

Stay or Away: Post Acquisition Brand Community Membership

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Abstract: This study investigates the impact of merger and acquisition (M&A) on brand community (BC) membership. Utilizing Social Identity Theory as a theoretical foundation, the study analyzes online forum discourse following acquisition of the brand's owner firm (target) by another firm (acquirer). Through logistic regression analysis, the findings demonstrate that members who maintain an active connection with the acquirer exhibit a lower propensity to leave BC. Further, post-acquisition membership tenure is a boundary condition that moderates the above mentioned relationship.

Keywords: Brand community, brand loyalty, merger & acquisition, M&A

1. Introduction

Brand community (BC) represents individuals with shared consciousness and commitment for a brand (Muniz & O'Guinn, 2001). BC provides granular consumer insights and drives brand advocacy increasingly through digital platforms (Veloutsou & Liao, 2023). BC helps to enhance purchase intentions through sustained, one-to-one engagement among consumers (Kumar & Kumar, 2020).

BC members' loyalty and brand identification depend on the brand's perceived quality, trust, and long-term viability (McAlexander et al., 2002). While merger and acquisition (M&A) are crucial for growth and profitability, they also alter how consumers perceive brands owing to the change in ownership (Chung & Kim, 2020). Some members tend to retain their pre-deal perceptions in post-acquisition scenarios (Lee et al., 2011) and continue to associate with the BC. Therefore, it is important to examine the factors which influence members to stay or leave the BC after corporate transitions such as M&A.

In this regard, the study considers the online BC of a fitness app (target) acquired by a sportswear firm (acquirer). We analyze the members' online discourse and identify the determinants as well as associated boundary conditions of a user's decision to remain associated with the community. Our results provide robust support for the hypotheses regarding exit propensity among BC members.

We contribute to the advancement of BC literature in two novel ways. First, the study identifies factors and moderating conditions that drive BC member exit subsequent to M&A activity. Next, we employ Social Identity Theory (Tajfel & Turner, 1979) to explain the psychological mechanisms governing BC behavior during M&A. Rest of the manuscript is organized as follows. Details of the theoretical framework followed by hypotheses development, analytical model and empirical findings. It concludes with a discussion on implications and limitations of this study.

2. Theoretical Background and Hypotheses Development

BC is a collective defined by a shared emotional connection and brand affiliation (Carlson, Suter & Brown, 2008). These groups fulfill members' social needs through peer interaction while offering firms critical consumer insights and organic advocacy (Demiray & Burnaz, 2019). Three structural pillars are essential for BC: consciousness of kind which creates in-group cohesion; rituals and traditions which preserve collective history; and moral responsibility manifested through mutual assistance and peer onboarding (Zaglia, 2013).

Social Identity Theory (SIT) provides the psychological framework for BC engagement, suggesting that individuals define their self-identity through group membership (Tajfel, 1981). This identification comprises cognitive awareness of belonging, affective emotional pride, and evaluative status derived from the brand's external prestige (Bergami & Bagozzi, 2000). However, corporate mergers and acquisitions (M&A) can disrupt this social identity (Barnes & White, 2024). Post-acquisition uncertainty regarding brand quality and continuity often erodes member loyalty and pride (Lam et al., 2010), potentially triggering community exit. This study examines the determinants of such exit by analyzing factors related to the acquirer and community members along with related moderating conditions.

2.1 Acquirer

Following an acquisition, integrating a target brand often triggers consumer apprehension about maintenance of brand quality and authenticity (Shin & Jin, 2025). BC membership is an important vehicle for social identity (Tajfel & Turner, 2004). Members perceive change in ownership as potential disruptions (Guler et al., 2024) and evaluate whether the post-acquisition environment allows them to retain this enhanced status.

They seek information and clarification within the community to validate their continued affiliation. Therefore, we posit that discussion regarding the acquirer within the BC indicates a member's intent to remain associated, thereby reducing the likelihood of exit from BC after the acquisition.

H1: Members mentioning the acquirer is negatively related to their likelihood of exit from the BC after the acquisition.

2.2 Membership duration post acquisition

BC membership helps to co-create product value and enhance social identity through brand affiliation (Veloutsou & Moutinho, 2009). The membership fosters long term commitment and accrues emotional and social capital for them (Farivar & Wang, 2022). This membership often persists even though an acquisition may disrupt established brand ownership (Barnes & White, 2024). Therefore, we posit that members with greater post-acquisition tenure are more likely to maintain their affiliation, thereby reducing the likelihood of exit from BC after the acquisition.

H2: Membership duration post acquisition is negatively related to their likelihood of exit from the BC after the acquisition.

2.3 Moderation effect

BC members are concerned whether acquirer can maintain the brand similar to before the acquisition (Shin & Jin, 2025). They want to maintain their association with BC. It helps to preserve their desired social identity (Tajfel & Turner, 2004). Members also become attached to the brand with time due to the personal benefits accrued to them (Farivar & Wang, 2022). This deepening association influences members to discuss the acquirer and find ways to stay engaged with the BC. Therefore, we posit that membership duration after acquisition positively moderates the association between discussing the acquirer and likelihood of exiting the BC.

H3: Membership duration post acquisition moderates the relationship between mention of acquirer and likelihood of exit from the BC such that the relationship is stronger when this membership duration increases.

3. Methods

3.1 Sample

To validate our model, we have analyzed the online community of a digital health tracking company following its acquisition by a sportswear manufacturer in the United States in 2015. From an initial dataset of 1,000 post-acquisition forum messages, we have removed incomplete or invalid entries. Two graduate researchers independently coded the remaining data, resolving discrepancies through consensus to ensure reliability. This refinement process yielded a final sample of 273 messages.

3.2 Analysis

We have applied Firth logistic regression using *logistf* function in R for analysis. Logistic regression is very flexible in the context of dichotomous variable (Hosmer, Lemeshow & Sturdivant, 2013). Further, we use Firth logistic regression to compensate for small sample size which may cause the analytical model to fail to converge (Firth, 1993).

3.3 Variables

We define the independent variables for the proposed model. *Acquirer* represents whether members discuss the acquirer in the online BC. It is a binary variable. The variable has value 1 if members discuss the acquirer and 0, otherwise. *Membership duration* is the number of days a member was part of the BC after the acquisition. It is a continuous variable and measures membership duration in days subsequent to the acquisition.

The dependent variable, *Member exit*, represents whether a member leaves the BC after acquisition. We consider exit within the first two years after acquisition. It is a binary variable with value of 1 if member exit takes place and 0, otherwise.

To account for exogenous influences, we incorporate several control variables. *Target* represents whether members discuss the target in the online BC. *Negative Affect* and *Mixed Affect* (Wendsche & Lohmann-Haislah, 2017) represent member affect and capture emotions potentially leading to community detachment. We also control for reactions to the acquisition (Guler et al., 2024; Sonnentag & Fritz, 2015) using *Congratulations* for favorable sentiments and *Betrayal* for critical or disapproving ones. Each of them is a binary variable with value 1 if members satisfy the specified condition and 0, otherwise.

4. Results

We have obtained summary statistics and pairwise correlations of different variables in the regression model. Results are available Table 1 and Table 2 respectively. We checked for potential multicollinearity through the variance inflation factor (VIF) for model variables. VIF did not exceed 2 for any variable implying that multicollinearity is not a concern (Kalnins & Praitis Hall, 2025).

Table 1: Summary statistics

	Mean	St. Dev.
Acquiror	0.4	0.5
Membership duration	1,086.5	615.3
Target	0.9	0.3
Mixed affect	0.04	0.2
Negative affect	0.01	0.1
Betrayal	0.2	0.4
Congratulations	0.3	0.5

Table 2: Pairwise correlations

	Exit (1 Yr.)	Exit (2 Yrs.)	Target	Acquirer	Membership duration	Mixed affect	Negative affect	Betrayal	Congratulations
Exit (1 Yr.)	1.00								
Exit (2 Yrs.)	0.60	1.00							
Target	-0.03	-0.08	1.00						
Acquirer	-0.69	-0.84	0.03	1.00					
Membership duration	-0.13	-0.12	-0.32	0.12	1.00				
Mixed affect	-0.12	-0.13	0.06	0.15	-0.12	1.00			
Negative affect	0.11	0.11	-0.06	-0.15	0.07	-0.32	1.00		
Betrayal	-0.05	0.00	-0.23	0.01	0.06	-0.05	0.15	1.00	
Congratulations	0.01	0.11	-0.14	-0.11	0.08	-0.10	-0.04	-0.02	1.00

We perform sequential regression analysis in R. First, we set up a baseline model with control variables. Next, we introduce independent variables to examine their linear effect. Results are available in model (1) and model (2) respectively, of Table 3. We find mentioning the acquirer brand is significantly and negatively associated with the likelihood of member’s exit from BC within two years of acquisition ($\beta = -0.88, p < 0.05$). Similar is the case with membership duration after acquisition ($\beta = -0.001, p < 0.001$). Finally, we introduce the interaction effect of membership duration post acquisition and mention of acquirer brand in model (3). We find the moderation effect to be negative and significant ($\beta = -0.04, p < 0.001$). Therefore, the above results provide robust empirical support for all three hypotheses.

We check the robustness of our proposed model. We perform regression using other analytical methods and compare their results. In this regard, we apply Firth logistic regression with intercept correction (FLIC) and Firth logistic regression with added covariates (FLAC) to obtain more unbiased estimates. We obtain results comparable to those for the original analysis. Results of FLIC are available in Table 4 and FLAC in Table 5.

5. Discussion

Our findings identify several determinants of post-acquisition BC behavior. Members integrate brands into their social identity to achieve higher status and satisfaction (Barnes & White, 2024). This bond further solidifies through BC participation (Kim, Yoo & Park, 2025). The bond gets disrupted when ownership shifts from original owner (target) to a new one (acquirer) (Guler et al., 2024). Discussing the acquirer company allows members to ascertain the brand’s long-term viability and reinforce their commitment to the BC. Members with greater tenure maintain commitment despite changes in ownership. Longitudinal association fosters emotional resilience which strengthens a member’s willingness to identify with the acquirer and continue to engage with the BC. All these factors contribute to members wanting to stay in the BC.

Table 3: Firth logistic regression

<i>Predictors</i>	(1) Exit in 2 Yrs.		(2) Exit in 2 Yrs.		(3) Exit in 2 Yrs.	
	<i>Coeff.</i>	<i>Std. error</i>	<i>Coeff.</i>	<i>Std. error</i>	<i>Coeff.</i>	<i>Std. error</i>
Intercept	-0.74 ***	0.19	0.69	0.55	15.89 *	4.66
Mixed affect	-0.56	0.40	-0.48	0.40	-0.13	1.29
Negative affect	0.38	0.28	0.36	0.29	-0.65	0.92
Betrayal	-0.15	1.06	-1.07	1.12	19.03	5.88
Congratulations	0.95	0.58	0.86	0.59	-0.03	1.37
Acquirer			-0.88 *	0.49	25.75 ***	8.30
Membership duration			-0.001 ***	0.00	-0.02 ***	0.01
Acquirer X Membership duration					-0.04 ***	0.01
Observations	273		273		273	
R ²	0.033		0.085		0.952	

* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$

Table 4: FLIC regression

<i>Predictors</i>	(1) Exit in 2 Yrs.		(2) Exit in 2 Yrs.		(3) Exit in 2 Yrs.	
	<i>Coeff.</i>	<i>Std. error</i>	<i>Coeff.</i>	<i>Std. error</i>	<i>Coeff.</i>	<i>Std. error</i>
Intercept	-0.75 ***	0.15	0.68 ***	0.40	15.83 ***	0.57
Mixed affect	-0.56	0.35	-0.48	0.35	-0.13	0.36
Negative affect	0.38	0.22	0.36	0.22	-0.65	0.22
Betrayal	-0.15	0.96	-1.07	1.00	19.03	0.96
Congratulations	0.95	0.40	0.86	0.41	-0.03	0.42
Acquirer			-0.88 *	0.36	25.75 ***	0.59
Membership duration			-0.001 ***	0.00	-0.02 ***	0.00
Acquirer X Membership duration					-0.04 ***	0.00
Observations	273		273		273	
R ²	0.033		0.085		0.952	

* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$

Table 5: FLAC regression

Predictors	(1) Exit in 2 Yrs.		(2) Exit in 2 Yrs.		(3) Exit in 2 Yrs.	
	Coeff.	Std. error	Coeff.	Std. error	Coeff.	Std. error
Intercept	-0.74 ***	0.19	0.66	0.56	15.26 ***	4.44
Mixed affect	-0.57	0.40	-0.49	0.40	-0.18	1.25
Negative affect	0.37	0.28	0.35	0.29	-0.65	0.90
Betrayal	-0.29	1.09	-1.19	1.15	18.09 ***	5.57
Congratulations	0.92	0.59	0.83	0.59	-0.11	1.35
Acquirer			-0.85 *	0.49	24.33 ***	7.90
Membership duration			-0.001 ***	0.00	-0.02 ***	0.01
Acquirer X Membership duration					-0.03 ***	0.01
Observations	273		273		273	
R ²	0.033		0.085		0.951	

* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$

6. Conclusion

This study provides novel insights into brand community (BC) engagement following an acquisition, yet several limitations offer fertile ground for future research. First, we have validated the model in a US-centric context involving a domestic acquirer and target. Consequently, the findings lack global generalizability. Future scholars should replicate this research in non-US or multinational M&A contexts to explore how diverse cultural and geographic factors influence post-deal BC dynamics.

Second, the current analysis has not examined relationships across different periods. Future longitudinal studies using time-varying datasets would enhance the findings' stability and applicability across evolving market scenarios.

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