Customer-Company Identification: A Study of Relational Consequences in the Non-Profit Sector

Elisa Monnot, Fanny Reniou, Pierre Volle

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Elisa MONNOT [1]
elisamonnot@hotmail.com

Fanny RENIOU [2] [1]
freniou@yahoo.fr

Pierre VOLLE [1]
pierre.volle@dauphine.fr

[1] Centre de recherche DRM UMR CNRS 7088

Dauphine Marketing Stratégie Prospective (DMSP)

Université Paris-Dauphine

Place du Maréchal de Lattre de Tassigny

75775 Paris Cedex 16

[2] Programme Doctoral ESSEC

Avenue Bernard Hirsch, B.P. 50105

95021 Cergy-Pontoise Cedex

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« *Some of the strongest consumer-company relationships are based on consumer's identification with the companies that help them satisfy one or more key self-definitional needs* » (Bhattacharya & Sen, 2003). This quotation underlines the predominance of the "consumer-company identification" construct in explaining relationships between consumers and companies. Some individuals need to identify themselves with other individuals, groups, organizations or even companies in order to express their own identity.

Considerable research has been conducted in the area of organizational behaviour on employees' identification with their organizations (Mael & Ashforth, 1989; Dutton, Dukerich & Harquail, 1994; Bergami & Bagozzi, 1996), and in the area of marketing on consumers' identification with brands (Huffman, Ratneshwar & Mick, 2000; Escalas, 2004), or on members' identification with non-profit organizations (Bhattacharya, Rao & Glynn, 1995). But as far as we know, few studies have particularly focused on "Customer-Company Identification" (CCI) (Bhattacharya & Sen, 2003; Ahearne, Bhattacharya & Gruen, 2005) whereas it is a current phenomenon for different kinds of companies. Identification is defined as the degree to which individuals perceive themselves and the focal company as sharing the same defining attributes, and as different from the ones who do not belong to this company (Pratt, 1998). It can imply blatant consumer behaviours: the desire to know everything about the company, a tendency to praise its worth, a wish to tie closer relationships with it, and even sometimes a certain pride to show it.

This research shows that CCI can legitimately describe the relationships between customers and companies, and aims at having a better understanding of its main relational consequences. The goals of this paper are consistent with the need for an analysis of how companies express their identities and the values they stand for, but also of how customers receive these identities and incorporate them in their self-definition. This phenomenon may concern both traditional companies and non-profit companies such as cities, political movements or universities, the specific case we are looking at in this research. The concept of branding has its origin in the marketing field, but could be also used to describe how organizations manage their identities. That is the reason why we have a pluridisciplinary approach in this paper by taking into account both marketing and organizational studies.

In the first section, a literature review on identification enables a clear definition of the CCI construct to be given. Then in the second section, the conceptual framework and the main hypothesis are exposed. In the third section, an empirical investigation into a non-profit sector (i.e. higher education) is presented. Finally, in the last section the results are discussed.

1. Literature Review

Members' organizational identification – Simon (1947) is one of the first researchers who has introduced the concept of identification. According to social identity theory (Tajfel, 1978; Turner, 1984) identity is composed of both a personal identity, which consists of idiosyncratic characteristics, aptitudes and preferences, and a social identity, which is linked to the membership to several social groups. In contrast with the identity notion, identification is defined as the degree to which individuals perceive themselves and the focal company as sharing the same defining attributes, and as different from the ones who do not belong to this company (Pratt, 1998). Therefore, identity is linked to identification because it involves the transfer to the individual of characteristics and values attributed to the group. Organizations can be important sources of identity construction for individuals (Mael & Ashforth, 1989).

Individuals identify with an organization when they perceive an overlap between its attributes and their own (Dutton, Dukerich & Harquail, 1994). Thus, organizational identification affects the organization members, but identification can also concern customers. Few studies have looked at CCI in marketing literature; its conceptualization is therefore limited. This explains why we refer to the organizational research field in this paper to help us define this construct.

Customer-Company Identification (CCI) – In marketing research, some authors tried to have a better understanding of the relationships between customers and brands (Fournier, 1998), or between customers and companies inside brand communities (McAlexander, Schouten & Koenig, 2002). Strong relationships between customers and companies often result from their identification with them. Bhattacharya & Sen (2003) were the first authors to look at this phenomenon in the marketing field. Their analysis focuses on the consumer who wants to have a deep relationship with a company. According to them, the strongest relationships between customers and companies are grounded in the identification phenomenon. It is necessary to specify that CCI and identification with a brand are different concepts. Indeed, the latest refers to the degree to which a consumer defines himself by the same attributes that he believes define the brand (Escalas, 2004). In this paper, we use Bhattacharya & Sen (2003) model as our main theoretical framework and define CCI as "the process whereby a customer's beliefs about a company and its values become self-defining and whereby he defines himself by the same attributes that he believes define the other customers of the company and by the opposite attributes which define the non-customers".

2. Conceptual Framework and Hypothesis

In order to delimit our conceptual framework, we define CCI according to the dimensions of company identity traditionally identified in the literature (Hatch & Schultz, 1997), which helps us make the link between several notions such as organization, company, brand on the one hand, and member and customer, on the other hand. The literature enabled us to identify four facets of Consumer-Company Identification: self-definition (SELF), sense of belonging (BEL), similarity of values (SIM) and self-valorization (VAL). Moreover, as explained in the introduction, one of the paper goals is to identify some consequences of this phenomenon. So, concerning the consequences of CCI, although Bhattacharya & Sen (2003) identify five of them (consumer loyalty, company promotion, customer recruitment, resilience to negative information and stronger claim on company), the literature review leads us to enrich their model and consider broader consequences: knowledge about the company, empathy, relationship investment and attachment.

Knowledge: Company perceived identity varies with the degree of customer knowledge (Bhattacharya & Sen, 2003). Thus, we propose the hypothesis that company knowledge is not only a necessary condition of identification, but also one of its consequences.

> **H1: The more (vs. the less) customers identify themselves with the company, the more (vs. the less) they know about the company.**

Empathy: Customers who identify themselves with a company are more willing to attribute the company successes and failures to their own. This could be similar to empathy, defined as an affective identification with a person or an object.

> **H2: The more (vs. the less) customers identify themselves with the company, the more (vs. the less) they feel empathy towards the company.**

Relationship investment: this is defined as the active customer desire to make great efforts for the company (Rokkan, Heide & Wathne, 2003).

> **H3: The more (vs. the less) customers identify themselves with the company, the more (vs. the less) customers invest in the relationship with the company.**

Attachment: Some customers are very affected if a company with which they identify disappears (Bergami & Bagozzi, 1996). As identification leads to the fact that they agree with the company values, it could also favour a kind of attachment to it.

> **H4: The more (vs. the less) customers identify themselves with the company, the more (vs. the less) they feel attached to the company.**

3. Empirical Test

3.1. Research field

We decided to study CCI in the original context of higher education for two reasons.

First, in this case, students have a triple status. Indeed, they are at the same time (1) customers (as they have several expectations toward their institutions and sometimes have to pay school fees, which put them in a contractual relationship with them), (2) partners (in a coproduction logic) and (3) members (as they have been chosen to study in this institution and as they often share a sense of membership). Students can indeed identify with their university like customers can identify with a company (Armstrong, 2003).

Second, according to the literature, individuals who identify the most with companies tend to consider the ones which have strong values. Thus, we chose to study a specific university which is well-known for its strong identity. We took the case of a French university where there is a real community of students sharing the university values. As in this case we consider students as customers, it is consistent to deal with company identification and not only with organizational identification because there are not just inside members like employees, but also external stakeholders.

3.2. Measurement scale development

Little attention has been paid to operationalizing CCI. There is no unified scale to measure the construct. Research studies often resort to a combination of verbal and visual items in order to measure the similarity between individual and company identity (Sommerfeld & Paulssen, 2008; Martenson, 2008). Developing an operationalization of CCI is then necessary to have a better understanding of it.

For the development of our scale, the item generation has been realized, on the one hand on the basis of items coming from the literature and adapted to our construct (Mael & Ashforth, 1989; Vandenberg, Self et Seo, 1994; Bergami & Bagozzi, 1996; Bhattacharya et Sen, 2003), and, on the other hand, on the basis of items created especially for this research. Finally fifteen items, which gather the different facets of the construct presented earlier, have been submitted to respondents. In order to isolate the construct dimensions and to purify the measurement scale, exploratory factorial analyses have been conducted. We obtained a scale with two dimensions (a statutory dimension and a community dimension) and seven items which are based on the four facets defining the construct.

3.3. Validation of the scale and hypothesis test

An exploratory analysis was conducted for all the other constructs of the structural model we developed. A structural equation modeling was adjusted with all variables. A confirmatory validation of the scale was then conducted and it confirms the exploratory one. To test H1 to H4, a structural model was tested. It includes both identification dimensions as exogenous variables (seven items) and the four consequences mentioned earlier as endogenous variables (ten items). The results allow us to confirm all hypothesis but H1 and H3 for the statutory dimension.

4. Contributions

Methodological contributions – Our measurement scale can be an answer to the critics found in the organizational literature towards previous scales. Indeed, Bergami & Bagozzi (1996) have questioned the theoretical meaning of existing scales (Mael & Ashforth, 1989) and the fact that little attention has been paid to the cognitive facet of the construct. Our scale brings a new vision of CCI construct which could be adapted to a marketing perspective. Indeed, items used could be adapted to grasp several kinds of relationships between customers and companies.

Theoretical contributions – This research extends previous studies on this topic as it considers broader relational consequences of identification. The results show that our model can explain a great part of the variance of these consequences. Moreover, this research contributes to a shift of perspective as it goes beyond traditional customer considerations towards products and brands by explaining a higher level, their relationships with companies.

Managerial contributions – The database shows that individuals are different from each other in terms of their tendency to identify with companies. Thus, they are faced with customers who have heterogeneous expectations towards them. Determining individuals who strongly identify with companies should allow them to benefit from these allies who have active behaviours.

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