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Keywords: customer-company identification, customer satisfaction, self-definitional needs, functional company characteristics, social identity theory

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Whether, When, and Why Functional Company Characteristics Engender Customer
Satisfaction and Customer-Company Identification: The Role of Self-Definitional Needs

Highlights

Across two field studies and one experimental study this paper:
explains how customer satisfaction and customer-company identification differ in their engenderment by important functional company characteristics (i.e., quality, price, and innovativeness).

shows whether and when functional company characteristics are effective in engendering customer-company identification contingent on important self-definitional needs of customers (i.e., self-continuity, self-distinctiveness, and self-enhancement).

reveals the underlying mechanism why functional company characteristics can contingently be effective in engendering customer-company identification.


1. Abstract
Beyond merely satisfying customers, companies are increasingly striving to build deeper and more meaningful customer relationships characterized by strong customer-company identification. However, whereas previous research has solely focused on symbolic drivers of identification, it remains unclear whether, when, and how managers can build on core functional company characteristics (i.e., quality, innovativeness, and price) to establish customer–company identification. The present study addresses these questions by developing a theoretical framework based on theoretical notions of social identity theory and the cue diagnosticity framework. Evidence from two field studies and one experimental study shows that functional company characteristics are not effective in creating customer–company identification per se, but that their influence depends on whether they match with a self-definitional need that is important to the customer (i.e., self-continuity, self-distinctiveness, or self-enhancement). The findings also reveal the underlying mechanism of this contingency by
showing that a self-definitional need fosters customer–company identification because it strengthens the symbolic value of a matching functional characteristic. By identifying specific characteristic–need matches, this research offers novel insights into how managers can leverage functional company characteristics in their targeting and communication efforts to establish meaningful long-term relationships with customers.

**Keywords:** customer–company identification, customer satisfaction, self-definitional needs, functional company characteristics, social identity theory

2. **Introduction**

For most companies, fostering customer satisfaction reflects a strategic imperative that promises favorable consequences (e.g., Mittal & Kamakura, 2001; Homburg, Koschate, & Hoyer, 2005; Seiders et al., 2005). However, despite the undisputed benefits of satisfying customers, scholars and practitioners raise concerns that in today’s competitive environments, customer satisfaction may often not be enough to ensure long-lasting and profitable customer relationships (e.g., Lam et al., 2010; Haumann et al., 2014). For example, Reichheld (1996) indicates that up to 85% of consumers who are satisfied defect to competitors. In light of the potential limits of merely satisfying customers, companies thus increasingly attempt to build deeper and more meaningful relationships characterized by a strong customer–company identification (Bhattacharya & Sen, 2003). Customer-company identification† reflects the feeling of oneness or psychological belongingness to a company (Ashforth & Mael, 1989; Bhattacharya & Sen, 2003) and promises to overcome the limits of customer satisfaction (e.g., Bhattacharya & Sen, 2003; Haumann et al., 2014).

† In line with prior research, we use the term “customer–company identification” to refer to companies that emphasize a single monolithic corporate brand (Haumann et al., 2014; Homburg, Wieseke, & Hoyer, 2009). While differences in brand and company associations may exist when strong product brands have no overt connection to their corporate parent brand (e.g., Gillette as a product brand of P&G), monolithic corporate brands usually elicit the same associations among consumers (e.g., Apple). We thus refer to the company instead of the brand level in discussing consumers’ associations with monolithic corporate brands.
However, what managers actually need to do to not only satisfy customers but also engender a strong identification with the company remains highly unclear. Although previous work has identified symbolic drivers of customer–company identification (Stokburger-Sauer, Ratneshwar, & Sen, 2012; Fombelle et al., 2016; Wolter et al., 2016), research remains largely silent about whether functional company characteristics (i.e., core functional aspects of a company’s offering) are able to foster customers’ identification with a company. This neglect makes stimulating customer–company identification particularly difficult for the many companies that are not able to rely on symbolic drivers, such as high status or a prestigious identity (O’Cass & Frost, 2002; Walasek, Bhatia, & Brown, 2017). Thus, many companies critically need greater insight into whether and how they can build on functional characteristics of their offering to engender strong and meaningful customer relationships that base on customer–company identification.

In light of the importance of this question, this study investigates whether, when, and why functional company characteristics affect customer–company identification and how these effects differ from those on customer satisfaction. Specifically, we integrate social identity theory (Tajfel & Turner, 1985) with key notions of the cue diagnosticity framework (Feldman & Lynch, 1988; Reed, 2004) to develop a conceptual framework that addresses three important research questions. First, our framework explains how customer satisfaction and customer–company identification differ in their engenderment in terms of the functional company characteristics of quality, price, and innovativeness. Second, the framework shows whether and when functional company characteristics are effective in fostering customer–company identification contingent on customers’ self-definitional needs of self-continuity, self-distinctiveness, and self-enhancement. Third, the framework reveals the underlying mechanism of why functional company characteristics can be effective in promoting customer–company identification.
We empirically tested our conceptual framework in diverse business-to-consumer product categories by conducting two field studies ($n_1 = 376; n_2 = 3,046$) and an additional experimental study ($n_3 = 803$). The selected product categories differ in their degree of private versus public consumption and low vs. high purchase frequency and include consumer electronics (smartphones, televisions), fashion (sneakers), accessories (watches), and personal care (shower gels). The results of these studies reveal that customer–company identification is more difficult to establish via functional company characteristics than customer satisfaction (Study 1 – Preliminary-Study), as functional characteristics are only effective in driving customer–company identification if they match a self-definitional need that is important to the customer (Study 2). We show why functional company characteristics are effective in fostering customer–company identification by demonstrating that they become relevant to a customers’ identity if they match to a self-definitional need that is important to the customer and thereby create symbolic value to the customer, which fosters customers’ identification with the company (Study 3).

Our research makes three key contributions that advance marketing theory (for an overview of these contributions see also Web Appendix WA1). First, while prior work has focused on how functional characteristics of a company’s offering drive customer satisfaction (e.g., Luo & Bhattacharya, 2006), clarity is lacking as to whether such characteristics are also effective in building more meaningful customer relationships characterized by customers’ identification with a company. This study sheds light on this question by showing that core functional characteristics of a company’s offering are effective in driving customer satisfaction but are not effective in engendering customer–company identification per se.

Second, this study offers initial insights into when functional company characteristics reflect diagnostic identity cues for consumers. We advance theoretical knowledge on the interplay of internal and external identity cues (e.g., Reed, 2004) by showing that the
effectiveness of a functional company characteristic in engendering customer–company identification is contingent on its fit with consumers’ importance of self-definitional needs. This finding is theoretically meaningful as it implies that to stimulate customer–company identification, companies can build not only on symbolic characteristics, such as prestige or status (e.g., Glynn, Bhattacharya, & Rao, 1996), but also on functional characteristics.

Third, we uncover the underlying process that explains why functional company characteristics become more identity-relevant for consumers with a high importance for specific self-definitional needs. Specifically, we show that the identified characteristic-need matches create additional symbolic value for customers and thereby strengthen their identification with the company. This finding offers a novel pathway to create symbolic value and adds to prior research on the processes involved in engendering customer–company identification (e.g., Bhattacharya & Sen, 2003).

These findings have several implications for marketing managers and are particularly informative for companies which cannot rely on symbolic characteristics to engender customer-company identification. These companies must be sensitive to the differences in the drivers of customer satisfaction and customer–company identification because superior levels of functional company performance may not always be effective in driving customer–company identification. Our findings equip managers with potential pathways how to use functional characteristics to engender customer–company identification. First, we show which functional company characteristics (i.e., quality, innovativeness, and price) managers should emphasize in their marketing communications —and which characteristics should better not be emphasized—when aiming to establish deep and meaningful customer relationships with specific customer segments. Second, our findings imply that managers need to be aware that consumers differ in the importance they ascribe to their self-definitional needs. With this in mind, managers can circumvent the issue that emphasizing a specific
functional characteristic might pay off for some customer segments but not for others. Third, by establishing specific characteristic–need matches, we offer systematic insights for marketers that seek to connect a functional company characteristic with a particular identity appeal in marketing communications. Fourth, our studies offer several concrete insights applicable to segmentation and targeting efforts. Fifth, we show that the identified characteristic–need matches occur across product categories ranging from consumer electronics to personal care.


Central to our study’s research framework (Fig. 1) is whether and how customer satisfaction and customer–company identification differ with respect to how they are influenced by core functional characteristics of a company’s offering such as quality, innovativeness, and price. Perceived quality is essential to customers’ evaluation of a company’s offering (Golder, Mitra, & Moorman, 2012) and is defined as the perceived excellence or superiority of a company’s offering (Zeithaml, 1988). Another important functional characteristic is perceived innovativeness, which refers to the perceived novelty and creativity associated with a company’s offering (Kunz, Schmitt, & Meyer, 2011; Kim et al., 2014). Finally, price is an essential part of a company’s offering that reflects the perceived costs or sacrifices associated with the purchase of a product or services (e.g., Völckner, 2008).

We argue that functional characteristics of a company’s offering have diverging effects on customer satisfaction and customer-company identification, which can be explained by differences in the theoretical underpinnings of both relationship concepts. In the following, we first build on the expectation–disconfirmation paradigm (e.g., Oliver, 1980) to describe
how functional characteristics affect customer satisfaction. We then integrate social identity theory (Tajfel & Turner, 1979) with theoretical thoughts on cue diagnosticity (Skowronski & Carlston, 1987; Feldman & Lynch, 1988) to elucidate whether and when functional characteristics affect customers’ identification with a company and how these effects differ from those on customer satisfaction.

Customer satisfaction is theoretically grounded in the confirmation/disconfirmation paradigm and results from a comparison of customers’ prior expectations with the actual performance evaluation of a company’s products or services (e.g., Oliver, 1980; Anderson, Fornell, & Lehmann, 1994). Customer satisfaction increases if the evaluation of a company’s offering results in a positive disconfirmation (Anderson & Sullivan, 1993). Based on the confirmation/disconfirmation paradigm (Oliver, 1980), companies that offer products and services of higher quality, higher innovativeness, and more attractive prices are more likely to lead to positive disconfirmation and thus create higher levels of customer satisfaction. Prior research offers converging evidence for these relationships (e.g., Bolton & Lemon, 1999; Anderson & Sullivan, 1993; Luo & Bhattacharya, 2006).

However, we know very little about whether and how functional characteristics of a company’s offering influence customer–company identification, because prior research has mainly focused on how symbolic characteristics, such as a prestigious identity or a high status brand, influence customers’ identification with companies (Stokburger-Sauer, Ratneshwar, & Sen, 2012; Wolter et al., 2016; see Web Appendix WA1). Consequently, clarity is lacking as to whether, and if so when and why, core functional characteristics such as quality, innovativeness, and price can help to engender customer–company identification (for an exception of how quality links with customer-company identification see Lam et al., 2013). Addressing these questions is particularly important for the many companies that are not endued with strong symbolic characteristics, such as high status or a prestigious identity,
and can thus not authentically rely on such cues in their branding and advertising campaigns (Walasek, Bhatia, & Brown, 2017).

The answers to these questions critically depend on understanding how customers evaluate whether a company is an attractive target for identification. Following social identity theory (Tajfel and Turner 1979), identification with a company is an active, selective, and volitional act that can help customers to fulfill one or more key self-definitional needs (Bhattacharya & Sen, 2003). To assess whether a company offers an attractive target for identification, customers draw on key characteristics that they associate with a company and its offerings as cues to assess the attractiveness of the company’s identity (Bhattacharya & Sen, 2003). In line with the cue diagnosticity framework, customers are more likely to draw on cues that are diagnostic for their evaluation of the attractiveness of a company’s identity, as diagnostic cues thus allow customers to more accurately judge whether identification with a company will fulfill specific self-definitional needs that are important to them (Reed, 2004).

In contrast to customer satisfaction’s strong tie to performance perceptions, customer–company identification is thus less likely to establish solely because a company’s offering exceeds customers’ performance expectations (Haumann et al., 2014). Instead, a company has to fulfill one or more higher-order self-definitional needs to become self-referential to the customer (Bhattacharya & Sen, 2003). However, the diagnosticity of functional company characteristics for assessing the attractiveness of a company’s identity is generally limited, because functional characteristics predominantly convey performance-related information rather than identity-related information (Park, Jaworski, & MacInnis, 1986). Based on these theoretical differences, functional characteristics should thus be more likely to drive customer satisfaction than customer–company identification.

The objective of Study 1, a preliminary study, is to illustrate systematic differences in the effects of functional company characteristics (i.e., quality, innovativeness, and price) on customer satisfaction and customer–company identification. To strengthen the generalizability of these insights, we examine these effects in four product categories: consumer electronics (television), fashion (sneakers), accessories (watch), and personal care (shower gel). We selected products in these categories to reflect a balanced set of different consumption settings (private or public) and purchase frequencies. Some of the products are used more publicly (watches, sneakers) while others are used in a more private setting (television, shower gel). Additionally, some are likely to be purchased more frequently (shower gel, sneakers) than others (television, watch).

4.1 Method

We recruited 400 US participants via the platform Prolific in 2020. After exclusion of 26 participants who failed to answer two attention checks (“please select ‘do not agree at all’”; “please select ‘totally agree’”), our final sample consisted of 374 participants (48% female; M_{age} = 31.45, SD = 10.34). We randomly assigned participants to one of the four product categories and asked them to name the company of the product they use in that category. Participants mentioned 88 companies across all four product categories (watch: 24, television: 13, sneakers: 22, shower gel: 29). Participants then evaluated the perceived quality, perceived innovativeness, and perceived price that they associate with the company’s products and rated the level of customer satisfaction and identification with the company.

Appendix A provides an overview of the measurement items. Web Appendix WA2 provides the definitions of the variables used in this study and offers further information on the sample, data collection, robustness checks, and analytical approach.
4.2 Results

Results of path analysis of the four product categories show that perceived quality, innovativeness, and price have significant effects on customer satisfaction across all product categories (except for the effect of price in the watch context; see Table 1; Web Appendix WA2.7 provides further detailed results of this study), while their effects on customer–company identification are almost all nonsignificant. These findings support our theoretical rationale that in contrast to customer satisfaction, customer–company identification is generally more difficult to engender via functional company characteristics.

----insert Table 1 about here-----

5. The Importance of Customer’s Self-Definitional Needs for Engendering Customer–Company Identification by Functional Company Characteristics

To understand whether, when, and why functional company characteristics engender customer–company identification, we build on customers’ self-definitional needs, which lie at the core of social identity theory. Self-definitional needs induce motivational processes that drive individuals’ intentions and behaviors and thereby guide the processes of identity construction (Vignoles et al., 2006). Central self-definitional needs that are relevant to the processes of identity construction are self-continuity, self-distinctiveness, and self-enhancement (Bhattacharya & Sen, 2003; Vignoles et al., 2006). The importance of each of these self-definitional needs determines how individuals perceive themselves and their environment and influences consumers’ consumption and relationships with companies (e.g., Reed, 2004).

We therefore suggest that the importance that individuals ascribe to different self-definitional needs is also decisive in determining the relevance of a functional company characteristic to the consumer’s self-concept and thus determines whether that functional company characteristic relates to customer–company identification. In line with the cue diagnosticity
framework, a particular social identity becomes more relevant if the self-importance of that identity increases (Reed, 2004). Customers who place high importance on a specific self-definitional need have a higher saliency for this need (Kallgren, Reno, & Cialdini, 2000; Reed, 2004) and perceive identity-related cues that match with that self-definitional need as more diagnostic when evaluating whether a company is a suitable object for identification. Consequently, identity-related cues of functional company characteristics tend to have higher diagnosticity for customers who give high importance to a matching self-definitional need. Customers are then more likely to draw identity-related inferences from the functional company characteristic, potentially leading to a stronger identification with the company. We therefore expect functional company characteristics to affect customer–company identification if they match a self-definitional need that is important to the customer.

We develop hypotheses that suggest different combinations of functional company characteristics and self-definitional needs that are particularly suited for engendering customer–company identification. First, customers valuing self-continuity are more likely to draw identity-related inferences that engender customer–company identification if companies offer a high level of perceived quality. Second, customers striving for self-distinctiveness tend to draw these inferences from innovative companies and are more likely to identify with these companies. Third, customers with a strong need for self-enhancement are more likely to draw identity-related inferences that lead to customer-company identification if companies enable them to express the positivity of their self and their success by purchasing higher priced products.

5.1 Self-continuity and quality

Self-continuity reflects the motivation to maintain a coherent and consistent self-concept over time and across situations (Steele, 1988). Individuals who value self-continuity seek social contexts that provide self-verifying feedback and prefer relationships with companies that let
them realize their values and ideal selves (Swann, 1983; Belk, 1988). Thus, customer–
company identification is more likely to occur if a customer shares a company’s values and
the company sustains these values, allowing customers to maintain a continuous self-concept
(e.g., Escalas & Bettmann, 2005). Three paths of reasoning suggest how customers who give
high importance to self-continuity might identify with companies by drawing identity-related
inferences from the quality of a company’s offering.

First, customers want to see themselves as competent and therefore perceive competence as
an important characteristic of a company identity (Aaker, 1997). Central to customers’
evaluations of company competence are their perceptions of the quality a company offers
(Fournier, 1998). Customers might perceive more competent companies as more attractive
and closer to their self-concept (Belk, 1988; Johar & Sirgy, 1991). Importantly, a customer’s
need for self-continuity is crucial for the perception of competence to become self-referential.
Customers with a high need for self-continuity will value an identity overlap of competence
with a company because they have a higher need for a consistent self-concept. Therefore,
companies offering high quality and thereby signaling competence are more likely to become
self-referential to customers that value self-continuity.

Second, when considering the overlap of the customer and the company identity, the core and
defining characteristics of this overlap have to maintain consistent to remain the fulfillment
of the customer’s need for self-continuity. As customers evaluate quality every time they use
a product or service, quality perceptions pervade the customer–company relationship. The
constant perception that a company offers high quality leads to continuous need fulfillment
and achieves continuity in the customer–company relationship (Bhattacharya, Rao, & Glynn,
1995). Thus, customers who value self-continuity perceive a company that continuously
offers high levels of quality as an attractive object for identification.
Third, the company’s continuous fulfillment of quality expectations signals security of the customer’s goal of maintaining self-continuity in the customer–company relationship. A perception of high quality will lower customers’ uncertainty by ensuring that the offered products and services will serve their functional purpose. Customers who value self-continuity will avoid experiences that disrupt their continuity and will identify with companies that offer high quality to maintain their self-continuity.

In sum, customers who value self-continuity are more like to draw identity-related inferences that let a company offering high quality become self-referential to them. Further, if the company’s offering continues to fulfill customer needs, the customer–company relationship becomes self-referential to the customer, reducing future uncertainty by helping the customer to maintain self-continuity. Therefore, we propose that companies offering high quality are likely to serve as an attractive object for identification for customers with a strong need for self-continuity. We suggest that a customer’s need for self-continuity positively affects the effect of perceived quality on customer–company identification:

**H$_1$:** A customer’s need for self-continuity positively moderates the effect of perceived quality on customer–company identification. Specifically, the effect of perceived quality on customer–company identification is more positive if customer’s need for self-continuity is high.

### 5.2 Self-distinctiveness and innovativeness

Self-distinctiveness motivates an individual to distinguish from others within social contexts to guarantee the integrity of the self (e.g., Brewer, 1991). Through categorization into in-groups and out-groups, individuals reduce their uncertainty by forming a distinct social identity (Hogg & Terry, 2000), allowing them to identify with unique or autonomous groups that are distinctive on dimensions they value (Riketta, 2008).

In a consumption environment, companies signal group identities and enable customers to express their identity through affiliation with a company (e.g., Belk, 1988; Escalas &
Bettman, 2005). That is, customers draw identity-related inferences through interaction with companies that offer unique products that help them establish and maintain differentiation from others (e.g., Amaldoss & Jain, 2005). Customers who highly value self-distinctiveness are especially likely to prefer companies that differentiate them from other customers. These customers are likely to prefer unique products and tend to diverge from buying decisions of others to fulfill their need for self-distinctiveness (e.g., Simonson & Nowlis, 2000). They often engage in the early adoption of new and innovative products, which are scarce and unique and thereby clearly differentiate customers that value self-distinctiveness from others (Vandecasteele & Geuens, 2010).

Companies offering innovative products or services generally give customers the opportunity to be an early adopter of a unique product. Thereby, these companies fulfill customers’ needs for self-distinctiveness by constantly providing new opportunities for differentiation and making the company an attractive target for customer–company identification. We suggest that if a company is perceived to distinguish itself from others with innovations customers who value self-distinctiveness are more likely to draw identity-related inferences regarding the company’s fulfillment of their need for self-distinctiveness and, thus, are more likely to identify with the company:

\[ H_2: \text{A customer’s need for self-distinctiveness positively moderates the effect of perceived innovativeness on customer–company identification. Specifically, the effect of perceived innovativeness on customer-company identification is more positive if customer’s need for self-distinctiveness is high.} \]

5.3 Self-enhancement and price

Self-enhancement refers to the underlying motivation to enhance the positivity of the self-concept (Sedikides & Strube, 1995). Individuals identify with companies that have prestigious identities to enhance their sense of self-worth (e.g., White & Argo, 2009) and increase their social status by signaling their membership to prestigious customer groups
(Escalas & Bettmann, 2005). In particular, purchasing and consuming products and services publicly allows customers to signal their group membership and status (Bearden and Etzel, 1982).

Fulfilling customers’ need for self-enhancement makes them willing to spend more on products that signal their identity (Kuksov & Xie, 2012). Buying, consuming, and owning high-priced products reflects a means to signal social status and wealth because high prices convey the prominence and status of the customers. Consequently, especially customers who value self-enhancement willingly pay higher prices to distinguish positively from others. As higher prices offer customers the opportunity to show their success to others and thereby enhance their self-concept, customers who value self-enhancement are more likely to draw identity-related inferences from the prices that they associate with a company’s offering. Thus, while high prices generally result in negative customer-related consequences, we suggest that these negative consequences are less pronounced for customers with a high need for self-enhancement. Therefore, we propose:

\( H_3: \) A customer’s need for self-enhancement positively moderates the effect of perceptions of high prices on customer–company identification. Specifically, the effect of customers’ perceptions of high prices on customer–company identification is less negative if customer’s need for self-enhancement is high.


The objective of Study 2 is to test \( H_1 – H_3 \) to achieve a first understanding of how the effect of functional company characteristics on customer–company identification is contingent on the importance that customers place on specific self-definitional needs. In this field study, we chose smartphones as the product category because of multiple reasons. First, smartphones are mundane products that most consumers possess, making them ideal for a convenience sampling approach. Second, smartphones are consumer electronics products that are relevant
for consumers of all ages and backgrounds, facilitating a more demographically diverse data collection. Third, they have often been the focal product in prior research on customer satisfaction (e.g., Frank et al., 2014) and customer–company identification (e.g., Lam et al., 2010), allowing us to better link and compare our results to prior studies.

6.1 Data collection, sample, and procedure

The data collection was part of a research course at a major German university in 2016, with students gaining course credits for participation in the data collection. While the authors designed the questionnaire, trained students were responsible for the dissemination of the survey. Students received a standardized text for use as a call for participation and standardized response elements for frequently asked questions they might encounter in the data collection. We briefed students about the importance of a standardized data collection procedure and did not observe any violations of this code of conduct. The call for participation was kept very general as a brief “study on smartphones.” Students were asked to collect data from respondents of various age groups and demographic backgrounds. The data collection period was 2 months.

In the questionnaire, we first asked respondents whether they own a smartphone and directly screened out participants who did not own a smartphone. We then asked respondents to indicate the name of the company of their smartphone (i.e., the manufacturer of their smartphone) and to answer a couple of warm-up questions on their usage intensity and involvement with smartphones. We measured the main study variables by asking participants about their perceptions of the quality, innovativeness, and price of the company that produced their smartphone. We also measured the company’s prestige and corporate social responsibility level and asked respondents to indicate their customer satisfaction and identification with the company. Finally, participants rated the extent to which each of the
three self-definitional needs is important to them, entered demographic information, and were debriefed.

The overall sample consisted of 3,046 respondents that could be included in the model estimation process. We did not exclude any observations. In sum, participants named twelve smartphone companies that together covered more than 80% of the German smartphone market. Of the respondents, 54% were female, the mean age was 32.63 years (SD = 12.30 years), and the mean income was €3,000.

6.2 Measures

We measured customer satisfaction as a global evaluation of customers’ cumulative evaluation of a company (Homburg, Koschate, & Hoyer, 2006). We assessed customer–company identification using an established scale that has been shown to be reliable across many contexts (Homburg, Wieseke, & Hoyer, 2009). To measure customers’ perceived quality, we adapted the measure of Netemeyer et al. (2004), which previous research has shown to be reliable (Lam et al., 2013). Our measure for perceived innovativeness is from Kunz, Schmitt, & Meyer (2011) and has been employed in previous work (Kim et al., 2014). We measured customer price perception by adapting the scale of Suri and Monroe (2003), shown to be reliable by previous literature (e.g., Bornemann & Homburg, 2011).

When assessing customers’ self-definitional needs, we asked respondents how important self-continuity, self-distinctiveness, and self-enhancement are to them. We relied on Cable and Kay (2012) for measuring an individual’s self-continuity. We measured self-distinctiveness by a measure adapted from Singelis (1994). To assess an individual’s self-enhancement we adapted the measure from Alexandrov, Lilly, and Babakus (2013).

We also included the symbolic company characteristics corporate social responsibility and prestige and product involvement, usage intensity, contract, time since purchase, age, gender,
and household’s net income per month as control variables. We assessed corporate social responsibility by adapting the measure of Lichtenstein, Drumwright, and Braig (2004) and prestige by adapting the measure of Bhattacharya, Rao, and Glynn (1995). We assessed product involvement by the measure of van Trijp, Hoyer, and Inman (1996) and usage intensity by two questions on how frequently the respondent uses his/her smartphone (“I use my smartphone intensively” and “I use my smartphone frequently”). To assess the contract type, we asked respondents whether they use their smartphone in a pre-paid or a post-paid contract with the mobile network provider. Finally, we asked respondents how many months it has been since they purchased the smartphone. Appendix A provides a list of the measurement items and the corresponding references for the core variables used in this study and Web Appendix WA3.1 offers an overview of the variables’ definitions.

### 6.3 Psychometric properties of variables

Table 2 presents descriptive statistics, psychometric properties, and intercorrelations of the study’s variables. Overall, the results of the confirmatory factor analysis indicate that the hypothesized model fits the data well (RMSEA = .05; CFI = .95; TLI = .94; SRMR = .04). No Cronbach’s alpha value is smaller than .847 (Nunnally & Bernstein, 1994) and no average variance extracted is below .61, with all thereby exceeding the recommended thresholds (Bagozzi & Yi, 1988). Additionally, we assessed discriminant validity by using the criterion of Fornell and Larcker (1981). All average variances extracted exceeded the squared correlations between all pairs of constructs and met this criterion.

6.4 Analytical approach

To analyze the conceptual model, we relied on path modeling (Kline, 2015). We accounted for the nested data structure (customer within smartphone companies) by using a maximum likelihood estimator that is robust against non-independence of observations and non-
normality of variables (Muthén & Satorra, 1995; Muthén & Muthén, 2018). To facilitate the interpretation of interaction effects, we centered the respective independent and moderator variables on their grand means. To test the moderating hypotheses $H_1–H_3$, we calculated interaction terms by multiplying the mean-centered variables and incorporated these interaction terms as additional predictors of customer satisfaction and customer–company identification in our model (Aiken & West, 1991). Further, our models account for the covariance between customer satisfaction and customer–company identification.

6.5 Results

Table 3 reports the results of the main effects model and the full model including interaction effects. We report unstandardized results and did not standardize our variables. Our results offer additional support for our reasoning that customer satisfaction and customer–company identification differ in how they are affected by functional company characteristics. Specifically, perceived quality (QU; $\gamma_{QU\rightarrow CS} = .294, p < .01$) and perceived innovativeness (IN; $\gamma_{IN\rightarrow CS} = .160, p < .01$) have a positive effect on customer satisfaction, whereas perceived price has a significant negative effect on customer satisfaction (PR; $\gamma_{PR\rightarrow CS} = -.066, p < .01$). In contrast to the significant effects of perceived quality, innovativeness, and price on customer satisfaction, only perceived quality significantly influences customer–company identification. Thereby, our results offer further support for our notion that customer–company identification is more difficult to establish than customer satisfaction.

Fig. 2 illustrates these findings by quantifying the differences in the effect sizes of each functional company characteristic on customer satisfaction and customer–company identification. We calculated effect size ratios by dividing the absolute standardized effects of each functional characteristic on customer satisfaction by the absolute standardized effects of the respective functional characteristic on customer-company identification (i.e., $\frac{|\beta_{CS}|}{|\beta_{CCY}|}$). The
ratios presented in Fig. 2 show that the effect of innovativeness on customer satisfaction is about four times stronger than its effect on customer-company identification. Analogously, the effect of higher prices is 2.7 times stronger for customer satisfaction than for customer satisfaction. Finally, the effect of quality is 20 percent stronger for customer satisfaction than for customer-company identification. Thus, functional company characteristics are generally much more effective in driving customer satisfaction than customer–company identification.

In light of the greater difficulty of engendering customer–company identification (CCI), we hypothesized that to foster customer–company identification, functional company characteristics have to correspond to a self-definitional need that is important to the customer (i.e., self-continuity, -distinctiveness, and -enhancement). Particularly, H1 posits that a customer’s need for self-continuity (SC) positively moderates the relationship between perceived quality and customer–company identification, indicating that customers’ quality perceptions have a stronger association with customers’ identification with the company if the customers have a strong need for self-continuity. Results in Table 3 support this notion by showing a significant positive interaction effect between customers’ quality perceptions and their need for self-continuity (H1: $\gamma_{PQxSC\rightarrow CCI} = .030, p < .01$). Fig. 3.A offers further insights into this interaction and reveals that, indeed, the effect of perceived quality on customer–company identification is stronger for customers with a higher need for self-continuity ($\omega_{High} = .335, p < .01$) than for customers with a lower need for self-continuity ($\omega_{Low} = .228, p < .01$). In line with research on self-definitional needs (Cooper & Thatcher, 2010), Fig. 3.A additionally shows that owing to their higher value for independence, customers with a stronger need for self-continuity generally tend to identify less with social groups. This is reflected in the difference of the intercepts between customers with a weaker and a stronger need for self-continuity in Fig. 3A.
H₂ suggests that customers’ need for self-distinctiveness (SD) positively moderates the relationship between perceived innovativeness and customer–company identification, indicating that customers’ perceptions of a company’s innovativeness are effective in engendering customer–company identification only if customers’ need for self-distinctiveness is high rather than low. Results in Table 3 show a positive but nonsignificant interaction between self-distinctiveness and perceived innovativeness on customer–company identification (H₂: γ_INxSD→CCI = .019, n.s.). However, we attempt to gain more insights into this relationship using an experimental procedure in Study 3.

H₃ proposes that self-enhancement (SE) has a positive moderating influence on the relationship between price perception and customer–company identification. Results in Table 3 offer support by showing a positive significant interaction effect between customers’ perceptions of higher prices and their need for self-enhancement on customer–company identification (H₃: γ_PRxSE→CCI = .037, p < .05). Fig. 3.B offers further insights revealing that customers’ perceptions of higher prices have a negative effect on customer–company identification if customers’ need for self-enhancement is low (ωₐₙₙ = −.101, p < .01). In contrast, if their need for self-enhancement is high, customers’ perceptions of higher prices have a less negative and nonsignificant effect on customer–company identification (ωₜₕᵢᵣₜ = .048, n.s.). Thereby results of Study 2 reveal that high prices do not harm a company’s identification for customers who have a high need for self-enhancement.

6.6 Robustness checks

We conducted a number of checks to ensure the validity of our findings and report these in more detail in Web Appendix WA3.2. Results of the robustness checks indicate that our findings are unlikely to be driven by common method variance, systematic non-responses,
non-linear effects, or measurement error in the interaction terms. Furthermore, the results of testing multiple alternative model specifications (i.e., excluding the three self-definitional needs from our main effects model, testing our model separately for customer satisfaction and for customer-company identification, and including customer satisfaction as an additional predictor of customer-company identification) provide further support for our findings. Despite these successful robustness checks, our model estimations in Study 2 (and in the preliminary Study 1) rely on cross-sectional survey data and might thus be affected by potential endogeneity issues. To overcome such endogeneity issues and other extraneous influences (Antonakis et al., 2010) we employed an experimental approach in Study 3.

6.7 Discussion

Study 2 offers two key insights. First, we find further support for our suggestion that functional characteristics of a company’s offering are less effective in engendering customer–company identification than they are in engendering customer satisfaction. Second, results reveal that functional company characteristics can be effective in engendering customer–company identification when they match with a self-definitional need that is important to the customer (H1–H3). However, the underlying process why functional company characteristics need to match to customer’s self-definitional needs to engender customer–company identification remains still unclear. In the following, we aim to gain a deeper understanding on the process of how functional company characteristics relate to customer–company identification.


A question central to our theoretical framework is why and how the match between functional company characteristics and customers’ self-definitional needs increases customers’ identification with a company. To understand this underlying mechanism, we
integrate functional and symbolic value into our conceptual framework (Park, Jaworski, & MacInnis, 1986). Specifically, we assume that functional company characteristics are generally likely to create functional value, because functional value is created by solving or avoiding current or anticipated consumption-related problems. As functional company characteristics predominantly inform customers about whether the company’s offering meets or exceeds customer performance expectations, they tend to be less effective in creating symbolic value for customers.

However, we theorize that besides generating functional value, functional company characteristics may also create additional symbolic value for customers, but we expect the effect to depend on whether a customers’ importance for a self-definitional need fits with the functional company characteristic. If a characteristic fits to a self-definitional need that is important to a customer this match creates symbolic value by the fulfillment of the customer’s internally generated social and self-concept related needs. Therefore, customers who give high importance to a self-definitional need are more likely to perceive identity cues of functional company characteristics that fulfill their self-definitional need as more diagnostic and to attribute the fulfillment of that self-definitional need to a matching functional company characteristic. Thus, by matching to a self-definitional need that is important to a customer, functional company characteristics additionally create symbolic value. This symbolic value is established by the fulfillment of a customer’s self-definitional need, making customer–company identification more likely to occur.

We particularly expect quality to engender symbolic value for customers who hold self-continuity in high importance, innovativeness to create symbolic value for customers who regard self-distinctiveness as highly important, and high prices to be effective in providing symbolic value for customers who value self-enhancement. Thus, specifically, we propose:
H₄ₐ: The indirect effect of quality on customer–company identification via symbolic value is positively moderated by customer’s need for self-continuity. Specifically, quality has a more positive effect on symbolic value and thus customer–company identification if customer’s need for self-continuity is high rather than low.

H₄₅b: The indirect effect of innovativeness on customer–company identification via symbolic value is positively moderated by customer’s need for self-distinctiveness. Specifically, innovativeness has a more positive effect on symbolic value and thus customer–company identification if customer’s need for self-distinctiveness is high rather than low.

H₄₅c: The indirect effect of price on customer–company identification via symbolic value is positively moderated by customer’s need for self-enhancement. Specifically, price has a less negative effect on symbolic value and thus customer–company identification if customer’s need for self-enhancement is high rather than low.


The purpose of Study 3 is threefold. First, we investigate the mediating role of symbolic value and test H₄ₐ₋ₖ to provide deeper insights into the process that explains why functional characteristics of a company’s offering have stronger identity relevance for consumers with higher self-definitional needs. Second, we use experimental manipulations of the functional characteristics to rule out potential extraneous influences and overcome potential endogeneity issues that might have affected the estimates in our field studies. Third, we pursue further insights into the generalizability of the moderating role of consumers’ self-definitional needs by testing our hypotheses across two product categories. We selected two products that differ in their consumption setting (private or public) and purchase frequencies (low or high). We relied on smartphones to be consistent with the context of Study 2 and selected shower gel to test whether our hypothesized moderating effects also hold for products from categories that consumers use more privately and purchase more frequently than smartphones.
8.1 Data collection, sample, and procedure

We conducted a randomized online experiment and collected data from 840 participants from the US via the platform Prolific in 2020. Respondents received £.70 for their participation. We excluded 37 participants who failed to respond to our two attention checks correctly ("please select ‘do not agree at all’" and “please select ‘totally agree’"). The final sample comprises 803 participants, of which 50% were female, the mean age was 30.60 years (SD = 10.92 years), and the mean income ranged between US $2,000 and US $2,499.

We employed a 3 (quality, innovativeness, price) × 2 (low, high) between-subjects design for both the smartphone and the shower gel contexts. Each participant evaluated only one context. We relied on fictional companies to offer a clean test and rule out any extraneous influences (e.g., prior use, company knowledge) that might have affected our manipulations. Participants first read about a situation in which they were considering buying a new product of the respective category. After being exposed to the experimental stimuli, they were asked to evaluate the company on the basis of its functional characteristics (i.e., the manipulation check), assessed their perception of the functional and symbolic value that the company offers to them, and responded to measures of customer satisfaction and identification with the company. Finally, participants indicated the identity relevance of the respective product category, entered demographic information, and were debriefed.

8.2 Experimental stimuli and measures

In line with other experimental studies (e.g., Chaplin & John, 2007; Güntürkün, Haumann, & Mikolon, 2020), we manipulated functional characteristics by offering fictional information from third-party sources (expert and consumer reviews) and consumers’ own product impressions. All information unanimously indicated that the respective functional characteristic is either low or high. Consumers saw an ad that mimicked a typical billboard or online banner. Each ad showed a fictional company name on the left and a product picture on
the right. We used different product pictures for the low and the high conditions to align these with the information in the vignette and enhance the realism of the manipulations.

Appendices B and C show all experimental stimuli and materials.

We relied on the same measures as in the previous studies to measure customer satisfaction, customer–company identification, and consumers’ self-definitional needs. We measured functional and symbolic value by adapting the scales of Kim et al. (2014). In addition, we assessed participants’ identity relevance of the product category with three items adapted from Arnett, German, and Hunt (2003). Appendix A provides measurement items of our core variables and Web Appendix WA4.1 provides all variables used in this study and their definitions.

8.3 Psychometric properties of variables and robustness checks

Table 4 presents descriptive statistics, psychometric properties, and intercorrelations of the study’s variables. Overall, the results of the confirmatory factor analysis indicate that the hypothesized model fits the data well (RMSEA = .05; CFI = .97; TLI = .96; SRMR = .03). No Cronbach’s alpha value is smaller than .79 (Nunnally & Bernstein, 1994), no composite reliability is below .87, and no average variance extracted is below .69, thereby exceeding the recommended thresholds (Bagozzi & Yi, 1988). Additionally, we assessed discriminant validity by using the criterion of Fornell and Larcker (1981). All average variances extracted exceeded the squared correlations between all pairs of constructs and met this criterion.

-----insert Table 4 about here----

8.4 Analytical approach

To offer a better comparison to the findings of the field studies, we again relied on a path modeling approach (Kline, 2015). We used dummy variables to model the effects of the experimental manipulations of the functional characteristics (quality, innovativeness, and price; 0 = low, 1 = high) and ran separate models for the experimental manipulations of the
various functional company characteristics for each product category. For each functional company characteristic and product category combination, we first estimated a model in which we included the direct effects of the functional characteristic on functional value, symbolic value, customer satisfaction, and customer–company identification, the indirect effects via functional and symbolic value, and the effects of the three self-definitional needs on all mediators and outcomes. Further, we included direct effects of functional and symbolic value on customer satisfaction and customer-company identification. Second, we calculated interaction terms by multiplying the dummy independent variables (quality, innovativeness, and price) with the mean-centered moderator variables (self-continuity, self-distinctiveness, and self-enhancement) and estimated a full model that included the interaction effects as additional predictors of symbolic and functional value. For the full model, we also estimated the indirect and moderated indirect effects via functional and symbolic value on both outcomes. Both models account for the covariance between functional and symbolic value and between customer satisfaction and customer–company identification.

8.5 Manipulation checks

Web Appendices WA4.2 and WA4.3 provide results of manipulation checks and descriptive statistics on participants’ comparability between low- and high-treatment groups. Results of analyses of variance show that our manipulations have the expected effects and perform as intended.

8.6 Results

Table 6 presents the core results and Tables WA4.4–WA4.6 of Web Appendix WA4 show the complete results of Study 3. In line with the findings of Study 1 and Study 2, the results of Study 3 show that functional company characteristics significantly affect customers’ satisfaction with the company in both product categories ($\gamma_{\text{PQ} \rightarrow \text{CS} | \text{Smartphone}} = .936, p < .01$; $\gamma_{\text{PQ} \rightarrow \text{CS} | \text{Shower Gel}} = 1.244, p < .01$; $\gamma_{\text{IN} \rightarrow \text{CS} | \text{Smartphone}} = .767, p < .01$; $\gamma_{\text{IN} \rightarrow \text{CS} | \text{Shower Gel}} = .333$,}
$p < .05; \gamma_{PR \rightarrow CS | Smartphone} = .412, p < .01 \gamma_{PR \rightarrow CS | Shower Gel} = -.327, p < .10)$

whereas functional company characteristics do not have significant direct effects on customer–company identification ($\gamma_{PQ \rightarrow CCI | Smartphone} = -.093, n. s.; \gamma_{PQ \rightarrow CCI | Shower Gel} = .213, n. s.;$

$\gamma_{IN \rightarrow CCI | Smartphone} = .353, n. s.; \gamma_{IN \rightarrow CCI | Shower Gel} = .071, n. s.; \gamma_{PR \rightarrow CCI | Smartphone} = .173, n. s.;$

$\gamma_{PR \rightarrow CCI | Shower Gel} = -.060, n. s.)$). Overall, these findings provide additional support for our notion that functional company characteristics are effective in driving customer satisfaction, but that the mechanism determining whether, when, and why functional company characteristics engender customer–company identification might be more complex.

To provide new insights into this complex mechanism and to test $H_{4a-c}$, we investigate the mediation of the conditional effects of the characteristic–need matches on customer–company identification via symbolic value. First, in support of $H_{4a}$, we find that for both product contexts, the conditional indirect effects for the quality–self-continuity match on customer–company identification via symbolic value differ significantly between customers with a low need for self-continuity and customers with a high need for self-continuity. Specifically, the results in Table 5 indicate strong positive and significant indirect effects of quality on customer–company identification via symbolic value for consumers with a high need for self-continuity ($\omega_{High | Smartphone} = 1.115, p < .01; \omega_{High | Shower Gel} = 1.072, p < .01$), whereas these indirect effects are only partially significant and much weaker for consumers with a low need for self-continuity ($\omega_{Low | Smartphone} = .290, n.s.; \omega_{Low | Shower Gel} = .357, p < .05$). In line with $H_{4a}$, the comparison of these paths reveals that the indirect effect of quality on customers’ identification via symbolic value are much stronger for consumers with a high need for self-continuity in both contexts ($\Delta\omega_{High,Low | Smartphone} = .825, p < .05; \Delta\omega_{High,Low | Shower Gel} = .715, p < .05$). The interaction plots for the effects of the quality–self-continuity match on symbolic

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1 The unexpected positive effect of higher prices on customer satisfaction for smartphones might be due to the information provided to participants in this group, which also highlights the exclusivity of the smartphone. Information about the exclusivity of the smartphone may have led participants to perceive the high price in a more favorable light.
value in Fig. 4.A and Fig. 4.B further illustrate the underlying reasons for the differences between these indirect effects by showing that quality has a stronger effect on symbolic value for consumers with a high need for self-continuity. In sum, these results support H4a.

Second, in support of H4b, we find significant differences between the conditional indirect effects of innovativeness on customer–company identification via symbolic value for customers with a low and a high need for self-distinctiveness in the smartphone context. However, we did not find support for H4b in the shower gel context. Table 5 shows that in the smartphone context, the conditional indirect effect of innovativeness on customer–company identification via symbolic value is positive and significant for customers with a high need for self-distinctiveness \( \omega_{\text{High} | \text{Smartphone}} = 1.158, p < .01 \), whereas it is less positive and not significant for customers with a low need for self-distinctiveness \( \omega_{\text{Low} | \text{Smartphone}} = .404, \text{n.s.} \). Consequently, the innovativeness of smartphone companies positively affects customer–company identification via symbolic value for customers with a high need for self-distinctiveness but does not have a positive influence for customers with a low need for self-distinctiveness \( \Delta \omega_{\text{High,Low} | \text{Shower Gel}} = .754, p < .1 \). In contrast, we did not find significant differences between the conditional indirect effects of innovativeness on customer–company identification via symbolic value in the shower gel context \( \Delta \omega_{\text{High,Low} | \text{Shower Gel}} = .250, \text{n.s.} \).

Fig. 4.C and Fig. 4.D provide further insights on the underlying mechanisms by illustrating the interaction effects of innovativeness and self-distinctiveness on symbolic value.

Third, the results of the moderated mediation analysis in Table 5 offer support for H4c. Specifically, we find that the indirect effects of price on customer–company identification via symbolic value are positive and significant for customers with a high need for self-enhancement \( \omega_{\text{High} | \text{Smartphone}} = .965, p < .01; \omega_{\text{High} | \text{Shower Gel}} = .739, p < .01 \). In contrast, these indirect effects are negative and not significant for customers with a low need for self-enhancement \( \omega_{\text{Low} | \text{Smartphone}} = -.418, \text{n.s.; } \omega_{\text{Low} | \text{Shower Gel}} = -.394, \text{n.s.} \). In support of H4c,
these conditional indirect effects significantly differ between consumers with a high versus low need for self-enhancement ($\Delta \omega_{\text{High,Low} | \text{Smartphone}} = 1.383, p < .01; \Delta \omega_{\text{High,Low} | \text{Shower Gel}} = 1.133, p < .01$). Fig. 4.E and Fig. 4.F offer further insights into the underlying mechanism by showing that high prices have a negative influence on symbolic value for customers with a low need for self-enhancement but a less negative and not significant influence on symbolic value for customers with a high need for self-enhancement.

8.7 Robustness checks

We also conducted several checks to ensure the validity of our findings and we elaborate on these in Web Appendix WA4.7. We found that common method variance is unlikely to bias our findings, that respondents interpreted our measures in a conceptually similar manner in the consumer electronics and the personal care context, and that participants were comparable in terms of their demographics between the respective low- and high- manipulation groups.

8.8 Discussion

In sum, Study 3 offers support for $H_{4a-c}$ by showing that the effectiveness of functional company characteristics in engendering customer–company identification via symbolic value depends on whether they match with a self-definitional need that is important to the customer. Notably, in line with Study 2, we find that the proposed matches have stronger effects on the link to customer–company identification for quality–self-continuity ($H_{4a}$) and price–self-enhancement ($H_{4c}$), while the match between innovativeness–self-distinctiveness was less pronounced ($H_{4b}$). Overall, the findings of Study 3 are also well in line with our reasoning that functional characteristics have a stronger link with customer satisfaction, while their effects on customer–company identification depend more on consumers’ self-definitional needs. By offering insights into the mediating role of symbolic value, these findings also provide further support for our rationales in $H_1$–$H_3$. Although not
focal to the underlying process of $H_4$, we also test the mediating role of functional value. Results are in line with our theorizing and show that functional value is a stronger mediator for the effects of functional characteristics on more performance-oriented outcomes, such as satisfaction, but plays a subordinate role for more identity-relevant outcomes, such as customer–company identification.

9. General Discussion

In light of the potential limits of merely satisfying customers, companies are striving to build deeper and more meaningful relationships with their customers. However, highly unclear is what they actually need to do—to not only to drive customer satisfaction but also to create stronger relationships characterized by customer–company identification. While previous research focuses on symbolic drivers of customer–company identification (e.g., Fombelle et al., 2016; Wolter et al., 2016), this investigation uncovers whether, when, and why core functional aspects of a company’s offerings are able to engender consumers’ identification with a company.

We combine evidence from two field studies and one experimental study to show that although functional company characteristics such as quality, innovativeness, and price influence customer satisfaction, they are not effective in creating customer–company identification per se. This finding is quite consistent for product categories that differ in terms of their consumption settings (private/public) and purchase frequencies (low/high). However, we identify a key boundary condition to this general effect by showing that for consumers who value self-definitional needs for self-continuity, self-distinctiveness, and self-enhancement, functional company characteristics can become identity-relevant and therefore have a positive influence on customer–company identification ($H_1$–$H_3$). The results of a large field study and an experimental study show that matches between quality and self-continuity and price and self-enhancement are effective in engendering customer-company
identification by creating higher symbolic value for customers (H_{4a} and H_{4c}). In addition, we find partial evidence for the effectiveness of matches between innovativeness and self-distinctiveness in engendering customer–company identification (H_{4b}). Although we derived these matches theoretically, we do not rule out that under certain conditions potential other matches between functional characteristics and customers’ self-definitional needs may be effective in engendering customer-company identification.

9.1 Theoretical implications

Our results contribute to marketing research in several ways. First, we extend research on customer relationship marketing by answering the important question of whether companies can build on their core functional offering to not only satisfy customers but also engender a strong identification of their customers with the company. Although previous marketing research has separately addressed antecedents of customer satisfaction (e.g., Golder, Mitra, & Moorman, 2012) and customer–company identification (e.g., Bhattacharya & Sen, 2003; Stokburger-Sauer, Ratneshwar, & Sen, 2012), research examining differences of how core functional company characteristics affect the two relationship marketing concepts is scarce. This investigation is a first attempt to address this research void by examining how core functional company characteristics influence customer satisfaction and customer–company identification. Although favorable perceptions of functional company characteristics have a positive influence on customer satisfaction, these perceptions have to match the self-definitional needs that are important to customers to engender customer–company identification. Our findings improve the theoretical understanding of how customer satisfaction and customer–company identification engender by showing that the two relationship concepts differ in how they are affected by functional company characteristics.

Second, this study expands research on customer–company identification by offering important insights into when functional company characteristics reflect diagnostic identity
cues for consumers. Previous research has identified symbolic drivers of customer–company
identification (e.g., Fombelle et al., 2012; Wolter et al., 2016), but little is known about how
core functional company characteristics fulfill self-definitional needs and make customers
identify with companies. Our study advances theoretical knowledge in marketing by
integrating social identity theory with the cue diagnosticity framework to provide first
insights into the interplay of functional company characteristics and self-definitional needs in
engendering customer–company identification. Specifically, our results show that functional
company characteristics perceived as favorable can increase customer–company
identification if they fit to self-definitional needs important to the customer. This finding
implies that to foster customer–company identification, firms can build not only on symbolic
characteristics such as prestige or status but also on functional characteristics.

Third, our results offer deeper theoretical insights into the underlying process that
explains why functional company characteristics become more identity-relevant for
consumers who place high importance on a specific self-definitional need. By showing that a
functional characteristic can become identity-relevant and create higher levels of symbolic
value for customers with a matching high self-definitional need, we provide a novel
theoretical pathway to symbolic value that adds to prior research on the processes involved in
creating customer–company identification. While prior theorizing has often portrayed
functional and symbolic company characteristics as inherently distinct in their potential to
cue identity-relevant information for consumers (e.g., Lam et al., 2010), we add the notion
that symbolic value can also emanate from functional characteristics. However, an important
boundary condition is that the diagnosticity of these functional characteristics lies in the eye
of the beholder and varies as a function of consumers’ self-definitional needs.
9.2 Managerial implications

Our results have several important implications for managers and companies. First, we highlight that companies must be sensitive to the differences in the drivers of customer satisfaction and customer–company identification. While companies can drive customer satisfaction by demonstrating superior levels of functional company performance, their cultivation of customer–company identification is much more difficult. This pattern occurs consistently across product categories such as consumer electronics, personal care, accessories, or fashion, and offers a potential explanation for why many companies struggle to establish deeper and more meaningful relationships with their customers (Accenture, 2017). While prior work has shown that symbolic value drivers such as a prestigious brand can drive customer–company identification, this study helps managers to uncover the slumbering potential of their company’s functional characteristics. Our findings are thus particularly informative for companies that do not (yet) enjoy a prestigious identity but do possess certain functional strengths that—if emphasized in the right way to the right customer segments—could be employed to foster deeper customer relationships.

We inform managers that functional company characteristics can serve as vehicles to create symbolic value and identification with a company if they match with consumers’ self-definitional needs for continuity, distinctiveness, and enhancement. We identify three characteristic–need matches and offer insights into how managers can use these matches in their communication, segmentation, and targeting efforts when aiming to establish deep and meaningful customer relationships. First, we identify quality as an identity-relevant driver for customers with a high need for self-continuity. Second, we show that price is an identity-relevant driver for customers with a high need for self-enhancement. Third, we provide some evidence as to why innovativeness may reflect an identity-relevant cue for consumers with a high need for distinctiveness.
These characteristic–need matches have important implications for marketers who seek to connect a functional company characteristic with a particular identity appeal in their marketing communications. Although many marketers rely on identity messages that appeal to consumers’ need for self-continuity (e.g., “be true to yourself,” “capture the real you”), self-distinctiveness (e.g., “just different,” “have it your way”), or self-enhancement (e.g., “get the best out of you,” “you deserve it”), so far knowledge is scarce as to which identity appeal best fits the underlying functional characteristics of a company. By shedding light on the symbolic value and identification potential that emanate from our newly identified characteristic–need matches, we offer managers clear guidance for a more systematic development of their marketing messages.

This research also has important implications for customer segmentation and targeting. In particular, our findings show that managers should be aware that customers who value a specific self-definitional need generally draw stronger conclusions about a company’s symbolic value on the basis of a matching functional characteristic. While this stronger relevance for self-definitional needs can have favorable effects if a company is particularly strong on a matching characteristic, it can also be a potential threat to customer–company identification when a company’s functional performance is rather weak on a respective characteristic. With this in mind, managers should carefully select the functional characteristics they feature in their marketing communications.

Managers also need to be aware that emphasizing a specific functional characteristic might pay off for some customer segments but not for others, as a given customer base is likely to differ in its self-definitional needs. For example, while emphasizing high prices for customers with a high need for self-enhancement is advisable, this strategy backfires and harms both identification and satisfaction for customers with a low need for self-enhancement. In situations where managers face such trade-offs, a better approach is to rely on...
micromarketing approaches, in which specific functional characteristics can be 
(de)emphasized for more closely defined target groups. This strategy is particularly feasible 
in direct marketing communications at the individual customer level (e.g., direct marketing, 
digital marketing).

To develop the identification-building potential of functional company characteristics, 
managers must understand how to identify consumer groups with different self-definitional 
need orientations in their potential target markets. Our studies’ data offer several insights that 
managers can use for their segmentation and targeting efforts. We find that older (versus 
younger) consumers generally have lower need orientations, possibly because their need for 
self-expression through brand associations is more likely to be already saturated (Chernev, 
Hamilton, & Gal, 2011). Consumers’ need for self-enhancement differs most between age 
groups, as the need for self-expression through material possessions is most prevalent among 
younger consumers (Chaplin & John, 2007). Looking at specific associations between the 
various self-definitional needs and consumer characteristics, we first find that consumers with 
a high need for self-continuity are more likely to belong to a higher income category. Second, 
female consumers often have a higher need for self-distinctiveness, a finding that is also 
evident in other consumer samples (e.g., Hou & Elliott, 2016). Third, consumers with a 
higher education are more likely to have a higher need for self-enhancement, possibly 
because of their higher achievement orientation. While marketing managers should conduct 
further market research to gain additional knowledge, these insights may serve as a starting 
point for targeting consumers with different self-definitional need orientations.

9.3 Limitations and avenues for further research

Our study has limitations that reflect avenues for further research. First, although we tested 
our key hypotheses in a field study and an experiment in two distinct product categories 
(smartphones, shower gel) that vary in terms of their consumption setting (private/public),
purchase frequency (low/high), and price levels (low/high), future research could further assess the generalizability of our findings in other contexts (e.g., other product categories, experience vs. search goods, product vs. services, B2C vs. B2B). For instance, while our empirical work is situated in a business-to-consumer context, future research could investigate how functional and symbolic characteristics relate to customer–company identification in a business-to-business context. This research gap is relevant as there is only limited knowledge on functional and symbolic drivers of customers’ identification with supplier companies in business-to-business contexts (for an exception on how symbolic drivers affect customer-company identification see Homburg, Stierl, & Bornemann, 2013).

Finally, we focus on companies that emphasize a single monolithic corporate brand and thus only consider customers’ identification with a single company focus. However, there are also more complex situations, in which customers may face multiple identification foci (e.g., Fombelle et al. 2012). For example, when two companies collaborate for an offering (e.g., a smartphone manufacturer and a mobile network provider), when a corporate parent brand employs a strong product brand that evokes diverging associations (e.g., Gillette as a product brand of P&G), or when two companies employ an ingredient branding strategy (e.g., Intel chips inside Dell’s notebooks). How functional and symbolic characteristics drive customer-company identification in the presence of multiple identification foci is largely unknown yet and thus offers a fruitful avenue for further research.

10. References


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Fig. 1. Conceptual framework and overview of studies

Study 1 – Preliminary Study
- Field study
- n1 = 376
- Product categories: consumer electronics (television), accessories (watch), fashion (sneaker), personal care (shower gel)

Functional Company Characteristics
- Perceived Quality
- Perceived Innovativeness
- Perceived Price

Self-Definitional Needs
- H1

Study 2
- Field study
- n2 = 3046
- Product category: consumer electronics (smartphone)

Functional Company Characteristics
- Perceived Quality
- Perceived Innovativeness
- Perceived Price

Self-Definitional Needs
- H2
- H3

Study 3
- Experimental study
- n3 = 803
- Product categories: consumer electronics (smartphone), personal care (shower gel)

Functional Company Characteristics
- Quality
- Innovativeness
- Price

Self-Definitional Needs
- H4a
- H4b
- H4c

Notes: H4a–H4c reflect hypotheses on conditional indirect effects of functional company characteristics on customer-company identification via symbolic value. Although not depicted in the figure, we estimate main effects of the self-definitional need variables on the dependent variables.

Fig. 2
Notes: CS = customer satisfaction. CCI = customer-company identification. Based on standardized effects. Effect Size Ratio = $\frac{|\beta_{\text{CS}}|}{|\beta_{\text{CCI}}|}$, with $i$ = company characteristic. This metric reflects the influence of each functional characteristic on customer satisfaction relative to its impact on customer-company identification. For example, a value of 1 would imply that the effect of a characteristic is equally strong for both customer satisfaction and customer company identification. A value of 2 would indicate that the effect of the characteristic on customer satisfaction is two times higher than its effect on customer company identification.
Fig. 3
Study 2: Plot of interactions and simple slope analyses

Fig. 2A Interaction Plot (DV = CCI):
Perceived Quality x Self-Continuity

Fig. 2B Interaction Plot (DV = CCI):
Perceived Price x Self-Enhancement

Simple Slope Analysis:
\( \omega_{\text{Low}} = .228, p < .01; \omega_{\text{High}} = .335, p < .01 \)

Simple Slope Analysis:
\( \omega_{\text{Low}} = -.101, p < .01; \omega_{\text{High}} = .048, \text{n.s.} \)

Notes: DV = dependent variable. CS = customer satisfaction. CCI = customer-company identification. \( \omega_{\text{Low}} \) and \( \omega_{\text{High}} \) reflect the simple slopes for the corresponding effects. All simple slopes are plotted from the lowest value to the highest value of the scale for the respective independent variable. Low and high values of the moderator variable reflect 1.5 standard deviations below and above the mean. Independent and moderator variables have been centered at their grand mean (Aiken & West 1991).
Fig. 4
Study 3: Plot of interactions and simple slope analyses

**Quality × Self-Continuity (DV = Symbolic Value)**

<table>
<thead>
<tr>
<th>Fig. 4.A – Smartphone</th>
<th>Fig. 4.B – Shower Gel</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Graph" /></td>
<td><img src="image2" alt="Graph" /></td>
</tr>
</tbody>
</table>

Simple Slope Analysis:
\[ \omega_{low} = .610, \text{ n. s.}; \omega_{high} = 2.344, p < .01 \]

**Innovativeness × Self-Distinctiveness (DV = Symbolic Value)**

<table>
<thead>
<tr>
<th>Fig. 4.C – Smartphone</th>
<th>Fig. 4.D – Shower Gel</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image3" alt="Graph" /></td>
<td><img src="image4" alt="Graph" /></td>
</tr>
</tbody>
</table>

Simple Slope Analysis:
\[ \omega_{low} = .723, \text{ n. s.}; \omega_{high} = 2.088, p < .01 \]

**Price × Self-Enhancement (DV = Symbolic Value)**

<table>
<thead>
<tr>
<th>Fig. 4.E – Smartphone</th>
<th>Fig. 4.F – Shower Gel</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image5" alt="Graph" /></td>
<td><img src="image6" alt="Graph" /></td>
</tr>
</tbody>
</table>

Simple Slope Analysis:
\[ \omega_{low} = -.621, \text{ n. s.}; \omega_{high} = 1.432, p < .01 \]

Notes: \( \omega_{low} \) and \( \omega_{high} \) reflect the simple slopes for the corresponding effects. All simple slopes are plotted from the low condition (=0) to the high condition (=1) for the respective independent variable and 1.5 standard deviation below and above the mean value for the respective moderator variable. Symbolic value was measured on a seven-point Likert scale.
Note that Fig. 4.D (shower gel) is solely included for illustrative purposes as the interaction effect of innovativeness and self-distinctiveness on symbolic value is not significant ($\gamma_{\text{Innovativeness} \times \text{Self-Distinctiveness} \rightarrow \text{CCI}} = -0.105; \text{n.s.}$)
### Table 1
Study 1 – Preliminary Study: Results

<table>
<thead>
<tr>
<th>Product Category: Watch</th>
<th>Result</th>
<th>Product Category: Sneaker</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Quality → Customer Satisfaction</td>
<td>+</td>
<td>Perceived Quality → Customer Satisfaction</td>
<td>+</td>
</tr>
<tr>
<td>Perceived Innovativeness → Customer Satisfaction</td>
<td>+</td>
<td>Perceived Innovativeness → Customer Satisfaction</td>
<td>+</td>
</tr>
<tr>
<td>Perceived Price → Customer Satisfaction</td>
<td>n.s.</td>
<td>Perceived Price → Customer Satisfaction</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product Category: Television</th>
<th>Result</th>
<th>Product Category: Shower Gel</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Quality → Customer Satisfaction</td>
<td>+</td>
<td>Perceived Quality → Customer Satisfaction</td>
<td>+</td>
</tr>
<tr>
<td>Perceived Innovativeness → Customer Satisfaction</td>
<td>+</td>
<td>Perceived Innovativeness → Customer Satisfaction</td>
<td>+</td>
</tr>
<tr>
<td>Perceived Price → Customer Satisfaction</td>
<td>-</td>
<td>Perceived Price → Customer Satisfaction</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Low Purchase Frequency</th>
<th>High Purchase Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes: + = positive significant effect ($p &lt; .05$; two-tailed); - = negative significant effect ($p &lt; .05$; two-tailed); n.s. = not significant effect.</td>
<td></td>
</tr>
<tr>
<td>Variables</td>
<td>Mean</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>1. Perceived Quality</td>
<td>4.703</td>
</tr>
<tr>
<td>2. Perceived Innovativeness</td>
<td>5.087</td>
</tr>
<tr>
<td>3. Perceived Price</td>
<td>5.205</td>
</tr>
<tr>
<td>4. Customer Satisfaction</td>
<td>5.275</td>
</tr>
<tr>
<td>5. Customer-Company Identification</td>
<td>5.368</td>
</tr>
<tr>
<td>6. Self-Continuity</td>
<td>5.394</td>
</tr>
<tr>
<td>7. Self-Distinctiveness</td>
<td>5.378</td>
</tr>
<tr>
<td>8. Self-Enhancement</td>
<td>5.346</td>
</tr>
<tr>
<td>9. Corporate Social Responsibility</td>
<td>4.627</td>
</tr>
<tr>
<td>10. Prestige</td>
<td>5.456</td>
</tr>
<tr>
<td>11. Product Involvement</td>
<td>4.627</td>
</tr>
<tr>
<td>12. Usage Intensity</td>
<td>4.627</td>
</tr>
<tr>
<td>13. Contract Type</td>
<td>4.627</td>
</tr>
<tr>
<td>14. Time since Purchase</td>
<td>4.627</td>
</tr>
<tr>
<td>15. Age</td>
<td>4.627</td>
</tr>
<tr>
<td>16. Gender</td>
<td>4.627</td>
</tr>
<tr>
<td>17. Income</td>
<td>4.627</td>
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<tr>
<td>Mean</td>
<td>3.386</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>1.457</td>
</tr>
<tr>
<td>Skewness</td>
<td>1.457</td>
</tr>
<tr>
<td>Minimum</td>
<td>1.457</td>
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<tr>
<td>Maximum</td>
<td>1.457</td>
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<tr>
<td>AVE</td>
<td>1.457</td>
</tr>
<tr>
<td>Composite Reliability</td>
<td>1.457</td>
</tr>
</tbody>
</table>
Notes: ** p < .01, * p < .05; Cronbach’s (1951) internal consistency reliability reported on the diagonal; contract type: 1 = prepaid, 2 = postpaid; time since purchase is measured in months; gender: 1 = female, 2 = male; income: 1 = < €1000, 8 = > €7000. Respondents in Study 2 owned smartphones from the following companies: Acer, Amazon, Apple, BlackBerry, HTC, Huawei, LG, Microsoft, Motorola, Nokia, Samsung, and Sony.
Table 3
Study 2: Results

<table>
<thead>
<tr>
<th></th>
<th>Main Effects Model</th>
<th>Full Model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H Estimate</td>
<td>(SE)</td>
</tr>
<tr>
<td><strong>Functional Company Characteristics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Quality → Customer-Company Identification</td>
<td>.288** (0.011)</td>
<td>.282** (0.014)</td>
</tr>
<tr>
<td>Perceived Innovativeness → Customer-Company Identification</td>
<td>.049 (0.027)</td>
<td>.053* (0.025)</td>
</tr>
<tr>
<td>Perceived Price → Customer-Company Identification</td>
<td>-.034 (0.020)</td>
<td>-0.027 (0.020)</td>
</tr>
<tr>
<td>Perceived Quality → Customer Satisfaction</td>
<td>.294** (0.022)</td>
<td>.290** (0.025)</td>
</tr>
<tr>
<td>Perceived Innovativeness → Customer Satisfaction</td>
<td>.160** (0.028)</td>
<td>.162** (0.029)</td>
</tr>
<tr>
<td>Perceived Price → Customer Satisfaction</td>
<td>-0.066** (0.013)</td>
<td>-0.062** (0.012)</td>
</tr>
<tr>
<td><strong>Self-Definitional Needs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-Continuity → Customer-Company Identification</td>
<td>-.066** (0.025)</td>
<td>-.049* (0.020)</td>
</tr>
<tr>
<td>Self-Distinctiveness → Customer-Company Identification</td>
<td>.064** (0.015)</td>
<td>.067** (0.015)</td>
</tr>
<tr>
<td>Self-Enhancement → Customer-Company Identification</td>
<td>.053** (0.018)</td>
<td>.063** (0.007)</td>
</tr>
<tr>
<td>Self-Continuity → Customer Satisfaction</td>
<td>.092** (0.025)</td>
<td>.103** (0.023)</td>
</tr>
<tr>
<td>Self-Distinctiveness → Customer Satisfaction</td>
<td>-.011 (0.014)</td>
<td>-.011 (0.014)</td>
</tr>
<tr>
<td>Self-Enhancement → Customer Satisfaction</td>
<td>-.042* (0.017)</td>
<td>-.036 (0.013)</td>
</tr>
<tr>
<td><strong>Interaction Effects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Quality × Self-Continuity → Customer-Company Identification</td>
<td>H₁</td>
<td>.030** (0.011)</td>
</tr>
<tr>
<td>Perceived Innovativeness × Self-Distinctiveness → Customer-Company Identification</td>
<td>H₂</td>
<td>.019 (0.017)</td>
</tr>
<tr>
<td>Perceived Price × Self-Enhancement → Customer-Company Identification</td>
<td>H₃</td>
<td>.037* (0.014)</td>
</tr>
<tr>
<td>Perceived Quality × Self-Continuity → Customer Satisfaction</td>
<td>.022 (0.016)</td>
<td></td>
</tr>
<tr>
<td>Perceived Innovativeness × Self-Distinctiveness → Customer Satisfaction</td>
<td>.005 (0.012)</td>
<td></td>
</tr>
<tr>
<td>Perceived Price × Self-Enhancement → Customer Satisfaction</td>
<td>.024** (0.006)</td>
<td></td>
</tr>
</tbody>
</table>

**Controls**
<table>
<thead>
<tr>
<th>Relationship</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Social Responsibility → Customer-Company Identification</td>
<td>.283**</td>
<td>(.017)</td>
<td>.016</td>
</tr>
<tr>
<td>Prestige → Customer-Company Identification</td>
<td>.073**</td>
<td>(.025)</td>
<td>.025</td>
</tr>
<tr>
<td>Product Involvement → Customer-Company Identification</td>
<td>.328**</td>
<td>(.023)</td>
<td>.022</td>
</tr>
<tr>
<td>Usage Intensity → Customer-Company Identification</td>
<td>-.046**</td>
<td>(.017)</td>
<td>.018</td>
</tr>
<tr>
<td>Contract Type → Customer-Company Identification</td>
<td>-.122**</td>
<td>(.036)</td>
<td>.038</td>
</tr>
<tr>
<td>Time since Purchase → Customer-Company Identification</td>
<td>-.001</td>
<td>(.002)</td>
<td>.002</td>
</tr>
<tr>
<td>Age → Customer-Company Identification</td>
<td>-.010**</td>
<td>(.002)</td>
<td>.002</td>
</tr>
<tr>
<td>Gender → Customer-Company Identification</td>
<td>-.006</td>
<td>(.044)</td>
<td>.043</td>
</tr>
<tr>
<td>Income → Customer-Company Identification</td>
<td>.001</td>
<td>(.008)</td>
<td>.007</td>
</tr>
<tr>
<td>Corporate Social Responsibility → Customer Satisfaction</td>
<td>.078**</td>
<td>(.018)</td>
<td>.016</td>
</tr>
<tr>
<td>Prestige → Customer Satisfaction</td>
<td>.090**</td>
<td>(.017)</td>
<td>.017</td>
</tr>
<tr>
<td>Product Involvement → Customer Satisfaction</td>
<td>.072**</td>
<td>(.012)</td>
<td>.012</td>
</tr>
<tr>
<td>Usage Intensity → Customer Satisfaction</td>
<td>.104**</td>
<td>(.021)</td>
<td>.022</td>
</tr>
<tr>
<td>Contract Type → Customer Satisfaction</td>
<td>.002</td>
<td>(.012)</td>
<td>.014</td>
</tr>
<tr>
<td>Time since Purchase → Customer Satisfaction</td>
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<td>(.002)</td>
<td>.002</td>
</tr>
<tr>
<td>Age → Customer Satisfaction</td>
<td>.001</td>
<td>(.001)</td>
<td>.002</td>
</tr>
<tr>
<td>Gender → Customer Satisfaction</td>
<td>-.064</td>
<td>(.049)</td>
<td>.049</td>
</tr>
<tr>
<td>Income → Customer Satisfaction</td>
<td>.004</td>
<td>(.004)</td>
<td>.004</td>
</tr>
</tbody>
</table>

Notes: ** p < .01, * p < .05 (two-tailed); We report unstandardized coefficients; H = Hypothesis.
Table 4
Study 3: Correlations and psychometric properties of variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
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<tbody>
<tr>
<td>1. Functional Value</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2. Symbolic Value</td>
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<td>.92</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3. Customer Satisfaction</td>
<td>.80**</td>
<td>.63**</td>
<td>.97</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4. Customer-Company Identification</td>
<td>.63**</td>
<td>.86**</td>
<td>.76**</td>
<td>.96</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>5. Self-Continuity</td>
<td>.18**</td>
<td>.21**</td>
<td>.20**</td>
<td>.21**</td>
<td>.84</td>
<td></td>
<td></td>
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<td>6. Self-Distinctiveness</td>
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<td>.29**</td>
<td>.25**</td>
<td>.28**</td>
<td>.46**</td>
<td>.87</td>
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<tr>
<td>7. Self-Enhancement</td>
<td>.20**</td>
<td>.23**</td>
<td>.19**</td>
<td>.22**</td>
<td>.33**</td>
<td>.24**</td>
<td>.79</td>
<td></td>
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<tr>
<td>8. Product Category Identity Relevance</td>
<td>.37**</td>
<td>.63**</td>
<td>.39**</td>
<td>.63**</td>
<td>.15**</td>
<td>.30**</td>
<td>.25**</td>
<td>.95</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>9. Age</td>
<td>.12**</td>
<td>.27**</td>
<td>.10**</td>
<td>.17**</td>
<td>-.07</td>
<td>-.03</td>
<td>-.04</td>
<td>.13**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Gender</td>
<td>-.03</td>
<td>-.01</td>
<td>.03</td>
<td>.05</td>
<td>-.06</td>
<td>-.12**</td>
<td>-.11**</td>
<td>.02</td>
<td>-.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Income</td>
<td>.12**</td>
<td>.22**</td>
<td>.13**</td>
<td>.22**</td>
<td>-.08*</td>
<td>.02</td>
<td>.03</td>
<td>.23**</td>
<td>.46**</td>
<td>.06</td>
<td></td>
</tr>
</tbody>
</table>

| Mean                             | 4.54  | 3.55  | 4.17  | 3.40  | 5.63  | 5.31  | 5.48  | 3.27  | 30.60 | 1.5   | 3.7   |
| Standard Deviation               | 1.61  | 1.82  | 1.75  | 1.79  | 1.09  | 1.18  | 1.16  | 1.91  | 10.92 | .51   | 2.74  |
| Skewness                         | -.54  | .34   | -.39  | .27   | -.13  | -.68  | -.96  | .39   | 1.23  | .17   | .88   |
| Minimum                          | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 17    | 1     | 1     |
| Maximum                          | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 74    | 2     | 8     |       |
| AVE                              | .76   | .77   | .89   | .78   | .89   | .73   | .69   | .79   |       |       |       |
| Composite Reliability            | .91   | .91   | .96   | .94   | .96   | .89   | .87   | .92   |       |       |       |

Notes: * p < .05, ** p < .01; Cronbach’s (1951) internal consistency reliability reported on the diagonal; gender: 1 = female, 2 = male; income: 1 = < $1000, 8 = > $4000.
Table 5
Study 3: Results of moderated mediation analyses

<table>
<thead>
<tr>
<th></th>
<th>Smartphones H Estimate</th>
<th>(S.E.)</th>
<th>Shower Gel H Estimate</th>
<th>(S.E.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quality and Self-Continuity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality x Low Self-Continuity → Symbolic Value → Customer-Company Identification (ω_{low})</td>
<td>H4a</td>
<td>.290 (216)</td>
<td>.357* (161)</td>
<td></td>
</tr>
<tr>
<td>Quality x High Self-Continuity → Symbolic Value → Customer-Company Identification (ω_{high})</td>
<td></td>
<td>1.115** (246)</td>
<td>1.072** (222)</td>
<td></td>
</tr>
<tr>
<td><strong>Innovativeness and Self-Distinctiveness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovativeness x Low Self-Distinctiveness → Symbolic Value → Customer-Company Identification (ω_{low})</td>
<td>H4b</td>
<td>.404 (231)</td>
<td>.532* (226)</td>
<td></td>
</tr>
<tr>
<td>Innovativeness x High Self-Distinctiveness → Symbolic Value → Customer-Company Identification (ω_{high})</td>
<td></td>
<td>1.158** (271)</td>
<td>.282 (217)</td>
<td></td>
</tr>
<tr>
<td><strong>Price and Self-Enhancement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price x Low Self-Enhancement → Symbolic Value → Customer-Company Identification (ω_{low})</td>
<td>H4c</td>
<td>-.418 (258)</td>
<td>-.394 (233)</td>
<td></td>
</tr>
<tr>
<td>Price x High Self-Enhancement → Symbolic Value → Customer-Company Identification (ω_{high})</td>
<td></td>
<td>.965** (265)</td>
<td>.739** (242)</td>
<td></td>
</tr>
</tbody>
</table>

Notes: **p < .01, *p < .05; we report unstandardized coefficients; H = Hypothesis; Effects were estimated in the model including interaction effects (Model II); Web Appendices WA3.4-WA3.6 provide results for all estimates of the main effects model (Model I) and the model including interaction effects (Model II).