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IDENTITY TENSIONS IN BUSINESS-BASED BRAND RELATIONSHIPS

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Chick-fil-A is a privately held family owned business that was started in 1946 by Truett Cathy. Since then, the system has steadily grown and is currently the largest quick-service chicken restaurant chain in the United States with over 4.6 billion in sales and 1,700 restaurants (www.chick-fil-a.com). Low franchisee turnover, 5% a year, is attributed to highly committed franchisees that identify strongly with the company, its brand, and its values (Schmall 2007). Chick-fil-A carefully selects individual franchisees that believe in its faith-based corporate purpose “to glorify God by being a faithful steward of all that is entrusted to us,” and asks questions about family and faith during the interview process (Ventura 2006). In line with its values, it is closed on Sundays so that all “franchised Chick-fil-A operators and restaurant employees should have an opportunity to rest, spend time with family and friends, and worship if they choose to do so” (www.chick-fil-a.com). Franchisees feel like part of this franchise family and care deeply for Cathy and the organization. In return, they work tirelessly towards success (Ventura 2006; Schmall 2007; Dobrzynski 1996). This model of selecting and socializing franchisees to identify strongly with the organization and its values is not unique to Chick-fil-A. Other distribution systems including direct selling organizations such as Amway, Shaklee, and Mary Kay, also engender strong identification between contractors and the organization (Pratt and Foreman 2000; Biggart 1989). These companies encourage and successfully develop emotional attachments between their independent contractors and the identities of their organizations, founders, and brands. They reinforce the roles that their operators value and seek.

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In this chapter, we explore the relationships that channel members have with the brands and companies they represent. We draw on ethnographic research to explore two primary identity tensions observed in one prominent form of distribution - franchising. We also provide some preliminary quantitative work in support of our qualitative findings. We posit that channel members seek relationship partners that reinforce one of four unique identity types and their associated values. Tensions arise between franchisees and their corporate partners when conflicting roles surrounding these two key dimensions of identity are imposed by the organization.

Identity and Identification

Identification and identity are interrelated constructs. An individual or organization constructs its identity through the process of identification, a process of coming to know who we are in relation to environmental objects. Identification has been described as the process in which an individual comes to see an object (e.g., an individual, group, organization, symbol, product) as being definitive of oneself or, as Pratt (1998) terms, the object as “self referential”.

Identification is a cognitive perception of psychological interconnectiveness with a target object when an individual forms a psychological connection with that object. Thus, identification is the degree to which a person defines himself with the same attributes as the target object. This psychological connectedness does not necessarily imply behavioral or affective antecedents or outcomes of such identity overlap including loyalty or prosocial behavior (Ashforth and Mael 1989: 136). Identification simply describes the “oneness” of self and object and not the potential outcomes including attachment and commitment.

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Within the field of organizational behavior, various theoretical approaches have been applied to the study of identification including social identity theory (Tajfel and Turner 1979) and identity/role theory (Stryker 1968). Role theory takes a sociological approach and examines identity construction through the enactment of salient roles. It is through the enactment of these roles with others that individuals come to view their own identity.

Identification in marketing has focused primarily on consumers and four main foci of identity construction: the product or object (Richins 1994; Belk 1988; Ball and Tasaki 1992; Wallendorf and Arnould 1988), brand (Fournier 1998; Escalas and Bettman 2003) or brand community (McAlexander, Schouten, and Koenig 2002; Schouten and McAlexander 1995; Muñiz and O'Guinn 2001) and more recently the company (Bhattacharya and Sen 2003; Ahearne, Bhattacharya, and Gruen 2005). Branding scholars have talked about identification processes as central to understanding a consumer's relationship with those objects (Fournier 1998). A large stream of research points to the importance of object and symbols, including brands in the construction of one's self concept, in expressing one's identity and in developing consumer's relations with brands or objects. Researchers have embraced the constructs of attachment (Thomson, MacInnis, and Park 2005, 89), extended-self (Ball and Tasaki 1992; Wallendorf and Arnould 1988; Tian and Belk 2005; Kleine, Kleine, and Allen 1995), and self-brand connections (Escalas 1997; Escalas 2004; Escalas and Bettman 2000; Escalas and Bettman 2003) in defining a consumer's identity overlap with brands or objects. Strong attachment to an object (brand) is predicated on overlap of the characteristics between the focal object and the self, while self-brand connection is defined as the extent to which individuals have incorporated brands into their

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self-concept (Escalas and Bettman 2000). Similarly, extensions of the self are predicated on identification processes linking the self with the object.

As the importance of such identifications with brands and the communities they engender have taken a prominent role in marketing theory and practice, corporate management of brand identity, including a set of associations about the brand, has been heralded as the “cornerstone” of successful brand strategy (Aaker 1991; Aaker 1996; Keller 1993). Such brand strategy involves managing multiple facets of brand identity with both internal and external stakeholders. This view of branding assumes that the firm has control of the brand identity and, through management of the brand associations, can engender various stakeholders to identify with them. Unlike a postmodern view of branding in which stakeholders are meaning-makers in the brand identity process, creating and enhancing identification with the brand, Aaker’s view of branding mirrors that of corporate identity scholars (Olins 1992; Margulies 1977; Van Riel and Balmer 1997; Balmer 1998) in that the distinctive identity of the corporation is controlled and communicated to various stakeholders.

The study of identity and identification has also taken on increased importance within the domain of organizational behavior as traditional company structures have given way to greater mobility and disaggregation between the workforce and the integration of more non-traditional work relations (Pfeffer and Baron 1988). Within marketing, many channel relations take on such disaggregated structures as agents of the firm work to distribute products, acting as intermediaries between the company and the consumer. Though these agents work outside the traditional boundaries of the firm, they are often considered, by themselves and the firm, as

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members of the overall organization. Two exemplars of such relational forms include direct selling and franchising, where individuals work as independent agents, but take on the identity of the firm in their interactions with the consumer. In such contexts, identification between the individual and firm has been explored by sociologists and organizational theorists (e.g., Biggart 1989; Pratt 2000). However, in the field of marketing channels, researchers have failed, for the most part, to explore the impact of identity alignment or misalignment between such agents and principals (for exceptions see Grayson 2007; Heide and Wathne 2006, Hughes and Ahearne 2010). Though norms have been posited as a way to reduce opportunism (and the commensurate monitoring costs) by aligning the self-interests of channel members (Brown, Dev, and Lee 2000; Heide and John 1992), the specific role of identification of channel members with the brand or corporate partner has not been thoroughly investigated.

Franchising, one prominent form of channel relationship, provides an excellent context to examine identity-based relationships. Charismatic franchise pioneers such as Ray Kroc (McDonald's), Colonel Saunders (KFC), and Truett Cathy built franchise systems with highly committed franchisees that identified strongly with the franchisor (Dobrzynski 1996; Darden 2002; Love 1986). Franchising agreements create a unique relationship between franchisor and franchisee. A franchisee, although an independent legal entity, often resembles a quasi-employee of the firm. Unlike traditional employees, franchisees exist outside the boundaries of the firm, yet they can potentially have long term, multi-generational relationships with the systems and brands within which they operate. Unlike employees who have a hierarchical relationship with the firm, franchisees often view themselves as independent contractors who are in a partnership with the franchisor. Like contract workers (George and Chattopadhyay 2005) or

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union members (Fullagar and Barling 1991), franchisees have multiple, sometimes competing, work groups with which to identify.

Methodology and Data

This chapter is informed by qualitative fieldwork and quantitative surveys reported in other work (Lawrence and Kaufmann 2011, Lawrence and Kaufmann 2014)¹. Three sources of data were used in the ethnographic stage of data collections: secondary data available via mass media channels, participant observations at franchisee events, including association conferences, and unstructured interviews with those with experience with franchising. Formal interviewees were purposively sampled (Patton 2001). In addition to the 36 recorded interviews, informal discussions with over 100 individual franchisees helped to inform this chapter. Our quantitative data included survey data collected from three systems in two distinct industries resulting in 207 completed surveys, a total response rate of 14%. In order to capture the cognitive connection between franchisees and the companies and brands they represent, we utilized scales in the literature used to measure identification. These measures provided a simple and well accepted measure of the cognitive connection between franchisee and franchisor. Please see an adapted version of Bergami and Bagozzi's pictorial scale (2000) of identification (see Appendix 1). Organizational identity type was measured using a scale adapted from Deshpande et al. (1993) that was constructed from the work of Quinn (1988) (see Appendix 2).

Identity Value Dimensions

¹ For a more complete review of the methodology please see Lawrence and Kaufmann 2011, 2014)

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As mentioned previously, organizational identity scholars have highlighted competing identity claims in organizations as potential sources of conflict (e.g., Golden-Biddle and Rao 1997; Glynn 2000; Foreman and Whetten 2002). Organizations can also have hybrid identities (Golden-Biddle and Rao 1997; Glynn 2000) with both normative (e.g., we are a family) and utilitarian (e.g., we are a profit center) dimensions. Such hybrid identities cause tension for the organization as members work to resolve the contradiction when seemingly opposing identities co-exist. The literature on brand identity points to the importance of brand personality, defined as the set of human characteristics associated with a given brand, as central to consumers' identification processes (Aaker 1997). Like brands, an organization's identity has been proposed as an analog to an individual's personality (Whetten 2006). Our qualitative data initially revealed several salient tensions between the individual franchisee and franchisor. These tensions revolved around six identity dimensions (communal-individualistic, secure-venturesome, aggressive-satisfied, autonomous-dependent, stable-dynamic and nostalgic-progressive). In accessing the literature in franchising and more broadly in channels of distribution, these tensions were further condensed to encompass two primary tensions around the roles of an entrepreneur and employee and the roles of a family member and investor. Tensions arise between the franchisee, who represents the brand, and the franchisor when conflicting roles surrounding these two key dimensions of identity are imposed.

The Franchise Family

This brand is all about family – my own family, your family, and the KFC franchisee family... What really makes KFC so special is the number of second – and third-generation franchisees in the business who are building on what their parents or grandparents started. This brand is all about family – families in the business and the KFC franchisee family – franchisees helping one another as family. - KFC Franchisee

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During our fieldwork, we were often struck by the common use of the family metaphor to describe franchisee system membership. Though some have referred to the franchise relationship as a marriage (Bradach 1998), a metaphor used to describe interorganizational commitment (Morgan and Hunt 1994), few researchers have examined the familial type of relationships embedded in channels of distribution (see Biggart 1989 for an exception). While observing franchisee behavior, we witnessed close bonds and affection between longtime franchisees and the brands they inhabit. Iconic founders are often described as father figures.

And so (the founder) was 'the dad.' And he had this dream and this belief, and he built the company. He really believed that if his franchisees were successful, then he would be successful. ... It was a family. –Tom

Now (the Founder) didn't have any money... in those days people were very friendly and everything. They'd ask (the Founder) if he'd wanna stay with 'em, and he'd love it, 'cause otherwise he was sleeping in his car; he couldn't afford a motel. And, so, he then became friends and family with all these various people he was bringing into his family (The Franchise). He always thought about it as his family (The Franchise)... - Susan

Susan feels a moral responsibility to help other community members. She describes a time when she was ready to purchase a new store but found a franchisee who was closer who wanted the territory.

Well, I found out another man, Jeff Smithton, was closer, and he wanted the territory. So I said, oh great Jeff, go for it. You know, I mean, gave him my information and everything. Well, I thought I was closer, and the company told me I could have it-never any conflict. It was just, you know, my brother wanted it, and so go for it Jeff. – Susan

She describes her community as unique and special.

You know, it's just... we have a different feeling among ourselves than any other group that I've ever seen, including (franchise system) or (franchise system). (Franchise system) franchisees are, what's best for me, you know. And, we don't feel that way. It's what's best for our fellow franchisee and the family. - Susan

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Given the influx of new franchisees and changes in ownership over time, considerable tension revolves around norms of a family relationship versus those of a business. The coexistence of norms of business and friendship has been highlighted as one tension that exists among organizations (Albert and Whetten 1985; Golden-Biddle and Rao 1997) and between exchange partners (Price and Arnould 1999; Heide and Wathne 2006; Grayson 2007). In describing these social relations as embodied in organizations, early work on organizational identity adopted two basic identity types - normative and utilitarian (Albert and Whetten 1985). Quinn's (1988) competing values model highlights the "human relations model" and the "rational goal model" as embodying these two competing values. The human relations model embodies values of a family where loyalty, cohesion, teamwork, and personal relations define the organization. In contrast, the rational goal model embodies values of the marketplace, where achievement, competition, production, and aggressiveness define its culture. This framework of competing values has been adopted by marketing researchers (Deshpande, Farley, and Webster 1993) in examining the influence of culture on customer orientation of the firm. In their framework, Deshpande et al. use the terms "clan" and "market" to describe these two competing organizational types.

Heide and Wathne (2006) propose that gaps between governance structures that reflect such values and the identity roles assumed by exchange partners (friend or businessperson roles) can lead to mismatches. They propose that such mismatches can lead to higher governance costs and retaliatory actions by exchange partners. Different franchisees within a singular franchise system may adopt different role identities, one embodying communal qualities (I am a family member that takes care of other members) and the other embodying individualistic qualities (I

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am an investor and have no loyalty to my fellow franchisees that don't produce). The salient contrast or assimilation between these identities is fundamental to understanding an individual franchisee's identification in such systems. Long time franchisees who have been socialized to internalize family values with their brand adopt a communal orientation. When the organization fails to live up to these communal brand values and acts in accordance with market values of self interest, tensions between the values of the organization and franchisee emerge. Newer franchisees that have not been acculturated to this communal orientation fail to experience this tension, as their role aligns with that of an investor whose purpose is self-interest driven profit seeking. In fact, new franchisees may fail to identify with the system that continues to treat its members in a communal fashion (i.e., forgiving franchisees that fail to perform).

The Rugged Entrepreneur

Overall, franchisees view themselves as fundamentally different from company employees and, more generally, from the population as a whole. Franchisees often speak about franchising in terms of an entrepreneurial spirit or protestant ethic (Weber 2002), embodying values of industriousness, self-reliance, independence, and moral fortitude, and also look to their relationship with the brand to reinforce these values. These values of hard work and resilience are exemplified by the quotes of famous franchise founders, Colonel Sanders in his mantra *The Hard Way*, Dave Thomas of Wendy's², Ray Kroc of McDonalds³, and Tom Monaghan of Domino's⁴. The franchisee gatherings we attended frequently echoed this belief in hard work and moral fortitude. These values were instilled in the brand and in its associated meanings,

² "If there are things you don't like in the world you grew up in, make your own life different."

³ "Luck is a dividend of sweat. The more you sweat, the luckier you get."

⁴ "No matter what an individual decides to become, hard work and determination is very important in today's competitive world. You may also encounter hardships along the way, but you must not get discouraged and you push on in order to fulfill your goals."

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often including the symbolic markers of the founders and their entrepreneurial ethic. Tensions between franchisee and franchisor often revolved around limiting franchisee autonomy. James has been a franchisee since 1974, when he “saw an ad in the LA Times that said, “be your own boss, own a (franchise name) franchise”. For James, being a franchisee is all about fulfilling his role as an independent operator and being a rugged individualist. Identity tensions arise when the franchise system challenges his autonomy by working to centralize decision making and increase uniformity in the system.

Everyone sees themselves as an independent contractor, and everyone wants their rights as independent contractors preserved. We didn't buy a job. We bought businesses because we're entrepreneurs, and sometimes that entrepreneurial spirit gets in the way. And (the franchisor) feels that there should be a more centralized view, or a more cohesive view, and, the way we see it is, we're all entrepreneurs, no one knows my neighborhood better than I do. – James

James values his independence above all else. In fact, he views the image of a benevolent franchisor as antithetical to his views of franchising.

I was in a breakout session at an IFA, where a gentleman who was president and CEO of a franchise chain of dry cleaners, stood up and said that his philosophy was to treat his franchisees as a benevolent dictator. And I danced all over his head. I took over the room. I got a standing ovation. (Laugh) I mean because, I think the worse thing in the world any franchisor can do is be a benevolent dictator. It stifles growth. We didn't buy a job. If you wanna be a benevolent dictator, then run company stores and have employees and not franchisees. The minute you franchise, you're giving an entrepreneur a right to make a living and make decisions. – James

James's juxtaposition of an employee characterized as subordinate versus a self-governing franchisee was reiterated by others in his system and by the franchisee body at at-large. At their national franchisee conference, the loss of autonomy on the part of franchisees was a central theme in franchisee discussions.

During the question and answer session, a franchisee gets up and states that “if you take the entrepreneurial spirit out of this business this business will die”. This feeling is particularly prevalent for longtime franchisees that have witnessed an erosion in their

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autonomy over time. Newer franchisees (many of which are former corporate employees) are thought to “toe the line” and don’t know any better. – Field Notes

Such tensions often surface when the franchise system tries to enforce policies to standardize operations or directly challenge the autonomy of individual franchisees by demanding uniformity. As a long time franchisee, James considers himself an expert on the local market, expertise that he has been able to apply and profit from because of his autonomy.

Sometimes they (the company) make suggestions and we say ‘what are they thinking?’ And I don’t wanna say I know it all, but I was 23 years old when I bought my store. And, there’s been times when they’ve rolled out a program, and I’ve said, won’t be here 3 months from now, and sure enough. And so I wish they would... take our local knowledge. – James

James is very proud of his store. During a personal tour, he highlighted how his store was different from other stores in his franchise system. His autonomy as an independent contractor afforded him the ability to profit from his extensive knowledge of his unique customers.

Contrasting the value of his knowledge gained through autonomy with that of a hierarchical system based on subordination, James highlights the tension between the franchise system’s identity and his own.

I believe that a teacher believes that he knows more than every one of his students. And I believe that a manager or supervisor believes that he’s smarter than all the folks that work under him. That’s why he’s a manager or supervisor. The plant manager’s smarter than the supervisor who’s smarter than the foreman, who’s smarter than all the workers. And... it’s really strange when I’m in Fresno sometimes, having a conversation with a category manager, who’s... hasn’t been alive as long as I’ve been doing this. So I’m talkin’ to some 30 year old, and I don’t have anything against 30 year olds, but I’m talkin’ to some 30 year old, who’s telling me about his strategy to sell more product X. Yeah, and I’m like, utilize the knowledge from the street. But I think it’s just human nature, that Fresno, the folks sitting in the ivory tower in Fresno, and I just say that as a term, the folks sitting in the ivory tower in Fresno, think they know more about convenience retailing than we do, when the, the reverse is obviously true.

I don’t want some guy at headquarters in Fresno sitting down with Nabisco negotiating a deal that is quote unquote in my best interest. I want to sit down with Nabisco and

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negotiate the deal that is in my best interest. No one knows better than me what best for me. – James

For James, the most salient identity tension revolves around values of autonomy and dependence. This was shared by others in the system who feel threatened when their roles of successful entrepreneurs are challenged by a franchisor who treats them as managers.

They are dictating things that are, in my opinion, completely out of the realm of their responsibilities. For example, telling you how many people, how many of your employees that you have, have to be certified order writers, and it's none of their business. I don't have any certified order writers, yet I've got the highest volume stores in Las Vegas; 3 years ago it was the highest volume store in the United States, and I don't have any certified order writers. – Troy

They wanna control everything...they've narrowed it down to the point of where we have to buy everything from them, 85% has to come from their recommended sources, which leaves us a 15% leeway to buy from whom whomever we wish. So... we're, we're, we're losing, we're losing our independent contractor status. They're not mentioning that, and they're not saying that, but basically we really are. We're just becoming glorified store managers as far as I can see. So there's a lot of unhappiness amongst the franchise community because of this. There's been a lot of people who have left the system because of this. – Robert

This infringement of autonomy includes steps to limit franchisee product selection, move to a uniform menu and service standards, and enforcement of capital investment requirements. These tensions are particularly acute in older systems, where the autonomy of longtime franchisees is often challenged with newer contracts that further limit franchisee autonomy. These feelings of autonomy may evolve over time as longtime franchisees view their knowledge as superior to the corporation and feel they can succeed independently of franchisor assistance. Moves by the corporation to usurp this autonomy by treating franchisees as employees who must follow rules are met with significant resistance in light of the perceived personal investment franchisees have made in the brands. In comparing their own situation with that of corporate employees,

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franchisees often state that they have “considerable skin in the game” and “If I can’t pay the bills, no one is going to save me” while the corporate officers will just move on.

The franchise-relational form, unlike other entrepreneurial ventures results in “controlled self employment with an entrepreneurial partnership” (Weaven and Frazer 2006: 227). As self-employed, franchisees may see themselves as distinct from employees who are under the direct control of the firm. Yet, being contractually tied to the franchisor, they are also part of a larger organization that provides support on which they are dependent. The franchisor must balance perceptions of dependence and autonomy while working with a diverse set of franchisees (new vs. multi-generational franchisees, family owned versus multi-unit operators). Though franchisees are often sold on the fact that they are going to run their own business as independent contractors, they are in fact dependent, to a great extent, on the actions of the firm. Franchisees, therefore, can see the organization as either hierarchically authoritative or as a source of autonomy. Quinn (1988) identifies such contrasting organizations as either an “Open Systems Model” that embodies values of an “Adhocracy”, where dynamism, innovation, and creativity define its culture, or as an “Internal Process Model” that embodies values of a “Hierarchy”, where stability, control, and procedures define its culture. Deshpande et al. (1993) also use the terms “Autocracy” and “Hierarchy” to describe these two competing organizational types.

Franchise researchers have highlighted autonomy as a key attribute in a franchisee’s decision to enter into franchise relationships (Dant and Gundlach 1999; Kaufmann and Stanworth 1995). Franchisees with no prior experience with franchising may seek the independence promised under the mantra of “being your own boss.” However, franchisees with prior self-employment

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experience may seek various dependence-based support features of franchising, including training and operational support. These initial perceptions of independence or dependence may also change over time. Older franchisees, feeling that they have developed an understanding of the system, are more likely to feel like they can succeed independent of the franchisor (Peterson and Dant 1990). A gap between a franchisee's perceived independence and the current organization's identity as it relates to facilitating such autonomy creates tension in such a system.

Other franchisees may seek a relationship with the organization that is highly structured and dependent. Individuals who have been self-employed may seek the comfort and support offered by a dependent franchise relationship. Take, for example, the following quote from a story about a Subway franchisee featured in a *New York Times* article on franchising.

For Mr. Gurwitz, joining Subway was a welcome respite from the myriad decisions he has to make in running the convenience store, which he co-owns with his father. 'They give you the operations manual, which is as thick as the New York City telephone book, and it tells you within a millimeter how thick to slice the onions,' said Mr. Gurwitz, who spent two weeks at the Subway training center in Milford, Conn. 'If you have a question about anything, you'll find it in the operations manual.' Indeed, Mr. Gurwitz discovered that many issues were no longer his sole responsibility. 'Someone stubs his toe in the store, you call the Subway legal department,' he said. 'How many convenience stores have a legal department?' Research and development, pricing and menus -- all are handled for him. By contrast, he said, 'With the convenience store, I'm everything. (Flaherty 2001)

Our fieldwork confirmed that some new smaller franchisees may seek franchising for the structured conformity and comfort that such a relationship brings. Deborah, a franchisee for seven years, describes such a relationship.

I don't think you really have to have a business degree I think you have to be teachable and that's the key thing...at (orientation) they give you the basics, as I would assume most franchisors do. They give you everything you need to actually run the business. – Deborah

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When franchise systems mature, longtime franchisees increasingly view themselves as self-reliant, and tensions arise when an organization continues to treat them as subordinates when they view themselves as equal partners in the relationship. This may be particularly salient for franchisees when the legitimacy of franchisor management is brought into question. When founders transfer ownership to a new management team, they do not transfer the legitimacy and social capital that they often enjoy. Neither do founders transfer the entrepreneurial spirit with which they imbue the brand. How franchisees view the organization, as reaffirming such roles of entrepreneur or employee in such circumstances, is critical to understanding franchisee-franchisor relationships.

Identity Dimension Framework

The model shown in figure 1 shows four types of organizational identity types: hierarchy, autocracy, clan and market. Tensions between hierarchy and autocracy identities revolve around values related to autonomy and authority, while tensions between identities of a clan and market identities revolve around business norms of self interest and communal norms of loyalty and commitment. Each identity is detailed below.

We define a Hierarchy organizational identity, the prototype of which is a military organization, as based on obedience to authority. Members are controlled by procedures and rules that govern behavior and order relationships. Such organizations rely exclusively on norms of authority where values of uniformity, stability, and control dominate. Members follow policies and procedures in return for security and stability. The salient role that is reaffirmed is that of an

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employee who has no authority to question superiors, but follows scripts that define his or her appropriate behavior.

An Adhocracy identity, the prototype of which is a startup, is based on values of innovation, dynamism, and freedom. In such organizations, individuals are guided by the logic of autonomy where freedom to express new ideas and creativity is encouraged. These organizations rely on visionary leaders to guide their members' actions. The salient role that is reaffirmed is that of an entrepreneur who has complete authority to chart his or her own course.

We define a Market identity, the prototype of which is a business firm, as based on self-interest seeking economic rational behavior, where employees are controlled through monetary incentive. In such organizations, employees are paid for their work and, in exchange, are expected to produce goods equal to that value. Such organizations rely exclusively on norms of business (Heide and Wathne 2006) where individuals are calculative and are motivated by maximizing self-interest. An organization's actions, such as eliminating employees who fail to produce to their marginal cost, are accepted under such a business norm. In such a relationship, the role that is most strongly reaffirmed is that of an investor, whose interest in the relationship is driven solely by the expectation of profit and whose commitment to the organization is based on return, and not on an emotional attachment to the firm or its members.

In contrast to a Market identity, a Clan identity, the prototype of which is a family and exemplified by religious, political, or socially based organizations, is based on empathy, interdependence, caring, shared responsibility, and shared sacrifice. These organizations rely on

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normative control rather than economic incentive to guide their members' actions. Such organizations rely exclusively on norms of friendship (Heide and Wathne 2006), where individuals are cooperative and self sacrificing. In such a relationship, the role that is most strongly reaffirmed is that of a family member whose interest in the relationship is driven by an emotional attachment to the organization and for caring for the good of the group.

Various models of organizational identification have proposed tenure with an organization as an antecedent of identification (Dutton, Dukerich, and Harquail 1994; Bhattacharya, Rao, and Glynn 1995; Mael and Ashforth 1992). Results investigating the relationship between tenure and higher levels of organizational identification have been mixed. Some researchers have found a positive relationship between tenure and identification (Barker and Tompkins 1994; Mael and Ashforth 1992), while others have found null effects (George and Chattopadhyay 2005; Iyer, Bamber, and Barefield 1997). George and Chattopadhyay (2005) propose that mixed results may be because tenure acts as a step function, only becoming significant at certain junctures in the relationship. However, such mixed results could also point to more complex interaction between the multiple dimensions of the organizational identity over time.

As franchisees develop and maintain friendships with other franchisees and organizational members over time, tenure should enhance franchisees' communal identity orientation.

Longtime franchisees are also more likely to have trans-generational and complex familial relationships with the brand. Family members may work together in multi-unit franchise companies or own independent franchise units within the same system. As business and family gatherings coexist and memories of such brand events are stored and retrieved from memory, the

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brand becomes a central focus of the family. Longtime franchisees, feeling that they have a thorough understanding of the system, are also more likely to feel as though they can succeed independent of the franchisor (Peterson and Dant 1990). Therefore, as franchisees' tenure in the system increases, role identities should align more with organizational identities that reflect the values of a clan and an autocracy.

Insert figure 1 about here

Quantitative Results

Even though we had hoped to compare across perceived identity types (i.e., by comparing those who perceive their organization as a Clan versus Market and Hierarchy versus Autocracy), very few respondents rated their franchisor high on values reflected by a Clan or Autocracy (the top quartile of both consisted of ratings above only 20 points). Therefore, our analysis focuses on perceptions of one identity type (e.g., comparing those respondents rating their franchisor high on values of Market versus those rating their franchisor low on values of a Market). Ratings for Market and Hierarchy identity types provided adequate distribution to allow for a comparison between those scoring in the upper quartile (Hierarchy ≥ 50 , Market ≥ 40) versus lower quartile (Hierarchy ≤ 15 , Market ≤ 10). Thus, we focus the following analysis on perceptions of franchisors on these two identity types.

In order to test the interaction of tenure on perceived identity, we conducted a mean split of tenure, creating two groups that comprised a similar number of respondents, one high in tenure (>10 years) and those low in tenure (≤ 10). As described above, we split organizational identity ratings into two groups: those who scored in the top quartile and those who scored in the bottom

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quartile. This created cell sizes that were large enough to satisfactorily test the hypothesis (Low Tenure/ Low Hierarchy n=25, High Tenure/ Low Hierarchy n=22, Low Tenure/ High Hierarchy n=24, High Tenure/ High Hierarchy n=27) (Low Tenure/ Low Market n=33, High Tenure/ Low Market n=24, Low Tenure/ High Market n=18, High Tenure/ High Market n=31).

We ran a 2(Tenure: Hi/Low) x 2(Identity Type: Hi/Low) ANCOVA controlling for system, number of outlets, brand identification, and brand-franchisor overlap. Results showed a significant interaction between the degree to which franchisees viewed the organization as having values of a market (Hi/Lo) and tenure in the organization (Hi/Lo) ($F(2,97) = 11.93, p < .01$) (See Figure 3). Planned contrasts show a significant difference in long term franchisees' identification across levels of perceived market identities ($M_{HiMarket} = 1.94, M_{LowMarket} = 3.47; F(1,97) = 11.57, p < .01$). Furthermore, when compared with older franchisees, newer franchisees have higher identification with a franchisor they view as high on market values ($M_{LowTenure} = 1.94, M_{HiTenure} = 3.31; F(1,151) = 8.44, p < .01$). In regards to our predictions regarding identification with perceived hierarchical identities, results did not support our claim that longtime franchisees are more likely to identify with autocratic organizations. These null results may be the resultant of measurement error or sample bias due to our small sample size.

 Insert figure 2 about here

Conclusion

We argue that relationships between channel members are contingent on reaffirming certain role identities and the values associated with these identities. Perceptions that the franchisor is oriented towards values of a market are found to negatively impact longtime franchisees'

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identification with the franchisor. Though the data did not allow for a direct comparison between perceptions of a franchisor high in clan and business values, based on the competing values framework, the results suggest that when compared with short term franchisees, longtime franchisees will identify more strongly with a franchisor that is viewed as embodying the values of a clan.

The relationship between various foci of identity including the brand, corporate owners, founders, and collectives is an important avenue for future research. Competing identity claims are inevitable given that large conglomerates often own a portfolio of brands. Companies even hide the fact that competing identity claims may exist, for example, when a parent company owns a subsidiary and the brand identity of the subsidiary and that of the parent have opposing meanings (e.g., Dagoba and Cadbury, Odwalla and Pepsi, Tom's of Maine and Colgate-Palmolive, Burt's Bees and Clorox). Most consumers fail to gain such knowledge or have limited incentive to look for such information. However, there are instances when identity misalignment between the actions of the firm and the meanings of the brand are uncovered. Take, for example, Dove's "Real Beauty Campaign" that generated publicity when consumers revealed that Unilever, Dove's parent company, also owned Axe. If a corporation is seen to abandon its brand identity or fails to stay true to its brand promise, brand evangelists and passionate consumers can actively fight back by disidentifying with a company and its brand. In most consumer contexts, inconsistencies in brand identity lead the consumer to abandon the brand and seek an alternative brand that they feel aligns with their self-concept. However, in cases where the brand is so central to an individual's self-concept, as in the case of a longtime loyal user of the brand, an individual may create an alternative identity distinct from that which

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the corporation portrays. An individual may therefore continue to identify strongly with a brand by detaching the meanings of the brand from the corporation itself, thus maintaining a sense of cognitive consistency. The company may continue to reinforce one brand identity while the consumer or brand community constructs an alternative brand identity. In a channel setting, such identity separation may be even more salient, given the nature of the relationship.

Future research needs to examine more closely the two related routes to identification, role reinforcement, and value congruency. Though identity theory and social identity theory have emerged from two separate theoretical camps (see Hogg, Terry, and White 1995; Stets and Burke 2000 for comparisons of the two theories), there seems to be considerable opportunity to examine the relationship between roles and values and their impact on brand relationships. Research in the consumer realm has focused exclusively on values as the driving force of identification (Bhattacharya, Rao, and Glynn 1995; Bhattacharya and Sen 2003), while in the channel literature, roles have dominated (Heide and Wathne 2006; Grayson 2007). An interesting avenue for future research could examine potential conflicts that arise when a relationship partner in a channel setting reflects your values but treats you in a way that is incongruent with a salient role identity. For example, brands that espouse the values of friendship, but in interactions treat you as a business partner.

Lastly, future work should examine how business-based brand relationships differ from those in the consumer space. Given the commitment some channel members have with the brand and the potential for instability on the part of its corporate owners, future work should examine the

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unique relationship between a brand's identity and its corporate owners. Understanding these tensions has important implications for channel management.

Appendix 1

Measure of Perceived Franchisor Identity

1: What is (Franchisor) like? (Please distribute 100 points)

_____ points
for A

(A) (Franchisor) is a very close knit group. They treat each other like an **extended family** and seem to share a lot of themselves with each other. **Loyalty and tradition** guide their actions and they emphasize **human resources**.

_____ points
for B

(B) (Franchisor) is very **dynamic and entrepreneurial**. They are willing to stick their neck out and take risks. Commitment to **innovation and development** guide their actions and they emphasize **growth and acquiring new resources**.

_____ points
for C

(C) (Franchisor) is very **formal and structured**. Established procedures generally govern what they do. **Formal rules and policies** guide their actions and they emphasize **permanence and stability**.

_____ points
for D

(D) (Franchisor) is very **outcome and achievement oriented**. They are primarily concerned with getting the job done and being competitive. **Tasks and goal accomplishment** guide their actions and they emphasize **competitive actions and achievement**.

Appendix 2:

Franchisor Identification Measure

4: Imagine that one of the circles on the left represents **your own self definition or identity** (who you are) and the other circle at the right represents **(Franchisor's) Identity** (who they are). Please check which letter best represents the level of overlap between your own and CI's identities.

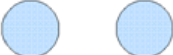















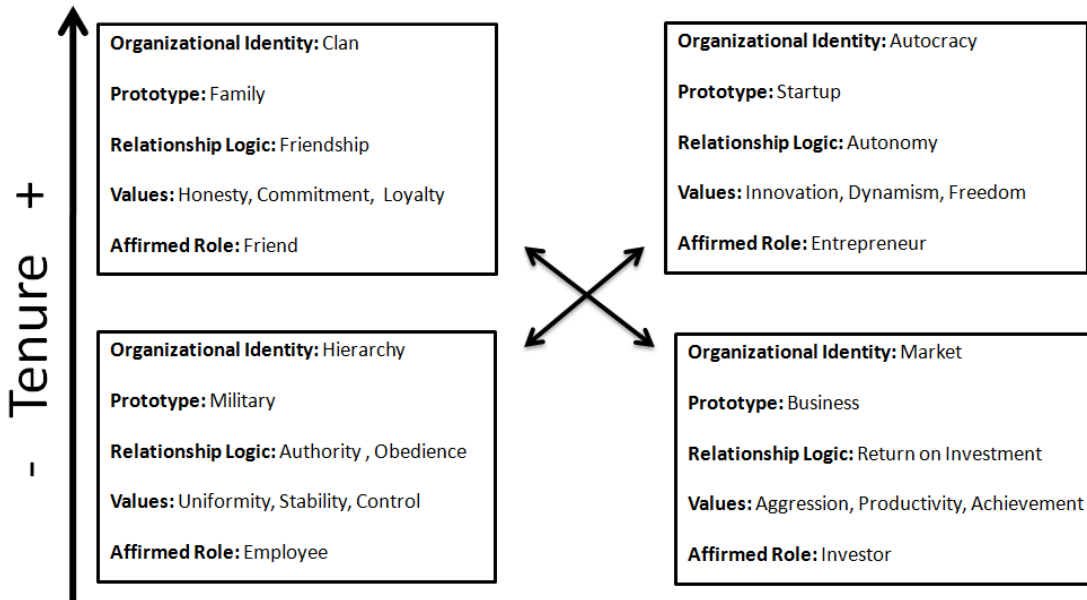
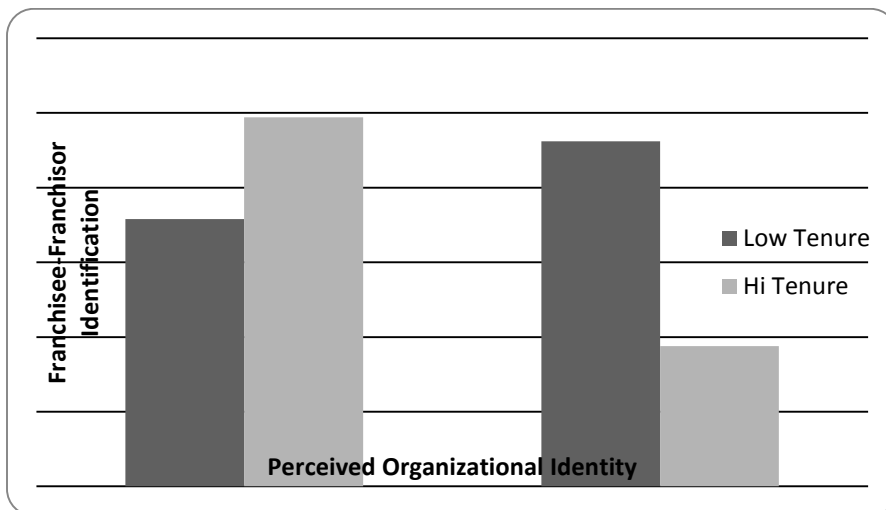
ME	(Franchisor)	
		<input type="checkbox"/> A: Far Apart
		<input type="checkbox"/> B: Close Together But Separate
		<input type="checkbox"/> C: Very Small Overlap
		<input type="checkbox"/> D: Small Overlap
		<input type="checkbox"/> E: Moderate Overlap
		<input type="checkbox"/> F: Large Overlap
		<input type="checkbox"/> G: Very Large Overlap
		<input type="checkbox"/> H: Complete Overlap

FIGURE 21.1 Identity dimension framework



Adapted from: Quinn 1998, Deshpande 1993

FIGURE 21.2 Perceived market identity x tenure



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