ANTECEDENTS OF ORGANIZATIONAL IDENTIFICATION IN CONSUMER MARKETS

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RESUMEN

Today's marketing managers are coming under increasing pressure to both measure and manage their company's relationship with its consumers. Despite research that partially analyses the consumer-company identification and the potentially useful route to building stronger relationships with customers, there is little guidance available on identification in the consumer context. This study analyzes the antecedents of consumers' identification with companies. Expected results will show that factors related to the consumer (need for affiliation), the company (identity attractiveness), and the context in which the consumer-company relationship occurs (personal connection) affect consumer´s identification with a particular company. Moreover, we expect that identity salience will significantly moderate the effects of both need for affiliation and identity attractiveness on consumer identification. This research contributes to the literature in relationship marketing and social psychology explaining how and when companies would match with their consumers in order to favor a sense of belongingness with the company as social group.

Palabras clave:

Consumer Behavior, Relationship marketing, consumer-company identification, social identification

Antecedents of organizational identification in consumer markets

1. Introduction

Consumer behavior is a key driver behind the company's shareholder value (Berger et al., 2006). In order to establish meaningful and enduring relationships with their customers (i.e., customer acquisition and retention), companies engage in activities designed to increase consumers' identification with the company (CCI). The knowledge of the antecedents of consumer identification with a company is essential if an organization is to take action to increase such identification. In an inter-organizational context, Ahearne et al., (2005) found that customer identification depends on perceived salesperson and company characteristics. In line with this finding, recent work on customer-company identification (Bhattacharya and Sen, 2003) suggests that corporate social responsibility (CSR) initiatives are a key element of corporate identity that can induce customers to identify (i.e., develop a sense of connection) with the company. However, the lack of research examining the antecedents of CCI in consumer markets suggests a need for a comprehensive empirical investigation of the issue. Such an investigation is especially relevant given the current business environment, in which marketing managers are coming under increasing pressure to both measure and manage their company's relationship with its consumers.

To this end, this study analyzes the antecedents of consumers' identification with companies, i.e., the factors that influence a company's ability to be a relevant social group for their consumers' social identity. This research draws on theories of social identity (Tajfel and Turner, 1985), organizational identification (Bergami and Bagozzi, 2000; Dutton et al., 1994), and member identification (Bhattacharya et al., 1995) to develop a conceptual framework of the antecedents of CCI.

2. Antecedents of consumer-company identification.

Identification with social groups is crucial to the development of an individual's social identity (Tajfel and Turner, 1985). To the extent that a company can constitute a social group, individuals may derive their social identity, at least in part, through the establishment of cognitive links between themselves and a company (i.e., consumer-company identification). In this sense, Bhattacharya and Sen (2003) have defined CCI as "the primary psychological substrate for the kind of deep, committed, and meaningful relationships that marketers are increasingly seeking to build with their customers" (p. 76).

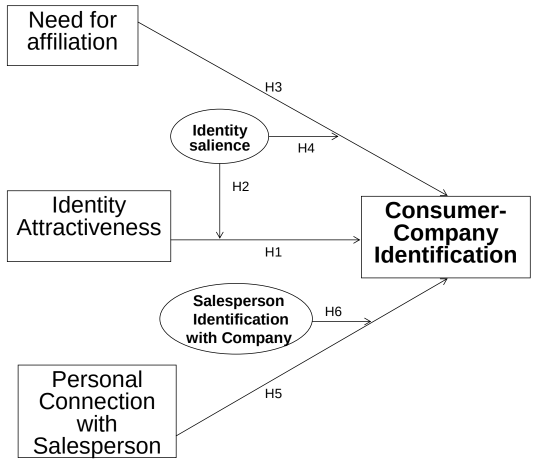
In the marketing context, customers identify and associate themselves with companies that reflect and reinforce their self-identities. Bhattacharya and Sen (2003) have discussed the conditions under which consumers are likely to identify with a company. They propose that the only relevant antecedent of identification is the extent to which consumers are able to have their self-definitional needs satisfied by the companies they patronize.

In order to specify the antecedents of CCI, this research proposes a similar framework to that of the extant literature in relationship marketing (Sheth and Parvatiyar, 1995) and identification (Bhattacharya et al., 1995; Ahearne et al., 2005): both members of the relationship (i.e., the consumer and the company) and the relationship itself influence the relationship's output (i.e., CCI), as shown in Figure 1.

2.1. Identity Attractiveness

According to the Social Identity Theory, people seek to distinguish themselves from others in social contexts (Tajfel and Turner, 1985); as such, they are likely to seek out groups for affiliation that are distinctive in the dimensions they value. Taken together, both perspectives posit forces that may lead to consumer identification with a company. That attractiveness is called identity attractiveness and refers to the degree to which individuals are attracted to, prefer, and support relationships with a company, given its enduring attributes (Ahearne et al., 2005). Associating with a company that is perceived to have an attractive identity may enhance the consumer's self-esteem, as the consumer may develop a more positive self-evaluation due to his/her connection to (i.e., identification with) an attractive company. Based on this reasoning, the first hypothesis proposes that favorable perceptions of a company's identity are likely to lead to stronger identification with that company.

Figure 1: Antecedents of Consumer-Company Identification



H1: The greater a company's identity attractiveness (as perceived by the consumer), the greater the consumer's identification with the company.

Though identity attractiveness is probably a necessary condition for CCI, it may not be sufficient (Bhattacharya and Sen, 2003). That is, in order for a consumer to identify with a company, the company must also be considered a relevant social group. Therefore, the company's identity salience may play a moderator role in the relationship between identity attractiveness and CCI. When consumers seek to express themselves or search for opportunities to distinguish themselves from others (i.e., from an out-group) in particular social contexts (Tajfel and Turner, 1985), they will be better able to retrieve information about a company whose identity is more salient than one that is less salient. Therefore, when an organizational identity is both attractive and salient, consumers may be able to easily access the information about the attractive character of the company from memory, resulting in an increased likelihood of identification. Based on this reasoning, we propose:

H2: Identity salience moderates the relationship between identity attractiveness and consumer identification with the company. This relationship is stronger when identity salience is high than when it is low.

2.2. Need for Affiliation

An individual's need for affiliation reflects their desire for social contact or belongingness; and it is associated with an individual's tendency to derive social gratification as rewards from harmonious relationships and a sense of communion with others (Veroff and Veroff, 1980). Individuals with a high need for affiliation have a high level of interest in establishing, maintaining, and restoring close personal and emotional relationships with others. As a result, a high need for affiliation is characterized by a strong desire to like and be liked by others, a strong desire for approval and reassurance from others, and a tendency to be attracted to group tasks. Individuals with a high need for affiliation will be more likely to view companies as potential social groups to which they can belong and satisfy their needs to like and to be liked by others, and to attain approval and reassurance from others. These consumers will be more likely to interact with a wider range of companies and they will have more opportunities and interest in identifying with and in developing deep, committed and meaningful relationships with those (or a subset of those) companies. More formally:

H3: The greater the consumer's need for affiliation, the greater their identification with the company.

For company employees, the company's identity as a social group to which one belongs is highly accessible and salient, due to their daily interaction with the company, continuous following of organizational routines, iterative exchanges over relatively long periods of time, inclusion in the organizational chart, the company's provision of a pay check, and myriad other events and activities that cue their membership status (Scott and Lane, 2000). Among the group of companies a segment of consumers is interacting with, a particular company may reach high identity salience for the segment, which will affect more those individuals with high need for affiliation, favoring their identification with the company. In other words, consumer's identification with a particular company as a result of a desire to belong or be affiliated to the company as a social group will be more likely when he/she can easily access the information about the attractive character of the company from memory.

> *H4: Identity salience moderates the relationship between need for affiliation and the consumer's identification with the company. This relationship is stronger when identity salience is high versus when it is low.*

3.3. Personal Connection with Salespeople

Most organizations have as a main goal that members perceive themselves as organizational representatives when performing boundary-spanning work. That is, organizations perceive their salespeople to be an extension of their company. In this sense, Hutt and Speh (2001) note that "the salesperson augments the total product offering… [such that] the image, reputation, and need-satisfying ability of the seller firm is conveyed, to an important degree, by the sales force" (p. 434). The relevance of personal connection in the model shown in Figure 1 is based on the fact that identification occurs (and, consequently, can be managed) via personal and impersonal relationships. If individuals perceive the attributes and interests they share with the salesperson as an extension of the company, they will also perceive a sharing of attributes and interests with the organization, and, then, will develop the sense of connection with the company that defines identification. Therefore, a positive relation between the personal connection with a salesperson and the consumer identification with the company will appear in consumer-salespeople encounters. More formally:

> *H5: The greater the consumer's personal connection with the company's salespeople, the greater his/her identification with the company.*

Research in organizational psychology suggests that attachment to both social and work related groups affects the way employees think, feel, and behave (Haslam, 2001). More specifically, the ways in which workers define themselves within the context of their work group identities (employee identification) play a role in their subsequent attitudes and behaviors (Ashforth and Mael, 1989). If the salesperson is identified with the company, he/she will show this identification both directly and indirectly to the consumer through his/her behavior (Homburg et al., 2009). As an identified worker, the salesperson will be more interested in recruiting people for the company (i.e., to belong to their social group), which should be reflected in his/her effort to foster the consumer's identification. The consumer will be also more inclined to trust the salesperson if the latter is identified with the company he/she works for (Dutton et al., 1994). In summary, the higher the identification of the salesperson with the company, the more likely it is that the consumer will identify with that company as a consequence of his/her personal connection with the salesperson through the sales interaction. This reasoning leads us to propose:

> *H6: Salespersons' identification with the company moderates the relationship between the consumer's personal connection with the salesperson and the consumer's identification with the company. This relationship is stronger when salesperson's identification is high than when it is low.*

3. Methodology, expected results, and conclusions

In order to test the hypothesized model, this study uses a sample of customers from a financial institution with different levels of business involvement with the company. The sample will includes randomly selected 400 customers who were current clients of a financial institution (a regional bank with over 300 branches) and who were primarily responsible for their family's finances. The financial services industry constitutes an adequate context. The validity and usefulness of this data source has been demonstrated in previous studies (see, e.g., Berens et al., 2005).

At the moment of submitting this paper, the data collection is almost completed. The questionnaire measures concepts with scales previously tested in marketing and organizational management literature. Findings will show how factors related to the consumer (i.e., need for affiliation), the company (i.e., identity attractiveness), and the relationship itself (i.e., personal connection) affect consumers' identification with a particular company.

This research will contribute to the literature on social identity and organizational identification as it examines the consumer-company relationship in a consumer context. On the one hand, while there is a fair amount of literature on organizational identification, most of that research has focused on employees (Dutton et al., 1994), museum members (Bhattacharya et al., 1995), non-profit organizational members (Lichtenstein et al., 2004) and stakeholders in general. This research extends extant research on identification to the domain of the customer in a consumption context. Another contribution of this research is that, with the application of social exchange theory to consumer behavior, we can explain why consumers are interested in entering into voluntary relationships with some companies and not others.

In addition to the contributions to marketing theory, this research will offer important insights for marketing managers. Specifically, companies need to be aware of and to deliver a consistent and attractive identity of both their salespeople and their company. The importance of the relation between consumers and salespeople suggests that it is important for management to understand, carefully hire, influence, and socialize salespeople in order to enhance their ability to connect with consumers, and to ensure that their identification with the company is perceived by those potential consumers they contact. Moreover, marketing communications that attempt to connect a product or brand to a social identity should consider the extent to which target consumers value that social identity, and what aspects can be leveraged to increase perceptions of relevance associated with that identity. Therefore, all communication activities should provide cues about how the company or its products are related to an identity that is relevant to the consumer.

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