondent J

	<p>“We thought they made use of it (the acquired company) as it was really well valued before. So, after the acquisition it was worse off.” - Respondent D</p>
<p>Mostly positive towards major conglomerates</p>	<p>“...if the brand would stay the same and would have the same principles, I would continue to purchase from them.” - Respondent A</p> <p>“...the price of course is the most important one, and the quality of the products. If these would change, I would of course think twice before purchasing.” - Respondent C</p> <p>“...really depends on the company acquiring. I would say at first there is a lot of scepticism.” - Respondent F</p>
<p>Communication an important factor</p>	<p>“...crucial for companies to communicate with customers...helps maintaining trust and loyalty.” – Respondent E</p> <p>“... (the company) can see customers’ reaction to the change so they can adjust their strategy and the way they are going to be seen in the market.” – Respondent B</p> <p>“...super important... for fashion industry the people would switch easily as there are many alternatives... miscommunication can lead to customer churn.” - Respondent E</p>

4.3. Quality

Fashion tends to be very different for many people, especially when it comes to what is arguably more important – the brand or the actual quality. Most of the interview respondents (see Table 6) have emphasized that particularly in fashion industry, the brand and the quality go hand in hand, “The brand is really important, as you know which brand has which quality.” However, while they believe the brands are of good quality, many have emphasized the shift in this trend: “In the past it used to mean that the luxury brands meant quality. However, now, especially because I am a seamstress, I can tell that the luxury brands are usually outsourcing, and I can tell that the material and the quality is not as good as it used to be.” Concluding that most customers today, focus on the quality of the products rather than blindly trusting the brand. On the other hand, an interesting observation was found during the interviews. While for regular everyday products consumers care more about quality, they often have a specific product they prefer to

have branded. For example, a German student says she likes branded purses, “I have these bags for a long time, and they are still good”, compared to the ones produced by fast fashion brands. Other mentioned preferences for branded shoes or sunglasses.

In conclusion, most respondents believe that a brand’s acquisition can indeed impact the quality of its products. While all agreed that an acquisition can change product quality, they also emphasized that it largely depends on the nature of the acquirer. On the positive side, “if a brand is acquired by a wealthier company, they might improve the quality as they might be helped with the money from the parent company.” This inflow of resources can lead to investments and improvements of the products, as well as the spillover effect of technology and knowledge. On the negative side, if “the acquiring company prioritizes cost-cutting over quality, it can lead to a decline in product standards.” This highlights the potential difficulties in managing a larger company and the risk of a negative brand image associated with the acquiring company.

Table 4: Thematic analysis to answer hypothesis 5.

Theme	Code	Example
Quality	Quality over brand	“In the past it used to mean that the luxury brands meant quality...the material and the quality is not as good as it used to be. So for me the quality is still the number one priority.” - Respondent D
		<p>“For fashion, I do think it matters, as most of products and brand are correlated in my mind. I believe that if it is a good brand, they do have a good quality...” - Respondent B</p> <p>“I do not care about the brand that much really.” - Respondent C</p>
	Quality changes after an acquisition	<p>“...if the new ownership changes the brand’s values, quality or customer service...if it aligns with practices I don’t support, I might stop buying from them.” - Respondent E</p> <p>“If brand has a lot of controversy and has a bad praxis... at the end they are all kind of the same, but it can impact me.” - Respondent A</p> <p>“... it can also benefit... gets acquired by a company that has a really high reputation and social responsibility, then I would lead me to continue to</p>

purchase this brand if I was on the way to switch.” -
Respondent F

4.4.Origin

A study by Chung and Kim (2020) found that customers generally respond positively to acquisitions by higher-tier luxury brands, but view acquisitions by lower-tier brands more negatively. However, this is not necessarily the case. The respondents have shown concerns for brands getting acquired by a higher-ends brand, stating that “...the prices would increase by a lot and the demand would fall,” and “... there is also a risk that it could lose its affordability and accessibility.” Many would not shop there anymore as they might not be able to afford it and they believe the brand would change, which is not something they would like to see. The concern associated with the prices was especially evident among the student interviewees as a potential increase in prices would mean that they would not be able to afford it anymore.

The idea of a brand being acquired by a lower-end brand caused a very negative reaction, supporting Chung and Kim's argument (2020). Many respondents believe such an acquisition would instantly harm the brand image, significantly lower the quality, and devalue the brand. One noted, "The prices are so cheap that can just be justified with really bad working conditions, ... If then a mid-range (brand) would get acquired, I would not buy from it anymore." Additionally, there was noticeable concern about ethical standards, with many disapproving of sweatshops.

When it comes to clothes, a lot of consumers also think about the location of the production. The research has shown that initially consumers may not consider a company's origin important, but interviews reveal that it does influence perceptions. Some believe that brands are so international that "you do not know where the clothes are coming from and where have they been made." Others, however stress that origin matters for ethical standards and practices: "The origin of the company can influence my perception, especially regarding quality standards and ethical practices.” Respondents associate Asian companies, particularly Chinese ones, with poor production conditions, leading one respondent to say, "There are stereotypes that are influencing it. I guess if it were from China, I would be more careful while buying." Despite these stereotypes not being very strong among all the respondents, they persist. On the other hands, the interviews found that European companies, especially Italian fashion brands, are known amongst people for high standards and ethical practices. As one participant noted, "You would think if a Chinese company would acquire European companies, it would make a difference. But then again, so many things are made in China, so maybe it would not impact it.”

Although people hold stereotypes about Asian companies, they often can't name specific examples and they tend to focus more on production locations. A law associate mentioned how Nike's controversial production practices temporarily affected his view of the brand, however he returned to the brand, as he liked the products. A Slovenian seamstress shared a story about a local fashion brand's acquisition by a foreign company, "It was acquired by a foreign company, and it was closed down soon after. Which also made the

feeling towards acquisitions a bit sceptical." She mentioned that the latter acquisition made consumers angry, and this might be the reason she associated acquisition from abroad negatively.

This leads to the conclusion that the actual origin of the company mostly impacts the consumers, but more importance is stressed on positioning (luxury/mass) of the company and the location of production means. On top of that, consumers also acknowledge the fact that nowadays most of the production channels are international, so some of the interviewees came to ignore the origin of the company.

Table 5: Thematic analysis to answer hypothesis 4.

Theme	Code	Example
Origin	Concerns for acquisitions by luxury brands	"...mid-range companies have more down to earth mentality for more average people... which might switch to upper class people. I might not shop there anymore." - Respondent H
		"... people would see it differently. The price would increase for sure, the quality not necessarily." - Respondent J
		"...might think the style would improve, even if it wouldn't necessarily." - Respondent B
	Negativity towards acquisitions by low-tier brands	"...it would lose value a lot, but the price and quality might stay the same." - Respondent I
		"I would see it very negatively." - Respondent J
		"...concerned about a possible drop in quality and ethical standards." - Respondent G
		"...quality would go down and the price as well." - Respondent A
	Concerns about origin of the acquirer	"...if a Chinese company would acquire a European company, it would make a difference." - Respondent H
		"If I order from there (China) and it's not good, I am not surprised as I think of it pretty badly." - Respondent C
		"...Italians have a great reputation in the fashion industry...might be optimistic about it." - Respondent D

In conclusion, while most consumers initially have no strong feelings towards acquisitions, they tend to remember negative past experiences, which can diminish their loyalty post-acquisition. Negative reactions

are particularly evident when a fashion brand is acquired by a lower-ranked company with questionable ethical and production standards or when a national company is acquired by a company from abroad. Additionally, the country-of-origin influences consumer trust, with many consumers distrusting companies from countries with lower standards. On the contrary, the research indicated that consumers see potential benefits in acquisitions by private equity companies, especially if the changes are communicated clearly. Crucial factors for maintaining consumer trust are the originality and uniqueness, however, consumers have shown interest in acquisition by conglomerates as they might have resources to improve the product quality.

5. Conclusions and Recommendations

5.1. Discussion

Research done by Biraglia et al. (2023) and Umashankar (2021) suggest that acquisitions are negative in the mind of consumers. The negative impact on consumer is smaller if any of the following apply: the company was already acquired before, the management has not changed after acquisition, or the company is relatively new. An additional negative reaction is brought on if the acquirer is private equity company (Pursiainen et al., 2023). However, the exploratory research has shown that consumers, in contrast to literature, do not see the acquisitions as negative. Some mentioned potential benefits that could arise from them, such as inflow of capital and spillover of knowledge or technology. While they do see potential risks in them, such as homogenization of the product, most of them mentioned that they are often not aware of such acquisitions. When the acquirer is a private equity company, consumers have shown a positive attitude towards the acquisition, differing from results found by Biraglia et al. (2023) as they see the risks connected to the fact that private equity companies are more focused on financial returns, rather than the product. However, they believe that extra capital could help innovate and bring additional knowledge, consequently bringing more benefits than risks for the company. This leads to a rejection of the second proposition, which stated that consumers of fashion industry would not be open to acquisitions by private equity companies.

Acquisitions have become a growing trend in the fashion industry, especially in the recent years. Due to increasing production costs and declining consumer purchasing power, many brands are getting acquired by larger umbrella brands. Such giants help to share best practices, provide inflows of capital and optimize productions. However, consumers are often overlooked, and their reaction might have a significant impact on such acquisitions meaning that consumers are not resistant to such acquisition by conglomerates. While most do not oppose the idea of acquisition, they have voiced some concerns, especially regarding the change in brand values. Few have emphasized the importance of acquirers to maintain the uniqueness of acquired brands, especially those with a niche customer base. This partially confirms the third proposition, which emphasizes that consumers loyal to individual brands would continue their support even after acquisition by a conglomerate, however, they have expressed some concerns that would need to be addressed.

Interview respondents have agreed that uniqueness of the brand is something that has a big influence on their perception of the brand and loyalty if the brand was to be acquired. Mid-range stores especially have been showing a trend of acquiring smaller boutique stores and merging them together. Such small brands in particular have very loyal customers, with whom the consumers form an emotional bond. Few consumers emphasized that they shop at the boutique brands for specific products, because they are different from the mass market. These consumers mentioned that they would not be satisfied if a change would happen after an acquisition. While consumers do find maintaining the uniqueness of the brand one of the crucial factors of acquisition, there was no proof found from the previous cases that the latter would change if a boutique brand would be acquired. This leads to the conclusion that first proposition cannot be neither accepted or rejected as not enough information was collected.

Chung & Kim (2020) found that consumers react differently on acquisitions in fashion, depending on the ranking of the acquiring brand. If lower-tier brand acquires a higher-end brand, the acquirer gains in brand value, while if the opposite happens, the lower-tier brand gains in perceived quality. The exploratory research found that if the luxury brand is acquiring another brand, most people see both negative and positive consequences. While Chung & Kim (2020) can be agreed with that the perceived quality might improve, too many consumers fear a big increase in price, losing its affordability and accessibility. Acquisition by a brand of lower ranking is seen as negative in the eyes of the consumers, while the quality might decrease drastically, their main fear 'factor' is in the companies' standards and their values. Special emphasis was given on the companies coming from Asia, as the consumers are scared that their ethical standards, quality, and practices are not reaching the European standards of practice. This leads to confirmation of the fourth proposition, which stated that consumers have different reaction on acquiring companies, based on its origin. Such reaction comes from the concerns about the ethical standards and production means, especially of the lower end acquiring companies.

Many consumers identify with certain brands, viewing their products as symbols of self-expression. Gaustad (2019) found that if consumers see their actual self in the brand, their disapproval of the acquisition will be bigger. A survey made by Chovanová et al. (2015), shows that over half of the respondents preferred purchasing branded products, the findings from this research, however, show that for general, everyday products, consumers do not pay attention to the brand as they prioritize the quality. Nevertheless, the interviews revealed that consumers do like certain branded products, such as purses, shoes, or sunglasses. In conclusion, the last proposition, which assumed that more consumers decide based on the brand, can be rejected as the consumers prioritize quality.

The literature review and exploratory research conclude that consumers indeed associate changes in brand ownership with perceived alterations in product quality. However, their reactions are complex and influenced by several factors. Consumers show concern when acquisitions are made by lower-tier companies, fearing that the quality of the acquired brand will decrease significantly. Additionally, there are some elevated concerns when the acquirer is an Asian company, especially from China, due to common perceptions of lower ethical and production standards in these regions. These concerns reflect an overall unease about maintenance of quality, ethical integrity, and original values of the acquired brand post-acquisition.

5.2.Recommendations

The results of this study highlight the importance of managing customers relationships during acquisitions in a way that satisfies as many customers as possible, however, it is important to consider that only ten interviews were done, which might not be sufficient for a more general conclusion. Effective communication with customers is vital, as a significant majority emphasized its importance during acquisitions. Keeping customers informed about potential changes and their impacts can significantly help in maintaining their loyalty. Another key factor in retaining customer loyalty is preserving the uniqueness

and originality of the acquired company, especially for boutique brands, whose distinct values and products set them apart. The research indicates that consumers could stop shopping from a brand if the acquirer alters it to the point where it becomes unrecognizable as Consumers value uniqueness, and in the mass fashion market, finding non-generic options is increasingly challenging. Therefore, ensuring transparent communication and maintaining the distinctive qualities of the acquired brand are essential strategies for successful acquisitions and sustained customer loyalty.

This study employed qualitative research methods, primarily through interviews that explored hypothetical scenarios. For future research, it would be valuable to examine real-world examples to observe how consumers actually react to acquisitions and whether they see any changes in product quality. Additionally, investigating similar research questions in other industries, such as the food industry, could provide further insights. Understanding consumer responses to acquisitions across different sectors will enhance our understanding of the factors influencing customer loyalty and satisfaction, ultimately guiding businesses in making more informed decisions during mergers and acquisitions.

5.3.Limitations

This exploratory research used interviews to investigate the research questions. Due to the in-depth nature of these interviews, the sample size was limited to ten respondents, which limits the generalizability of the findings. Additionally, half of the respondents were students, leading to a lack of diversity, and none were older than 56, excluding perspectives from retired individuals who may have different views on change. Furthermore, only three respondents were male, further limiting the representation of the broader population.

For future research, it would be beneficial to schedule interviews in advance to attract a more diverse range of participants, as spontaneous street interviews may primarily engage more extroverted individuals. Moreover, the use of convenience sampling, which prioritizes accessibility over random selection, impacts the study's external validity. Additionally, the interviews conducted in a public setting and lasting approximately 20 minutes each may have affected respondent patience and response accuracy towards the end.

5.4.Conclusion

This paper examined at the impact of acquisitions in the fashion industry, and whether those impact the quality of the products and consumers purchasing behaviour. Previous research has shown that consumers tend to react negatively to acquisitions, however it remains unclear whether there have been quality changes associated with the acquisitions in the past. Consumers pay close attention to quality, particularly in fashion industry as any changes in the products can be seen. Therefore, the main question of this paper was: Do consumers associate changes in brand ownership with alteration in perceived product quality?

To answer this research question, ten individuals of different nationalities and ages were interviewed either on the street or on Rotterdam university campus. The questions asked were about consumers' perception

of acquisitions in fashion industry. The research results indicate that consumers do indeed link acquisitions with changes in product quality, however they consider several factors in their assessments.

This thesis concludes that while literature often indicates negative consumer reactions to acquisitions, field research reveals a more promising perspective. Consumers can recognize benefits, especially when changes are communicated transparently. Negative responses are most evident when a fashion brand is acquired by lower-ranked companies or foreign entities perceived to have lower ethical and production standards. On the contrary, consumers view acquisitions by private equity firms and conglomerates positively, appreciating their potential in enhancing product quality. While maintaining the brands' originality and uniqueness is crucial, it could also be stated that the positive outcome of the acquisition is directly dependent on effective management.

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7. Appendix

7.1. Interview guide

Introduction:

Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time!

Interview Questions:

A) Introduction:

1. Could you tell me a bit about yourself, like your age, where are you from and what you do (study, work)?

B) General Opinions on Brand Acquisitions:

Now I will ask you a few questions about the acquisitions, especially related to fashion industry. For some context, acquisition is when one company is bought by another company.

2. Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

C) Personal Experience:

3. Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition? (examples)
4. Did (or do you think it would) the acquisition affect your perception or loyalty to the brand? How?

D) Impact on Brand Perception:

5. When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?
6. Can you recall a situation where you chose a product primarily because of the brand rather than the quality? What drove that decision?
7. Do you think that a brand's acquisition changes the quality of its products? Why or why not? (think about the fashion industry)
8. How important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

E) Communication and Transparency:

9. How important do you think it is for companies to communicate with customers before and after an acquisition? (knowing more about the brand acquiring, or what, if anything, is going to change)

F) Customer Loyalty:

Think about a fashion brand you like, and you would consider yourself a regular customer of...

10. Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?
11. If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

G) Private Equity Acquisitions:

Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit.

12. What are your thoughts on fashion brands being acquired by private equity firms compared to other types of entities (such as other fashion groups)? And why you think like that? (what do you think the differences would be)

H) Hypothetical Scenarios:

13. Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?
14. Imagine a mid-range brand (such as Zara) get acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?
15. What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

I) Impact on Purchase Decisions:

16. How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?
17. Can you share any experiences where the origin of the acquiring company affected your reaction to an acquisition?
18. Would an acquisition impact your decision to purchase from a brand? Can you explain how?
19. Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

J) Final Thoughts:

20. Do you have any additional thoughts or anything you would like to add?

Conclusion:

Thank you very much for your time and insights. Your responses are very valuable for my research. If you have any further thoughts or questions, please feel free to contact me. Have a great day!

7.2. Transcripts

7.2.1. Interview 1 – Respondent A

Researcher: Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time!

Interviewee: Thank you for having me, glad to help.

Researcher: Now before we get started, could you tell me a bit about yourself, like your age, where are you from and what you do?

Interviewee: Okay, sure. I am 22 years old and I study Finance here in Rotterdam. I come from Poland but I have studied in the Netherlands for the last 3 years.

Researcher: Great, nice to meet you. Now let's get started... Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

Interviewee: I think it is almost interesting to hear about acquisitions, to know which problems the other firm had so it allowed itself to be acquired. But I do think it is also exciting as it can bring a lot of new things. I do not particularly have a set of emotions towards it, but it also depends which brand is acquiring. I would say it could go both positively or negatively, but it is for sure interesting.

Researcher: Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition?

Interviewee: Yeah, for instance. A beer brand in Poland was acquired by Heineken. A lot of people were not happy at the time, including me. Heineken is a big company acquiring the smaller company and the quality would go down, and they would stop caring as it is part of the big change. There was a big scare that it will be a big change in personality and that it will be stripped away. There is just a part of the huge global industry and it does not have to compete anymore with other brands. In that sense the quality could go down, but it did not actually.

Researcher: And do you think this acquisition affected your loyalty to the brand?

Interviewee: It is just that everything is Heineken. It is under the different name, but it is all Heineken, and I think it made me buy it less, as it is just part of the big chain rather than something special.

Researcher: When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?

Interviewee: I think both are important. If I buy something for the first time and I do not know what am I looking for and which quality is good, the brand is really important, as you know what brand has which quality. If I already know what am I looking at, the I think the quality is important.

Researcher: Can you recall a situation where you chose a product primarily because of the brand rather than the quality?

Interviewee: Mmm, I think Sunglasses for example. The ones that do not necessarily come from options but rather from an outlet but they are still branded, such as from Polaroid or Ray-Ban. This would still make me choose them.

Researcher: You said that you think that a brand's acquisition changes the quality of its products... Why do you think so?

Interviewee: I think because it becomes a part of a bigger chain and when there is less things to manage, they are better managed. When there is multiple things to manage there is room for things to slip away and less focus on improving the actual quality of the product.

Researcher: How important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

Interviewee: I think it is really important. Because sometimes even after the acquisition, you do not know the brand was acquired as it stays exactly the same, and maybe just the management changes. So I think the brand a lot of times stays the same in order to maintain to same customers.

Researcher: How important do you think it is for companies to communicate with customers before and after an acquisition? (knowing more about the brand acquiring, or what, if anything, is going to change)

Interviewee: Not necessarily. I think only if you are in Finance world, then you would know the acquisition would happen, however if you are just a costumer, you would not notice the difference and there is not a need for you to know. So it should not have affect you.

Researcher: Think about a fashion brand you like, and you would consider yourself a regular customer of... Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?

Interviewee: Yes, I think so. Because, if the brand would stay the same and would have the same principles, I would continue to purchase from them.

Researcher: If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

Interviewee: I do not know, not entirely sure. I also think about the fact that in a lot of cases it is hard to maintain such a luxury business. Putting it under the umbrella brand would make it live longer, as if one brand is underperforming, it can still operate as the other brand is performing well. As long as they maintain the principles from before the acquisition, I think it is alright.

Researcher: Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit. What are your thoughts on fashion brands being acquired by private equity firms compared to other types of entities? And why you think like that?

Interviewee: No, to be honest, I do not think there would be the difference. For example, Phillips sold off Home appliances to a big investment company that has nothing to do with home appliances, and they are doing great. They are still selling the same things under the Phillips name but have nothing to do with Phillips anymore and people are still buying it and now knowing about the acquisition at all.

Researcher: Interesting, now let's talk about a hypothetical scenarios. Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?

Interviewee: I would assume the quality would go up. Because the profile of the LVMH as a luxury brand.

Researcher: What about the price?

Interviewee: Yes I think the price would increase as well. So both the price and quality would increase.

Researcher: Imagine a mid-range brand (such as Zara) get acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?

Interviewee: Then the quality would go down and the price as well.

Researcher: Would that change your shopping behaviour?

Interviewee: It would probably change my shopping behaviour, because Shein is involved in a lot of controversy with child labour and it has a bad image. Not an ESG brand, not that Zara is, but it would make it even worse I think.

Researcher: What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

Interviewee: The quality would probably go down and it would become more commercial. I think it would go towards fast fashion and not to the extreme of cheap. So I would continue buying from it.

Researcher: How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?

Interviewee: For sure, yes.

Researcher: Can you share any experiences where the origin of the acquiring company affected your reaction to an acquisition?

Interviewee: I cannot really think of anything.

Researcher: Okay, but if you see some clothes made in Italy or made in China, do you think it would affect you?

Interviewee: Yes, I think I associate Italian products with better products and better working conditions as compared to made in China.

Researcher: Would an acquisition impact your decision to purchase from a brand? Can you explain how?

Interviewee: Yes, for sure. If a brand has a lot of controversy and has a bad praxis and they would acquire Zara for example, then I would stop buying from Zara, I will say. It is kind of similar to the beer brands, it is not the best thing, at the end they are all kind of the same, but it can impact me.

Researcher: Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

Interviewee: No, I think it is more what the brand stands for. If it would inherit change in a bad way, like less environmentally or socially friendly, then it could affect me.

Researcher: Do you have any additional thoughts or anything you would like to add?

Interviewee: If there is an investment company acquiring that you do not hear about it in the media, or if it would be a big company such as competitor acquiring, it has a bigger affect on consumers as a lot of

people do not know about it and what it means. So there is a higher chance that it will impact the brand identity in contrary to the private equity company.

Researcher: Thank you very much for your time and insights. Your responses are very valuable for my research. If you have any further thoughts or questions, please feel free to contact me. Have a great day!

7.2.2. Interview 2 – Respondent B

Researcher: Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time!

Interviewee: Of course, nice to meet you.

Researcher: Could you tell me a bit about yourself, like your age, where are you from and what you do?

Interviewee: I am 21 years old, and I am Romanian, but I study here in the Netherlands. I am third year student in Economics and next year I will do a master's in finance in Milan.

Researcher: Now I will ask you a few questions about the acquisitions, especially related to fashion industry. For some context, acquisition is when one company is bought by another company. Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

Interviewee: I usually see them as positive, because I think it brings value to the parent brand, and it can make it more interesting, especially in fashion.

Researcher: Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition?

Interviewee: Hmm, I am not sure, probably, but I did not know about it.

Researcher: Did or do you think it would the acquisition affects your perception or loyalty to the brand? How?

Interviewee: Mmm, no I do not think it will affect it. Because it is the product that I want, not always the brand that I am looking for in the product. If it comes with the change in quality or price, then it might impact me.

Researcher: When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?

Interviewee: I think it depends on different types of products. For fashion, I do think it matters, as most of products and brand are correlated in my mind. I believe that if it is a good brand, they do have a good quality so sometimes I am not checking the quality but simply trusting them. But I would also say that I would buy products that are good quality even if they do not have a brand name.

Researcher: Okay, I see. Do you think that a brand's acquisition changes the quality of its products? Why or why not?

Interviewee: Yes I do think so, because maybe there are some cases in which a company is struggling with maintaining a good profit margin, so if they are acquired with a more wealthy company, they might improve the quality as they might be helped with the money from the parent company.

Researcher: So you see the acquisition as a positive change in the quality of the products?

Interviewee: Yes, I think so.

Researcher: How important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

Interviewee: I think it is important to maintain its style but not everything, because it will be hard for the companies to keep everything as it was if they are acquired. Especially if they are trying to combine the products. And there are also changes happening at all time so it is really hard for the brand to be fresh by just using the same marketing strategy as also the people are changing. Different generations are attracted to different styles and products.

Researcher: How important do you think it is for companies to communicate with customers before and after an acquisition?

Interviewee: I think it is a good idea to do that, because you can see customers' reaction to the change so they can adjust their strategy and the way they are going to be seen in the market. Additionally, they can adjust how much they can change and what customers would like.

Researcher: Think about a fashion brand you like, and you would consider yourself a regular customer of... Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?

Interviewee: Yes, I would still buy from them if they would keep the same type of product they had and I liked, but not if they would change the same targeting segment.

Researcher: If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

Interviewee: It depends on the brand, but yes probably. I am thinking about the Inditex group, if they would acquire some other brands that are stand alone, the quality and the style would be highly influenced, so I think also how it would be presented in the market. So I think it can influence it.

Researcher: Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit. What are your thoughts on fashion brands being acquired by private equity firms compared to other types of entities (such as other fashion groups)? And why you think like that?

Interviewee: Maybe, I would not necessary look at it differently. If I would see major differences in the way they are selling their product, then I guess it would influence me, but not by only being the private equity company.

Researcher: Okay, that makes sense. Now we are going to talk a bit about the hypothetical scenarios. Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?

Interviewee: I would say some of the luxury influence would translate to Zara, as LVMH has the best designer. I might think the Zara's style might improve, even if it wouldn't necessary.

Researcher: Do you think prices would change?

Interviewee: Probably yes, because it is also a luxury brand. So, the prices might influence Zara's prices as well.

Researcher: Imagine a mid-range brand (such as Zara) gets acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?

Interviewee: I think the other way around. I think the quality would drop, cheaper material, so I think it would be less appealing to buy from them.

Researcher: What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

Interviewee: I think it is a down grade, because I think it's' style would be influenced by the acquisition. Additionally, it might also influence the target audience, as Zara is meant more for middle class people and then it might be that they might not see the Ralph Lauren as luxury brand anymore.

Researcher: How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?

Interviewee: I do not think it has influenced me, as I think the brands are more international and I feel like you do not know where the clothes are coming from and where have they been made. So I do not think it would influence me, no.

Researcher: Can you share any experiences where the origin of the acquiring company affected your reaction to an acquisition?

Interviewee: Actually, I do think it influences me, if you are checking. Maybe an example are, I think the old men are always checking for shoes if they are made in Italy or made in China.

Researcher: Would an acquisition impact your decision to purchase from a brand? Can you explain how?

Interviewee: Mostly it depends, but in general yes.

Researcher: Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

Interviewee: Mostly if the style changes a lot, I would not buy from the brand anymore.

Researcher: This was the last question. Do you have any additional thoughts or anything you would like to add?

Interviewee: No, not really. I liked you questions and have nothing else to say.

Researcher: Thank you very much for your time and insights. Your responses are very valuable for my research. If you have any further thoughts or questions, please feel free to contact me. Have a great day!

7.2.3. Interview 3 – Respondent C

Researcher: Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time!

Interviewee: Thank you for having me.

Researcher: Could you tell me a bit about yourself, like your age, where are you from and what you do study or work?

Interviewee: So, I am 18-year-old art student from Madrid, Spain, but I study in the Netherlands.

Researcher: Now I will ask you a few questions about the acquisitions, especially related to fashion industry. For some context, acquisition is when one company is bought by another company. Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

Interviewee: I think the acquirer brand is definitely stronger, and bigger and maybe with the acquisition it can affect the products and the values of the target company. Ummm.... The prices could possibly also change. I would also say that the target company loses on the brand image and a bit of value. Would the acquirer also take over the brand name?

Researcher: Not necessarily.

Interviewee: Okay, yes I do believe it could change and it could influence it positively.

Researcher: Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition? (examples)

Interviewee: I cannot think of one right now, as I might not know about the acquisitions really.

Researcher: Did (or do you think it would) the acquisition affects your perception or loyalty to the brand? How?

Interviewee: If I would like the brand and if the products would remain at least similar, and I would like it after the acquisition as well, and the prices would stay in the same range, then I guess it would not affect my loyalty. However, due to the student budget, changing the prices would change it a lot and also if the products would change drastically, especially if I would not like them anymore. Then of course I would not stay loyal to the brand, just because I like the brand.

Researcher: When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?

Interviewee: I do not care about the brand that much really.

Researcher: Can you recall a situation where you chose a product primarily because of the brand rather than the quality? What drove that decision?

Interviewee: Hmm brands I would say for shoes yes, probably. I prefer to buy, for example I got the New Balance Dad shoes, and I am sure I could find an alternative, which could be maybe just as good. Probably this happened because of the trends. I think especially with shoes, other items I do not buy just on the brand. Kinda similar I would do with the Adidas' sambas.

Researcher: okay, I see. Do you think that a brand's acquisition changes the quality of its products? Why or why not? You can also think about fashion industry...

Interviewee: I think it can of course. I think it can be better or worse. It can change for sure. When we are talking about the acquisition, I start thinking about the luxury groups and I do not think they changed a lot.

Researcher: How important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

Interviewee: I believe so, yes. It can even be better for the acquired company. If the consumers were buying from this brand before and were loyal to it, they most likely liked the price, quality or trends. So probably if it is acquired, the feeling towards the brands of the consumers will change, so it is important to keep the originality and the company's main values.

Researcher: How important do you think it is for companies to communicate with customers before and after an acquisition? (knowing more about the brand acquiring, or what, if anything, is going to change)

Interviewee: I think it is important, I guess. I would prefer it. I need to think how it would affect it... if some thing would change, I believe it is better to tell them so they are not surprised once they have already made the purchase and order the products and see the changes themselves. I believe this would bring more unsatisfaction, so communication that would kind of prevent that.

Researcher: Okay, great. Think about a fashion brand you like, and you would consider yourself a regular customer of. Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?

Interviewee: I think it depends on many factors, the ones I mentioned before. So, the price of course is the most important one, the quality of the products. If these would change I would of course think twice before purchasing. I am not the person who would purchase the brand just because of the brand image, I often think about other factors as well. There is not one brand I would buy no matter what.

Researcher: If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

Interviewee: No I do not think they would, but I do not know much about the luxury brands really.

Researcher: Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit. What are your thoughts on fashion brands being acquired by private equity firms compared to other types of entities (such as other fashion groups)? And why you think like that? (what do you think the differences would be)

Interviewee: I do not know, really... I think it would not influence me really that much. I think I would think again how it would influence me, how the price or quality would change. I think if the management would not be from fashion brand, then I guess it can have some effects in the long term. But just looking at private equity or fashion brands acquiring, it would not affect me or the perception of the brand.

Researcher: Okay, that makes sense. Now we are going to talk a bit about the hypothetical scenarios. Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?

Interviewee: I think Zara is already trying with its windows and trends is trying to reach towards the high-fashion brand, in my opinion. So maybe if it would be acquired, it would probably go even more in that luxury direction. About prices... I am not sure, but probably they would increase.

Researcher: What about quality?

Interviewee: I believe some stuff in Zara could be good quality, but some are really bad. Maybe LVMH could improve the quality of products, which would be good. But I really do not know.

Researcher: Imagine a mid-range brand (such as Zara) gets acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?

Interviewee: I think I have thoughts in my head saying me that the quality is decreasing drastically. I think I would go inside and try it out and see. Probably if I would see a few products with really bad quality, then I would be disappointed and not buy there again. I would not say it immediately, that I will not buy there, but definitely give it a chance. I would give them a chance to show me how the changes were made and how it changed.

Researcher: What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

Interviewee: I do not know. I think my thoughts are saying that the prices would drop haha. I guess it depends on how it would influence it. But I would think it would be more approachable to bigger crowds. I guess I would go and check it out, as for now with student budget it is not the store I shop at, but I would definitely be curious to see how it changed if it did.

Researcher: How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?

Interviewee: I do not think I would know where the company is from. There are stereotypes that are influencing it. I guess if it were from China, I would be more careful while buying. From China I kind of have a thought, that if I buy something and if it is not bad, I often think, oh of course, I am not surprised. However, I would not have the same thoughts from Italy, for example. I would give the products another chance even if the products might have been bad. I guess this are kind of double standards, as it is just stereotypical of me, but yes.

Researcher: Can you share any experiences where the origin of the acquiring company affected your reaction to an acquisition?

Interviewee: Yes, for sure. Shein, the Chinese fashion manufacturer. If I order from there and it's not good, I am not surprised as I think of it pretty badly. So yes for sure it influenced me before.

Researcher: Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

Interviewee: Well of course, if the price really increases, I cannot afford it, so I will stop buying from the store. I really try to think that it is a good quality for good price. Now if I really knew that the quality is bad, I do not think it makes sense to buy it, even if the price would be really low. So probably both would play a big role at it.

Researcher: Do you have any additional thoughts or anything you would like to add?

Interviewee: Not really, I think I mentioned it all.

Researcher: Thank you very much for your time and insights. Your responses are very valuable for my research. If you have any further thoughts or questions, please feel free to contact me. Have a great day!

Interviewee: You are welcome.

7.2.4. Interview 4 – Respondent D

Researcher: Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time!

Interviewee: Thank you for having me.

Researcher: Could you tell me a bit about yourself, like your age, where are you from and what you do (study, work)?

Interviewee: I am a 56 years-old woman, working as a dressmaker and seamstress. I live in the Netherlands as I married a Dutch man, but I am Slovenian, where I also grew up.

Researcher: Now I will ask you a few questions about the acquisitions, especially related to fashion industry. For some context, acquisition is when one company is bought by another company. Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

Interviewee: If it is going to get better, I do not mind. However, if they only buy it just to make profit, I might not be very happy with it.

Researcher: Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition? (examples)

Interviewee: Yes, our local town's juice factory. It was acquired by a major beer company and the whole town was very affected by it and we were a bit disappointed.

Researcher: Do you think the quality of the products went down?

Interviewee: Not really, but they let go of a lot of stuff. For example, before they were buying the fruits from the local farmers, and after the acquisition this stopped, and they were buying cheaper fruits from elsewhere.

Researcher: Did (or do you think it would) the acquisition affects your perception or loyalty to the brand? How?

Interviewee: Yes, we thought they made use of it as it was really well valued before. So after the acquisition it was worse off.

Researcher: When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?

Interviewee: In the past it used to mean that the luxury brands meant quality. However, now, especially because I am a seamstress, I can tell that the luxury brands are usually outsourcing and I can tell that the material and the quality is not as good as it used to be. So for me the quality is still the number one priority.

Researcher: Can you think of an example?

Interviewee: I was looking at Armani and Max Mara and I could tell they use a lot of non-natural materials, so it is cheaper for them to make it and as it goes to quality of sews is not the greatest.

Researcher: Can you recall a situation where you chose a product primarily because of the brand rather than the quality? What drove that decision?

Interviewee: Not really, I really try to pay a lot of attention to quality. I can tell a story, when my husband wanted to buy a suit from a luxury brand, but it was not made perfectly, and there were some mistakes. He thought that he can just get it fixed, but I believe for the money you are paying, it should have been perfect.

Researcher: okay, I see. Do you think that a brand's acquisition changes the quality of its products? Why or why not? (think about the fashion industry)

Interviewee: Yes definitely, I believe the quality can change.

Researcher: How important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

Interviewee: I believe it depends on the company acquiring and its intentions. For example, there are some examples of fashion brands, it sometimes turned out to be better, as they updated the designs, made it more fashionable, trendy and better in quality. But of course, we know of examples when this is not the case.

Researcher: How important do you think it is for companies to communicate with customers before and after an acquisition? (knowing more about the brand acquiring, or what, if anything, is going to change)

Interviewee: I think the company takes care of it, and I do not think the companies normally think about customers in such cases.

Researcher: But if you are thinking from your perspective...

Interviewee: Oh well, I believe us as customers do not have a lot of influence on it. I feel like they could have asked but it is hard for them to take the customers into the account.

Researcher: Think about a fashion brand you like, and you would consider yourself a regular customer of... Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?

Interviewee: Yes, if there would not be drastic changes or very positive changes, I would not mind it at all.

Researcher: If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

Interviewee: If this luxury brand is acquired, and it differs from its original values and designs, it can become a completely different brand, which differs from its purpose.

Researcher: Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit. What are your thoughts on fashion brands being acquired by private equity firms compared to other types of entities (such as other fashion groups)? And why you think like that? (what do you think the differences would be)

Interviewee: Oh, I do not know much about it really. I do not know it could be better or it could be worse. So, it can generate value or it can all sink all together. But I can imagine that the good management of a private equity acquirer can still lead the fashion brand well. However, if the acquirer has a negative brand image, then I would not like it.

Researcher: Okay, that makes sense. Now we are going to talk a bit about the hypothetical scenarios. Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?

Interviewee: So Zara is kind of fast fashion, meaning if LVMH would acquire Zara it could be that they want to invest into a budget friendly store, which could be good. On the other hand, they could destroy Zara, which is a fast fashion company and creates a lot of pollution. Maybe they would want it as an investment as Zara is doing pretty well as a store. I could imagine that if LVMH would really acquired, the prices would increase by a lot and the demand would fall. The quality might change and increase, but then the high price would be justified.

Researcher: Imagine a mid-range brand (such as Zara) gets acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?

Interviewee: I believe the quality would fall drastically. The prices might have also fall a bit, but the prices are already quite low.

Researcher: Would you still consider buying in such store then?

Interviewee: No, not really, as I look at the quality of the products that I am purchasing.

Researcher: What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

Interviewee: I do not think this could happen, but if it could, I believe the quality would drop. I would probably not like it. I guess it depends if it would change, however I would wait and see what actually change and decide after the changes have been made, if the quality really changed.

Researcher: How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?

Interviewee: So from my perspective, in Slovenia, Croatian take a lot of the companies, and they are losing the national brands and its image. And a lot of people are not happy with such scenarios. I believe if the acquirers are good companies with decent management, I am not sceptical.

Researcher: Can you share any experiences where the origin of the acquiring company affected your reaction to an acquisition?

Interviewee: I can tell you an example of an old Slovenian clothing brand, Mura. It was acquired by a foreign company, and it was closed down soon after. Which also made the feeling towards acquisitions a bit sceptical.

Researcher: Now if you try to think about the country the company is from...

Interviewee: Well it is kind of a known belief that if Chinese companies would buy it, the quality might not be the greatest, nor the practices. Also they normally make a lot of fast fashion, not something I am a fan of. On the other hand, if Italian, who have a great reputation in the fashion industry would acquire it, I might be optimistic about it.

Researcher: Would an acquisition impact your decision to purchase from a brand? Can you explain how?

Interviewee: Yes, it would, but I would still wait and see the actual changes, as I cannot know before the acquisition and see the actual changes in the products.

Researcher: Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

Interviewee: If the quality would be drastically worse then of course I would not consider buying from the company anymore.

Researcher: Do you have any additional thoughts or anything you would like to add?

Interviewee: No, not really.

Researcher: Thank you very much for your time and insights. Your responses are very valuable for my research. If you have any further thoughts or questions, please feel free to contact me. Have a great day!

Interviewee: Thank you!

7.2.5. Interview 5 – Respondent E

Researcher: Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time!

Interviewee: Hello Uršula, it's nice to meet you. I'm happy to help with your research. Let's get started.

Researcher: Could you tell me a bit about yourself, like your age, where are you from and what you do (study, work)?

Interviewee: I'm 30 years old, originally from France. I work in sales department for a consulting company. My background is in psychology.

Researcher: Now I will ask you a few questions about the acquisitions, especially related to fashion industry. For some context, acquisition is when one company is bought by another company. Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

Interviewee: When I hear about one brand acquiring another, the first thing that comes to mind is the potential for change, both good and bad. Acquisitions can bring in new resources, ideas, and improvements, but they can also lead to the loss of what made the acquired brand unique. I generally see acquisitions as a mixed bag. They can be positive if handled well, focusing on integrating strengths from both companies. However, they can be negative if the acquisition leads to a homogenized, less innovative brand.

Researcher: Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition?

Interviewee: Yes, when I was living in the US for a while I have been a customer of a Whole Foods which was then acquired by Amazon. Initially, I was sceptical because I valued Whole Foods for its unique products and customer service, which I feared might change. Over time, I noticed some changes in pricing and product availability, which influenced my shopping habits. While some changes were beneficial, like lower prices on certain items, I felt that some of the specialty products I loved were no longer as prominent.

Researcher: Did (or do you think it would) the acquisition affect your perception or loyalty to the brand? How?

Interviewee: The acquisition did affect my perception and loyalty. I became more cautious and observant of the changes. While I didn't stop shopping there entirely, I became less loyal and more willing to explore other options for specialty products.

Researcher: When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?

Interviewee: When making purchasing decisions, the quality of the product is usually more important to me than the brand. However, the brand can be a significant factor if it signifies a certain level of quality or ethical standards. For example, I prefer buying from Patagonia because I trust their commitment to environmental sustainability and quality.

Researcher: Can you recall a situation where you chose a product primarily because of the brand rather than the quality? What drove that decision?

Interviewee: Yes, I can recall a situation where I chose a product primarily because of the brand rather than the quality. I bought a pair of Nike sneakers mainly because of the brand's reputation for stylish and comfortable athletic wear, even though there were other cheaper options with comparable quality. The brand's image and my positive past experiences drove that decision.

Researcher: Do you think that a brand's acquisition changes the quality of its products? Why or why not? (think about the fashion industry)

Interviewee: I do think that a brand's acquisition can change the quality of its products. For instance, if the acquiring company prioritizes cost-cutting over quality, it can lead to a decline in product standards. However, if the focus is on leveraging synergies and improving product offerings, the quality might improve.

Researcher: How important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

Interviewee: It's very important to me that a brand maintains its originality and uniqueness after an acquisition. The core values and identity of a brand are what make it special and different from competitors. Losing that uniqueness can alienate loyal customers and diminish the brand's value.

Researcher: How important do you think it is for companies to communicate with customers before and after an acquisition? (knowing more about the brand acquiring, or what, if anything, is going to change)

Interviewee: I believe it's crucial for companies to communicate with customers before and after an acquisition. Transparency about the changes, the reasons behind the acquisition, and how it will benefit customers helps in maintaining trust and loyalty. Knowing more about the acquiring brand and what will change can alleviate concerns and manage customer expectations.

Researcher: Think about a fashion brand you like, and you would consider yourself a regular customer of... Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?

Interviewee: I would continue to purchase from a brand if it were acquired by a larger company, provided that the acquisition doesn't negatively impact the quality or values of the brand. For example, if the service and products remain consistent or improve, I wouldn't mind the change in ownership.

Researcher: If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

Interviewee: If I were purchasing from luxury brands, my loyalty might change if an individual brand was acquired by a major luxury conglomerate. It would depend on how the acquisition impacts the brand's exclusivity and quality. If the brand starts to feel less unique or compromises on quality, my loyalty would likely decrease.

Researcher: Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit. What are your thoughts on fashion brands being acquired by

private equity firms compared to other types of entities (such as other fashion groups)? And why you think like that?

Interviewee: I have mixed feelings about fashion brands being acquired by private equity firms. On one hand, private equity firms often bring in the necessary capital and management expertise to grow the brand. On the other hand, their focus on profitability might lead to cost-cutting measures that could affect quality and customer experience. Compared to other fashion groups, private equity firms might prioritize financial returns over brand heritage and values.

Researcher: Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?

Interviewee: If a mid-range brand like Zara were acquired by a major luxury French brand like LVMH, I would be curious to see how it affects the brand. It might elevate Zara's product quality and design, but there is also a risk that it could lose its affordability and accessibility, which are key aspects of its appeal.

Researcher: Imagine a mid-range brand (such as Zara) gets acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?

Interviewee: If a mid-range brand like Zara were acquired by a lower-tier brand like Shein, I would likely view it negatively. I might worry about a decline in product quality and ethical standards, given Shein's reputation for fast fashion and associated issues.

Researcher: What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

Interviewee: If a luxury brand like Ralph Lauren were acquired by a lower-tier brand like Shein or Zara, I would be concerned about the impact on its quality and exclusivity. It might make me less inclined to purchase from Ralph Lauren, as I associate luxury brands with a certain standard that I wouldn't want to see compromised.

Researcher: How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?

Interviewee: The origin of an acquiring company does influence my perception of the acquisition. Companies with strong reputations for quality and ethical practices tend to make acquisitions seem more promising. Conversely, if the acquiring company has a poor reputation, it can raise concerns about the future of the acquired brand.

Researcher: Can you share any experiences where the origin of the acquiring company affected your reaction to an acquisition?

Interviewee: I remember when Nestlé acquired Blue Bottle Coffee. Nestlé's mixed reputation made me apprehensive about how it would affect Blue Bottle's commitment to quality and ethical sourcing. This influenced my initial reaction, although I continued to support Blue Bottle as I observed no immediate negative changes.

Researcher: Would an acquisition impact your decision to purchase from a brand? Can you explain how?

Interviewee: An acquisition can impact my decision to purchase from a brand, especially if the new ownership changes the brand's values, quality, or customer service. For example, if a brand I love becomes less reliable or aligns with practices I don't support, I might stop buying from them.

Researcher: Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

Interviewee: Specific factors that would make me stop buying from a brand after an acquisition... Hmm, maybe a noticeable drop in product quality, a shift away from ethical practices, poor customer service, and loss of the brand's unique identity.

Researcher: Do you have any additional thoughts or anything you would like to add?

Interviewee: Overall, acquisitions in the fashion industry can be a double-edged sword. They can bring about positive changes and growth, but also pose risks to brand identity and quality. Transparency and maintaining core values are key to retaining customer trust and loyalty. Thank you for the opportunity to share my thoughts, Uršula.

Researcher: Thank you very much for your time and insights. Your responses are very valuable for my research. If you have any further thoughts or questions, please feel free to contact me. Have a great day!

Interviewee: Thank you, Uršula. Good luck with your thesis!

7.2.6. Interview 6 – Respondent F

Researcher: Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time! Could you tell me a bit about yourself, like your age, where are you from and what you do (study, work)?

Interviewee: I am 21 years old, and I am originally from Germany. I am doing my bachelor's in law in Rotterdam for the last 3 years.

Researcher: Now I will ask you a few questions about the acquisitions, especially related to fashion industry. For some context, acquisition is when one company is bought by another company. Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

Interviewee: I feel like it depends on the brand a lot and of course also about the sector in which the acquisition takes place. Sometimes when it's like a big brand acquiring small target brand then you see the influence and everything. But if it's just like a brand that you do not know even if it gets acquired by a really big firm I feel like people don't even care or people don't feel it. But if it's a brand that you know well and that you really like is being acquired, then it is really noticeable.

Researcher: Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition?

Interviewee: Amm well I am using Instagram which was acquired by Facebook. I also know Gillette was acquired by P&G and I am still using Gillette. Also Mini was acquired by BMW, however I am not a user. But for sure Instagram comes to my mind first.

Researcher: Did you think that this acquisition affects your perception or loyalty to the brand? How?

Interviewee: For Instagram I must say that there was a difference. For Facebook everyone had privacy concerns that your data was shared all over. When I was younger it was quite a big thing. I was using Instagram because everyone else was using it and then it was acquired and then I was thinking all my data will be shared with Facebook. Because of peer pressure I did not stop using Instagram, however it did affect me for some time, as I still had privacy concerns. With Gillette I did not really care, as the name is still there, and the quality did not change. I feel like that product is not that important to me.

Researcher: When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?

Interviewee: I think in fashion industry it really depends on the product. If you have this everyday product, and you are just getting basic affordable products, I am just getting best quality for the price. However, for purses I do think the brand play a significant role, while for shoes for example it is not important. I think bags and purse I care the most about for the brand. For luxury I believe the brand is really important but then also the quality is higher.

Researcher: So when it came to purses, did you chose a product primarily because of the brand rather than the quality? What drove that decision?

Interviewee: Not just the brand, because there is also a factor of design and everything. But let's say that for this higher price products, the brand plays a leading role. As there is also like a status symbol let's say. I mean I do not have a lot of super luxury brands, but I do have Michael Kors, Ted Baker or Valentino. But of course, there the brands play a major role and it comes to quality too. I have these bags for a long time and they are still good, while if I buy from Bershka, then I have to throw it away after a few years.

Researcher: So you associate the brand with the quality?

Interviewee: Yes, I would say so.

Researcher: Do you think that a brand's acquisition changes the quality of its products? Why or why not?

Interviewee: Yes, because I think that acquisitions are really important. It brings the spillover effect of technology and knowledge. I feel like if the brand is struggling with poor management and they cannot get the right quality and then the new management can maybe help improve the quality and innovation, so it can be more profitable as well. As I do feel like this is the main goal of the acquirer.

Researcher: How important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

Interviewee: Mm, yes, if the brand was successful through its brand image before. Sometimes the brand image was associated with lack of quality, then if they get acquired, then they can change the brand image. If for example, they have already a good brand image, then they should stick with the brand image and keep the originality.

Researcher: How important do you think it is for companies to communicate with customers before and after an acquisition? (knowing more about the brand acquiring, or what, if anything, is going to change)

Interviewee: Yes, I think that it is super important. I can give an example from the bank, where Credite Suisse was taking over and it was speaking of the merger and UBS was speaking of an acquisition. I believe the communication needs to be consistent with both companies, so it is clear to customers. I believe customer loyalty is super important for the brand. Of course, it depends on the segment, but for fashion industry the people would switch easily as there are many alternatives. So, if you communicate clearly and state the reasons and what is going to be improved, it makes it clear for the customers. The miscommunication can lead to customer churn.

Researcher: So, for example, if the company would not communicate with customers and there would be big changes, how would you feel towards the brands afterwards?

Interviewee: I would kind of feel betrayed, because you trust the brand, especially if you are a loyal customer. I feel like I care about the brand, the quality and the reputation. So, if there are changes and they are not communicated, you feel left out and it is kind of a thing you should care for your customers.

Researcher: Think about a fashion brand you like, and you would consider yourself a regular customer of... Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?

Interviewee: I would say it really depends on the company acquiring. I would say at first there is a lot of scepticism. Because you choose a brand, if it is a big brand acquired by a big brand, then I would not care. However, if there is a small brand that I am a regular customer from, and I have a specific reason I like

shopping for, and if this reason would disappear after the acquisition, I would not be happy. So I would probably be sceptical and would look into the acquisition and who the acquirer is.

Researcher: If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

Interviewee: I think that it highly depends on what other people think. Because this products, some of them are investments, especially if they were not acquired they can keep the reputation. I feel like the uniqueness disappears when they are acquired. And the value probably drops a bit. If I was a customer, I would still purchase it, but the value for me would decrease.

Researcher: And you think the same would happen if the mid-range brand would be acquired by a mid-range umbrella brand?

Interviewee: No, I do not think I would care for the mid-range brands. I do not care that much for this everyday brands. If it is a luxury brand, I care because there is a specific value for the brand or if there is a smaller brand, I also care more and associate certain value to it. Not because of the price but maybe because the quality and the hand crafts. But for this fast fashion brands, I do not care.

Researcher: Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit. What are your thoughts on fashion brands being acquired by private equity firms compared to other types of entities (such as other fashion groups)? And why you think like that? (what do you think the differences would be)

Interviewee: I think then I would be more positive towards the acquisition I guess...

Researcher: Okay, could you explain why?

Interviewee: I do not know hah.. Hmm good question. I guess there would not be a stereotype that they would drive the company out of the market and they might invest more money as they want to make a profit.

Researcher: Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?

Interviewee: For me Zara is just not that special. So, I would not really care much, as I do not go there often and if I do, I do not really care about Zara as a brand. I know a lot of girls my age care a lot and are regular customer, but I am really not.

Researcher: Just think about any mid-range brand in general...

Interviewee: Oh, but still I would not care that much. It would probably affect me a bit more, but I would still purchase it.

Researcher: Imagine a mid-range brand (such as Zara) get acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?

Interviewee: I must say I do not purchase anything from this low-quality Chinese brands. If then a mid-range would get acquired, I would not buy from it anymore. Because with Shein, every product has had bad conditions to it, such as child labour. The prices are so cheap that can just be justified with really bad working conditions and it would make an impact for me.

Researcher: What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

Interviewee: Well then it loses a lot. Especially, luxury has a history, heritage and status. I will say it completely disappears if it gets acquired. Of course, the quality would probably go down. I must say, I am a customer, and in luxury segment you pay for the brand, also the quality, but more for the status. I then would probably say the quality would go down and it would impact me.

Researcher: How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?

Interviewee: Yes, yes.

Researcher: Can you share any experiences where the origin of the acquiring company affected your reaction to an acquisition?

Interviewee: Uf, no I cannot think of anything right now, sorry.

Researcher: That is okay. We can move on. Would an acquisition impact your decision to purchase from a brand? Can you explain how?

Interviewee: Yes.

Researcher: Can you explain how?

Interviewee: Especially, if the acquiring brand has bad reputation, such as child labour, or low paid salaries or something similar. Then, yes of course. But it can also benefit. If I am a regular customer and I am not satisfied with the quality and it gets acquired by a company that has a really high reputation and high social responsibility, then it would lead me to continue to purchase this brand if I was on the way to switch. It would make me stay more. It can go in both directions I would say.

Researcher: Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

Interviewee: Yes. If the quality decreases rapidly or social corporate responsibility has become more important, so normally brands care a lot, so if they do not then it is kind of bad and it would affect me.

Researcher: Great, that was the last question. Do you have any additional thoughts or anything you would like to add?

Interviewee: Not really, I am good. Thank you very much.

Researcher: Thank you very much for your time. Have a great day!

7.2.7. Interview 7 – Respondent G

Researcher: Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time!

Interviewee: Thank you for having me.

Researcher: Could you tell me a bit about yourself, like your age, where you are from and what you do (study, work)?

Interviewee: Sure, I'm a 28-year-old woman from Amsterdam, and I work as a marketing manager for a tech company.

Researcher: Now I will ask you a few questions about the acquisitions, especially related to the fashion industry. For some context, acquisition is when one company is bought by another company. Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

Interviewee: When I hear about one brand acquiring another, I think about potential changes in the brand's identity and product quality. I generally feel neutral about acquisitions; they can be positive if they bring improvements, but negative if they dilute the brand's uniqueness.

Researcher: Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition?

Interviewee: Yes, I was a customer of a cosmetics brand that was acquired by a larger conglomerate. Initially, I was sceptical, but over time I noticed that the product quality remained consistent, which made me feel more comfortable with the acquisition.

Researcher: Do you think the quality of the products went down?

Interviewee: Not really. In my experience, the quality stayed the same, and sometimes there were even improvements in packaging and availability.

Researcher: Did (or do you think it would) the acquisition affect your perception or loyalty to the brand? How?

Interviewee: Yes, initially I was worried, but as I saw that the brand maintained its standards, my loyalty remained. However, if the quality had dropped, I might have reconsidered my loyalty.

Researcher: When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?

Interviewee: Quality is slightly more important to me than the brand. For example, I often choose products from lesser-known brands if they have better quality, like preferring an unknown organic skincare product over a famous but less effective one.

Researcher: Can you recall a situation where you chose a product primarily because of the brand rather than the quality? What drove that decision?

Interviewee: Yes, I once bought a designer handbag mainly because of the brand. The brand's reputation and status symbol were the main drivers, even though there were other bags with similar or better quality.

Researcher: Okay, great. Do you think that a brand's acquisition changes the quality of its products? Why or why not? (Think about the fashion industry)

Interviewee: Yes, it can. Acquisitions might bring better resources and improved production techniques, but they can also lead to cost-cutting measures that might compromise quality.

Researcher: How important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

Interviewee: I believe it is very important. A brand's originality and core values are what make it stand out. Losing that can make it blend into the generic market, which would make me less interested in it.

Researcher: How important do you think it is for companies to communicate with customers before and after an acquisition? (knowing more about the brand acquiring, or what, if anything, is going to change)

Interviewee: I think it is crucial. Clear communication helps in managing customer expectations and maintaining trust. It can also ease customer concerns about potential changes in quality or values.

Researcher: Think about a fashion brand you like, and you would consider yourself a regular customer of... Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?

Interviewee: Yes, I would continue to purchase from the brand as long as the quality and values remained intact. If I noticed significant negative changes, I might reconsider my loyalty.

Researcher: If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

Interviewee: If the acquisition maintained or enhanced the brand's exclusivity and quality, my loyalty would likely remain. However, if it became more commercialized and lost its unique appeal, my loyalty might decrease.

Researcher: Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit. What are your thoughts on fashion brands being acquired by private equity firms compared to other types of entities (such as other fashion groups)? And why do you think like that? (what do you think the differences would be)

Interviewee: Private equity firms might focus more on financial returns and cost-cutting, which could affect product quality and brand values. Other fashion groups might better understand the industry and maintain the brand's integrity while integrating it into their portfolio.

Researcher: Okay, that makes sense. Now we are going to talk a bit about hypothetical scenarios. Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?

Interviewee: I would expect a potential improvement in quality and design, given LVMH's reputation. However, I might also worry about price increases that could make the brand less accessible.

Researcher: Imagine a mid-range brand (such as Zara) gets acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?

Interviewee: I would be concerned about a possible drop in quality and ethical standards, given Shein's reputation. This might make me hesitant to continue purchasing from the brand.

Researcher: Would you still consider buying in such a store then?

Interviewee: No, I would likely look for alternatives if I perceived a significant drop in quality or ethical standards.

Researcher: What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

Interviewee: I would be quite sceptical and probably lose trust in the luxury brand. I would worry that the luxury brand's quality and exclusivity would diminish.

Researcher: How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?

Interviewee: The origin of the company can influence my perception, especially regarding quality standards and ethical practices. For instance, I might trust a European acquirer more than one from a country known for lower standards.

Researcher: Can you share any experiences where the origin of the acquiring company affected your reaction to an acquisition?

Interviewee: No not at the moment, sorry.

Researcher: Now if you think about the country the company is from, does it impact your perception in any other ways?

Interviewee: Yes, it can. I associate certain countries with better craftsmanship, ethical practices, and quality, which can positively influence my perception of the acquisition.

Researcher: Would an acquisition impact your decision to purchase from a brand? Can you explain how?

Interviewee: Yes, it would. If the acquisition led to negative changes in quality, ethics, or brand values, I would likely stop purchasing from that brand. Positive changes could reinforce my loyalty.

Researcher: Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

Interviewee: If there was a noticeable drop in product quality, ethical standards, or if the brand lost its unique identity, I would likely stop buying from it.

Researcher: Do you have any additional thoughts or anything you would like to add?

Interviewee: No, not really.

Researcher: Thank you very much for your time and insights. Your responses are very valuable for my research. If you have any further thoughts or questions, please feel free to contact me. Have a great day!

Interviewee: Thank you!

7.2.8. Interview 8 – Respondent H

Researcher: Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time! Could you tell me a bit about yourself, like your age, where are you from and what you do (study, work)?

Interviewee: I am 21 years old from France and I study Communication and Media in Rotterdam.

Researcher: Now I will ask you a few questions about the acquisitions, especially related to fashion industry. For some context, acquisition is when one company is bought by another company. Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

Interviewee: If I am honest, this is not something I am aware of. I tend to go to the same store all the time and just base my opinion on the actual products and not anything corporate related. I just realised that Monki is the sub brand of H&M. I do not see why it would be a negative thing. When you have this companies that have the money to buy other things, it is fine. I think the only problem is when you lose the sense of the boutiques and smaller shops, because everything ends up under the same umbrella and then everything becomes the same. That I would see as negative. I think for me it is kind of normal, as it is not just in fashion but in every industry.

Researcher: Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition? (examples)

Interviewee: I do not know; I do shop at Monki which was acquired by H&M so I do not know really. I shop at places like Zara and I am not sure if they are more being acquired or are the acquirer. So mostly I would say I shop at the bigger brands.

Researcher: What if you think about other than fashion industry...

Interviewee: With social media, with Facebook owning Instagram and WhatsApp. I do know about those. But I used them pre and after the acquisitions. But overall, I did not see many differences and it did not affect me. But I do notice that if one app has problems it tends to spill over to other apps as well. There has been a few times in the past, since the acquisition, where there were world wide clashes and the apps were unusable for the whole day. I mean they are not the big deal, but maybe some would see it as negative. I would say the average person would not care about it.

Researcher: Did such acquisitions could affect your perception or loyalty to the brand? How?

Interviewee: Maybe, yes. If I really like a big brand, and they acquire another one, then maybe it was incentives me to shop at the smaller shop which normally I do not think before. So if Zara acquires a bunch of shops I did not know before, and I would be curious to shop at after. Especially to see the differences in prices and products. But generally, I would say no, not really.

Researcher: When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?

Interviewee: Good question. The answer I would like to say is that I do care about the brand, in terms of who is making the clothes that I am wearing and environmental stuff, and I want to pay more attention to that. However, as I student, who does not have enough money, I shop at the stores that offer kind of a good quality and affordable prices. I can say with Zara, I am loyal because the quality is good and the clothes fit me well. I do not know for sure how Zara is as a company. I do not dig too deep. However, I do see Made in Bangladesh, which is not a good sign. Because I am assuming it is probably kids making my clothes. However, I unfortunately I will keep buying because of practicality and quality vs price is the best option for me.

Researcher: Can you recall a situation where you chose a product primarily because of the brand rather than the quality? What drove that decision?

Interviewee: Yes, my mum did not allow me to buy from H&M for like five to six years of my life, because there have been some scandal where the company has pushed the limit of human rights. The brand itself was not doing well with the brand reputation. She said we can buy from wherever, but not really from there. Even, if we had no problem with the quality or whatever.

Researcher: Do you think that a brand's acquisition changes the quality of its products?

Interviewee: Yes, I think so. If you have a company that wants to be acquired it is normally already have troubles with money. I assume the acquisition from a bigger company, would get more money and that company would want to improve the quality. I would assume so, yes. The acquirer wants to make the company as good as the acquirer.

Researcher: Okay. And how important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

Interviewee: I think it is important, because I do not like to see the brands that have all the same products, with the same trends, colours... so I do think it is important to keep an originality. I also think it is good for the acquirer to have the variety as this way they can reach more people. Also to get away from communality where everything looks the same and it is important to have a variety. Everyone can then find something in that bigger brand.

Researcher: How important do you think it is for companies to communicate with customers before and after an acquisition? (knowing more about the brand acquiring, or what, if anything, is going to change)

Interviewee: Yes, I think so. I think it is really important to have an open conversation with the costumers. If things are going to change, then it is better to ease the customers into it and not just change everything over night. Also if you are loyal to the brand, there is a reason for it. And if there is a reason, you would want it to stay. If they would have to change it is better to talk about it and customers would probably want to know that they would get acquired and know what the situation is. So for example, "Hey, we have been acquired, but we are not going to change, or we are, but we are keeping the style and values". So, yes I would say it is important.

Researcher: Think about a fashion brand you like, and you would consider yourself a regular customer of... Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?

Interviewee: Yes and no. There are two scenarios, I think. If this brand does not change too much, then I would continue buying from it. If it is working for me, I would not change it. The situation when I would not, is if the acquirer, which is a big brand, decides to change everything, prices, trends... and I would not recognise the brand anymore. That would make me stop buying it. But just the mere fact of being acquired would not influence me.

Researcher: Makes sense. If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

Interviewee: No, I do not think so. I do not pay too much attention to the brand itself, to have my choices be decided by a brand. I can see why there would be changes because of the principle. You can think they are just wanting to make more money. You do not let yourself be acquired for nothing, there are financial or popularity reasons. I would say why for some people it would be falling under this kind of big conglomerate that are just throwing money at it. But forget to think about the customers. However, I do not think I am such a customer. I feel like company can do whatever they want, just if they keep the prices and products are still fine for me, and I will keep shopping there.

Researcher: Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit. What are your thoughts on fashion brands being acquired by private equity firms compared to other types of entities (such as other fashion groups)? And why you think like that? (what do you think the differences would be)

Interviewee: Initial reaction, no. My care for what happens to the company in that sense is not strong enough. The difference when private equity is the acquirer, then that can have a different effect. Or maybe not. I am not sure if the company is more likely to change with the acquirer being in the industry or not. So I do not know how to really answer this question. I would say depending on how the brand changes and how it communicates it.

Researcher: Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?

Interviewee: My opinion would change a lot. There is no chance that if it is acquired by LVMH to not change to similar LVMH companies. In my head, this mid-range companies, have more down to earth mentality for more like normal or average people. So if they are acquired by a luxury brand, then the mentality might switch to more upper class people, so I might not shop there anymore

Researcher: So would you think the prices would increase?

Interviewee: I would think so. With this luxury companies, they thrive on the fact that they have this luxury side to them so this mid-range brand would not fit in the profile, where they would try to make it at least more luxury. We actually had a class at university and this brands are there to make people aware that people can realise there are some things that you can afford and some that could not. I think something would have to change.

Researcher: Imagine a mid-range brand (such as Zara) get acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?

Interviewee: I think it would affect it negatively. So kind of the same thing but contrary. It would be fast-fashion but cheaper companies, the way they produce their products it is terrible. It is children working for free. If a lower-tier brand can afford a mid-range Zara, then they might switch to their production means. Probably already Zara today has bad production conditions, but then it would be even worse. So very negatively I would say.

Researcher: What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

Interviewee: Interesting... I feel like I would not see it as luxury as I see it now. I might see it as common people brand now, as opposed to only a few can afford. I feel like it would change in that way. There are categories, the luxury, the average and cheaper stuff. So when you have one move to another, the view of it would change.

Researcher: How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?

Interviewee: Probably, or I do not know. I am not sure if the origin of the company itself would impact it. You would think if a Chinese company would acquire European companies it would make a difference. But then again, so many things are made in China, so maybe it would not impact it.

Researcher: Can you think of any experiences where the origin of the acquiring company affected your reaction to an acquisition?

Interviewee: The only time that origin affects the purchase of the product, is the origin is where it is made. So, for example, made in Bangladesh on my t-shirt.

Researcher: Would a general acquisition impact your decision to purchase from a brand? Can you explain how?

Interviewee: In general, no for me. It is not my ranking of thing that make me purchase.

Researcher: Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

Interviewee: Yes, probably. If there is a major scandal with the acquirer company. Such as human rights laws, intense environmental stuff or anything similar. But it would have to be a scandal that would make the news and I would see it. So that would probably influence me and I might at least boycott it for a little because I am still a student and I still need to buy clothes.

Researcher: Do you have any additional thoughts or anything you would like to add?

Interviewee: I do not actually, thanks!

Researcher: Thank you very much for your time and inputs. It really means a lot to me! Enjoy the rest of the day!

7.2.9. Interview 9 – Respondent I

Researcher: Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time! Could you tell me a bit about yourself, like your age, where are you from and what you do (study, work)?

Interviewee: Sure, I am a 55-year-old, and I am a mechanical engineer. I run my own company specialized in paper industry.

Researcher: Now I will ask you a few questions about the acquisitions, especially related to fashion industry. For some context, acquisition is when one company is bought by another company. Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

Interviewee: It depends on who acquires it. It could be a good thing or a bad thing, meaning the quality can decrease.

Researcher: Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition? (examples)

Interviewee: I have a company and one of the suppliers were acquired. For now, we do not see the difference, but we are expecting that the market for us could expand, and it could be a positive thing.

Researcher: Did (or do you think it would) the acquisition affects your perception or loyalty to the brand?

Interviewee: Mm, not I do not feel like it did really. But I could understand why it would.

Researcher: When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?

Interviewee: I always think about quality, so I would say quality is the most important for me.

Researcher: Can you recall a situation where you chose a product primarily because of the brand rather than the quality? What drove that decision?

Interviewee: Sometimes yes, when it comes to fashion, I guess we all kind of look for brands. I would say, however, say that even when I shop for brands, I look for the quality of the products and not blindly trust them.

Researcher: Do you think that a brand's acquisition changes the quality of its products? Why or why not?

Interviewee: Yes, it can impact it positively or negatively. It depends on what the acquirer wants, to improve quality or increase the market. It depends on the management of the company.

Researcher: How important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

Interviewee: Very important, because it was acquired beforehand for that specific product. And that is why I was purchasing it.

Researcher: How important do you think it is for companies to communicate with customers before and after an acquisition? (knowing more about the brand acquiring, or what, if anything, is going to change)

Interviewee: Of course, I think it is important, they should send a message for loyal customers and that they would keep the tradition with the support of another company.

Researcher: Think about a fashion brand you like, and you would consider yourself a regular customer of... Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?

Interviewee: Yes, I would still buy from it without thinking about it.

Researcher: If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

Interviewee: Yes, I would still buy from it without thinking about it. I trust in the management of the umbrella companies.

Researcher: Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit. What are your thoughts on fashion brands being acquired by private equity firms compared to other types of entities (such as other fashion groups)? And why you think like that? (what do you think the differences would be)

Interviewee: I would not like it the most, because I know they would look for profit and not bring anything new in the company.

Researcher: Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?

Interviewee: I think it would gain on the brand image and value. And probably the price and the quality would increase.

Researcher: Imagine a mid-range brand (such as Zara) get acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?

Interviewee: I think it would lose value a lot, but the price and the quality might stay the same.

Researcher: What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

Interviewee: It might work, I don't know. I think they might change the concept of sales. Zara might gain on recognition. The higher brand might move to fast fashion as this is what Zara is known for.

Researcher: How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?

Interviewee: Yes, if the Chinese company would acquire a fashion brand it will impact negatively in my opinion.

Researcher: Can you share any experiences where the origin of the acquiring company affected your reaction to an acquisition?

Interviewee: I cannot think of any.

Researcher: Would an acquisition impact your decision to purchase from a brand? Can you explain how?

Interviewee: Yes, I would say so.

Researcher: Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

Interviewee: Yes, as well. The quality would decrease a lot and commercial communication and what the company stands for.

Researcher: Do you have any additional thoughts or anything you would like to add?

Interviewee: No, not really.

Researcher: Great, thank you for participating!

7.2.10. Interview 10 – Respondent J

Researcher: Hello, my name is Uršula Stubelj, and I am conducting research for my bachelor's thesis on consumer reactions to acquisitions in the fashion industry. I would like to ask you some questions about your opinions on the topic. The interview will take around 15-20 minutes. Your responses will be kept anonymous as explained in the form you have signed. Thank you for your time!

Interviewee: Thank you for having me.

Researcher: Could you tell me a bit about yourself, like your age, where are you from and what you do (study, work)?

Interviewee: I am a 25 years-old man, working as a law associate from the UK.

Researcher: Now I will ask you a few questions about the acquisitions, especially related to fashion industry. For some context, acquisition is when one company is bought by another company. Could you tell me what comes to mind when you hear about one brand acquiring another? How do you generally feel about acquisitions? Do you see them as positive or negative?

Interviewee: I do not really hold any specific feelings towards the acquisition. I would see them as negative if the quality of the product I use would change. If not, I do not really care who is running the show behind the scenes.

Researcher: Have you ever been a customer of a brand that was acquired by another company? If so, how did you feel about that exact acquisition? (examples)

Interviewee: 100% I was, but often I did not notice an acquisition was happening. I guess I noticed it in banking sector, because one bank was acquired by another one or shoe sector. When Converse was bought by Nike.

Researcher: How did you feel about the acquisition in the banking sector?

Interviewee: Sometimes they were really well done. For example, there were some banks acquired by bigger foreign banks and they might have become less personal, but there was new implementation of technology, such as e-wallet. This improved my user experience, but other than change in colour of the credit card, I do not notice any difference.

Researcher: Okay, and do you think this acquisition affects your perception or loyalty to the brand?

Interviewee: Well, if the quality would worsen I would go to another bank, but because it remained I stuck with it.

Researcher: So you think the quality did not change?

Interviewee: I do not think so, no. As I said, I think it depends. It is two sided, on the technology side it got better, but it was less personal, because maybe it is not a national bank anymore and it is a foreign brand, which plays by their rules.

Researcher: When making purchasing decisions, how important is the brand to you compared to the quality of the product? Can you explain with an example?

Interviewee: I think it often goes hand in hand as you know what to expect when you go in a certain store. I would 100% choose quality over brand, however I do think they kind of go hand in hand.

Researcher: Can you recall a situation where you chose a product primarily because of the brand rather than the quality?

Interviewee: Probably yeah. I would say with the shoes. You have brands like Jordan which are well made, but then you have like Off White, which is the same quality but ten times the price. I did not necessarily made this purchase, but I know people that did. Now if we go to the technology sector, I would say iPhone is much more expensive than anything else. But I still own it, because I am loyal to the brand.

Researcher: Okay, great. Do you think that a brand's acquisition changes the quality of its products? Why or why not? (think about the fashion industry)

Interviewee: Yes, I think it can.

Researcher: How important is it to you that a brand maintains its originality and uniqueness (its core values) after an acquisition?

Interviewee: I feel like values get diluted as the brand grows. Because it is impossible to keep the same values as the brand grows, as you try to adjust to the market needs, rather to the needs of the few for which the actual brand started for. But yeah, I think so it is important. I could say the case of Nike, which was always committed to do sportswear, and helping the people to cross in that fashion industry. But you will not see Nike making suits as this is not something they stand for.

Researcher: Very good, and how important do you think it is for companies to communicate with customers before and after an acquisition? (knowing more about the brand acquiring, or what, if anything, is going to change)

Interviewee: I guess it would be nice to be informed as it would make you feel included and being part of it. But in term of like usefulness, I think I would only want to know if something is happening if it would affect my life or perceptions on the brand severely and if there is no radical changes, I would not really mind.

Researcher: Think about a fashion brand you like, and you would consider yourself a regular customer of... Would you continue to purchase from this brand if it were acquired by a larger company (chain or conglomerate)? Why or why not?

Interviewee: Yes, I would. One of my favourite brands is Massimo Dutti, which is a men's brand and portrays elegance. I would still wear it even if it would be bought out by one of the major players. However, not the lower-tier ones as I have doubts the quality might turn downwards a lot.

Researcher: If you are purchasing from the luxury brands, do you think your loyalty to a luxury individual brand would change if it were acquired by a major luxury conglomerate?

Interviewee: I believe the luxury conglomerate would buy it as an investment. Because they already have a trend of buying luxury brand. But I also think this conglomerate know how to grow brand without necessarily losing their quality or identity. So, I would not mind if it would be acquired.

Researcher: Now we are going to talk about the type of company that might be the acquirer. One of them is private equity, which are investment firms with a lot of money, purchasing companies with a goal of improving them and selling them for profit. What are your thoughts on fashion brands being acquired by

private equity firms compared to other types of entities (such as other fashion groups)? And why you think like that?

Interviewee: No, I would not think any different about it. For most companies, acquisition is just an investment strategy. Of course, no one is going to have the same feel such as a family generational company, so it might lose this personal touch, but as long as the quality does not change, I do not mind.

Researcher: Okay, that makes sense. Now we are going to talk a bit about the hypothetical scenarios. Imagine a mid-range brand (such as Zara) you like gets acquired by a major luxury French brand (LVMH). How would this affect your perception of the mid-range brand and its products?

Interviewee: It would probably increase the brand image.

Researcher: What do you think would change?

Interviewee: If out of nowhere, Zara is bought by a luxury store, you would notice. I think it might turn more luxury. I think people would see it differently. The price would increase for sure, the quality not necessarily. Maybe we would see some new designs, different customer service, the reach of the brand. I think there would be quite a lot of changes.

Researcher: Imagine a mid-range brand (such as Zara) gets acquired by a lower-tier brand (such as Chinese company Shein). How would that affect your perception of the mid-range brand and its products?

Interviewee: I would see it very negatively. If the quality would not necessarily change, I would not really mind. I would say it would be opposite from the previous case?

Researcher: Would you still consider buying in such store then if everything, price and quality would remain the same?

Interviewee: Yes, I would not mind.

Researcher: What if the opposite happened – a luxury brand (Ralph Lauren) you like was acquired by a lower-tier brand (Shein or Zara)? How would you feel about it and its products?

Interviewee: If the quality would not change I would not mind. Maybe I would lose the idea of what the luxury brand is but other things would not change I guess.

Researcher: How does the origin of an acquiring company influence your perception of the acquisition in the fashion industry?

Interviewee: I does not necessarily, I think.

Researcher: Can you share any experiences where the origin of the acquiring company affected your reaction to an acquisition?

Interviewee: I know there is a whole saga about sweatshops that were owned by Nike or Adidas which meant that people were underpaid. In that situation I would care, but I do feel like this is kind of connected to the culture of the country there. I feel like it does not happen that they get the same wage as here in those countries, even if they would try to pay them.

Researcher: Would an acquisition impact your decision to purchase from a brand? Can you explain how?

Interviewee: It really depends on the scenario. No, not really as long as long as the quality stays the same, no.

Researcher: Are there any specific factors or changes that would make you stop buying from a brand after an acquisition?

Interviewee: A big change in price and quality, maybe. But also availability maybe.

Researcher: Do you have any additional thoughts or anything you would like to add?

Interviewee: No, not really.

Researcher: Thank you very much for your time and insights. Your responses are very valuable for my research. If you have any further thoughts or questions, please feel free to contact me. Have a great day!

Interviewee: Thank you!

7.3. Interview consent form

Project title: From Acquisition to Integration: Exploring Customer Responses to Acquisitions in the Fashion Industry.

Background: This interview is part of my thesis research for my bachelor's in economics and business economics. The aim is to ask consumers on the street about their feelings towards acquisitions, especially in the Fashion industry. The information gathered in this interview will be used to research this topic.

Outcome of the research: The results will be used anonymously in a report as part of my bachelor thesis at Erasmus University Rotterdam.

Risks and Participant's rights: Questions might be personal, and you can decline to answer them if you do not feel like sharing. The questions are asked only in the interest of the study. Participating in the survey is on voluntary basis and you can stop whenever you want to.

Confidentiality: The information from this interview will not be publicized in any way and they will not be able to be traced back to you. The information will be anonymized as much as possible and will be used only for the purpose of this study if you consent to this form. The sound recording will be deleted as soon as the transcripts will be made and the transcripts (typed out interviews) will be anonymized, meaning that they will not contain your name.

Further information: For any questions regarding this research, please contact me, Uršula Stubelj on 602682us@eur.nl.

- I acknowledge and understand the conditions outlined above.

Name participant: _____ Signature: _____ Date: _____

Name interviewer: _____ Signature interviewer: _____

Date: _____

7.4. Cross table analysis of themes

Table 6: Cross table of themes.

Theme	Positive	Negative	Mix	Result
First reaction	2	1	7	Mix
Personal experience	1	2	2	-
Impact on loyalty	0	3	5	Mix / -
Quality / brand				Quality (7)
Change in quality	3	3	4	Mix
Originality	7	0	3	+
Communication	8	2		+
Acquired by larger company	8	0	2	+
Luxury conglomerate	4	2	4	Mix / +
Private equity	5	2	3	Positive
Luxury acquirer	1	4	6	Mix
Low-end acquirer	0	8	2	-
Mid-range acquirer	3	4	3	-
Origin of the acquirer	0	3	5	Mix
Personal Experience	1	3	3	Mix / -
Impact on decision	1	2	7	Mix
Stop purchasing	2	1	6	Mix