"WE ARE FAMILY!" Why and when communicating family-ownership enhances consumer responses

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INTRODUCTION

Technological advancements in artificial intelligence and automation increasingly allow companies to dehumanize customer interactions (Grewal et al. 2020). Consequently, there has been a growing interest in interventions that re-establish a sense of humanness in products and brands. The current research investigates a novel humanization strategy: ***communicating family ownership***. How communicating family ownership affects marketing-relevant outcomes is not well understood, leaving managers uncertain regarding this communication strategy. Aiming to reduce this uncertainty, we examine to what extent, why, and when communicating family ownership enhances consumer responses.

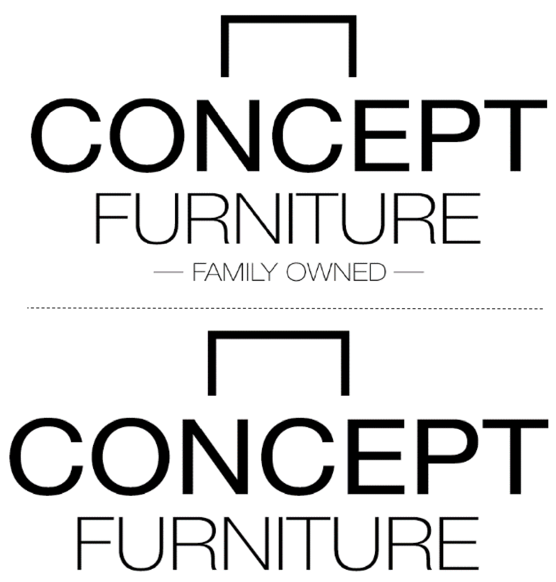
THEORY

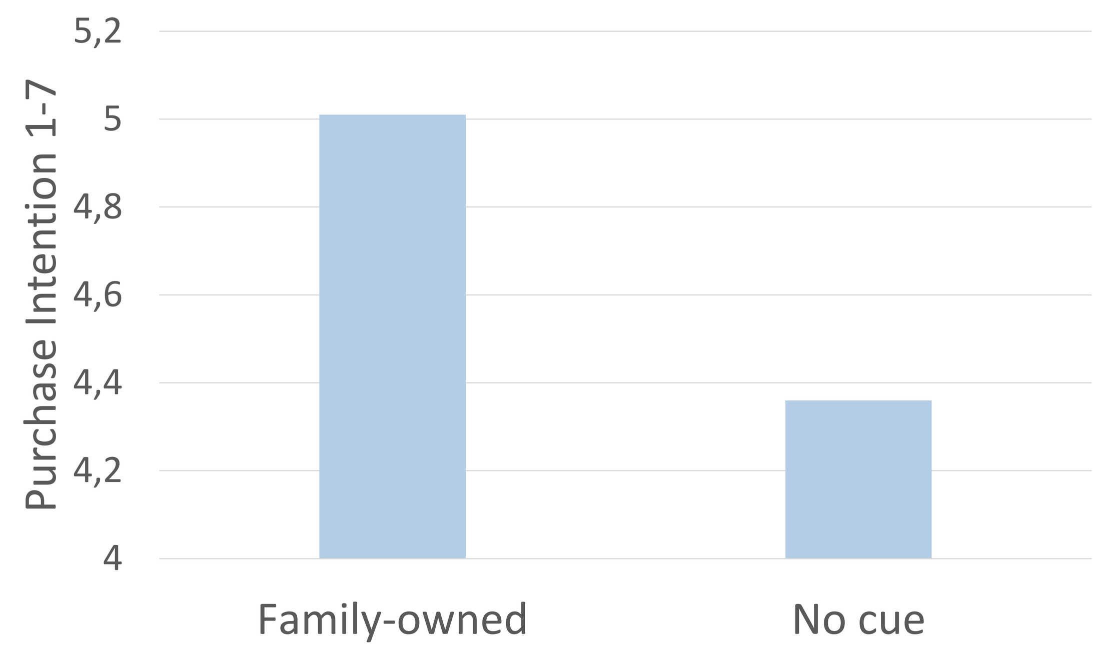
Drawing from knowledge activation theory (Higgins 1996), we predict that the cue "***family***" activates a human schema that humanizes the company. When applying this activated human knowledge about families, we predict that consumers attribute greater benevolence to a company that they consider in human terms. The ability to demonstrate warmth and caring are human characteristics that differentiate human beings from nonhuman entities (e.g., machines) (Haslam 2006). **Therefore, consumers should attribute greater benevolence to a company that communicates family ownership. Benevolence, in turn, will enhance marketing-relevant outcomes (e.g., purchase intention).**

However, cues that are incongruent with benevolence may attenuate the positive effect. We predict that the effect of communicating family ownership depends on perceived company size. Large companies possess great market power, which also enables them to focus more on their own interests (Mukherji et al. 2011). Small companies instead devote greater attention to consumers' needs (Ailawadi et al. 2010). Caring about consumers and their needs is central to benevolence, so **we hypothesize that the positive effect of communicating family ownership vanishes for companies that are perceived as large.**

RESULTS

Study 1 (n=161): Results show that consumers reported greater purchase intentions when the company was described as family-owned than when no ownership cue was provided (p = .001)

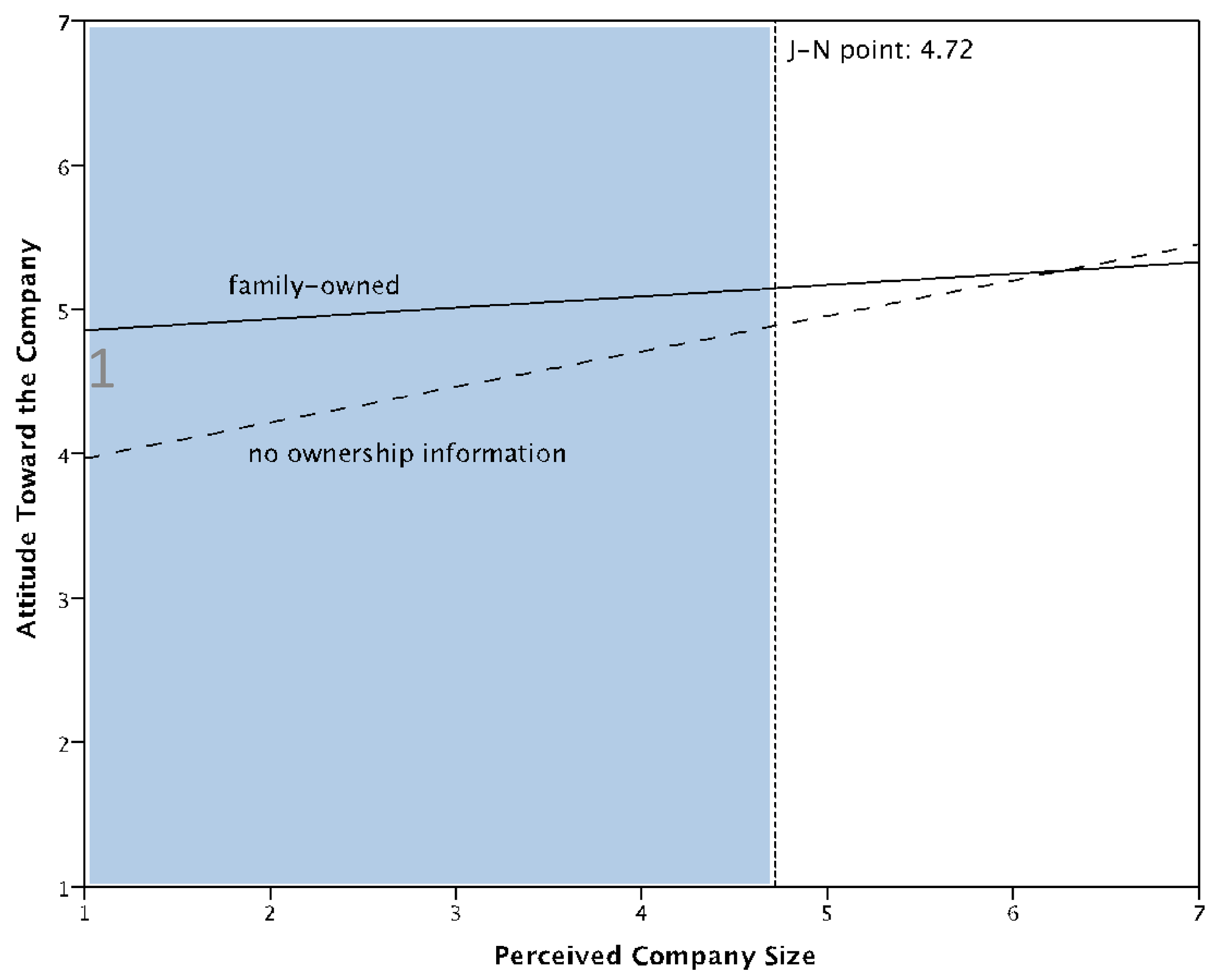




Study 2 (n=182): A serial mediation analysis shows a positive and significant indirect effect (.08, SE = .04; CI95 [.01, .16]) along the proposed pathway

Family vs. Publicly Owned cue $\xrightarrow{+*}$ Humanization $\xrightarrow{+*}$ Benevolence $\xrightarrow{+*}$ Booking Intention

Study 3 (n=415): A moderation analysis shows a significant interaction between ownership and perceived company size (p = .031)



DISCUSSION

This research enhances our understanding of how consumers respond to communications about ***family ownership***. Our research also contributes to ***humanization*** literature. Prior research has listed several strategies that companies can use to encourage human-like perceptions. The current research introduces a different, non–product-related humanization strategy. Furthermore, we contribute to research on ***company size***. Yang and Aggarwal (2019) determine that the extent to which a company is penalized for poor communion depends on its perceived size, such that small but not large companies suffer penalties for being insufficiently communal. Expanding this domain, we show that perceived company size moderates the effect of communicating family ownership. Specifically, family-owned companies that are perceived as large cannot benefit from this strategy. These insights provide actionable guidelines for marketers regarding how and when a company's family firm status can be leveraged.

Sources: Ailawadi, Kusum L., Jie Zhang, Aradhna Krishna, and Michael W. Kruger (2010), "When Wal-Mart Enters: How Incumbent Retailers React and How This Affects Their Sales Outcomes," Journal of Marketing Research, 47 (4), 577–93; Grewal, Dhruv, John Hulland, Praveen K. Kopalle and Elena Karahanna (2020), "The future of technology and marketing: A multidisciplinary perspective," Journal of the Academy of Marketing Science, 48 (1), 1–8; Haslam, Nick (2006), "Dehumanization: An Integrative Review," Personality and Social Psychology Review, 10, 252–64;