

Can Consumer Advertising Help get Retail Employees "on-board"?

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Extended abstract

Consumer advertising is one of the most visible marketing tools of a retailer. This means that it will reach many different stakeholders. Academic marketing research, however, tends to focus only on one of them, namely the consumer. Given that consumers are, in fact, the main target audience for advertising, this focus is sound. Still, there is a growing literature documenting the effects of consumer advertising on other stakeholders, such as employees (e.g., Wolfinbarger-Celsi and Gilly 2010) and investors (e.g., Osinaga et al. 2011). This research clearly shows that consumer advertising influences perceptions above and beyond the *consumer* perceptions it is primarily intended to promote. In the current paper we investigate how consumer advertising influences retail employees. More specifically we explore if and how *retail employee* perceptions of consumer advertising might influence their organizational identification.

Organizational identification (OI), or “the degree to which people come to see the organization as part of themselves” (Dutton et al. 1994, p.242), is important. High levels of OI have been found to foster beneficial employee behaviors, such as cooperation inside and competitiveness outside the organization, as it leads employees to focus on actions that benefit the organization a whole rather than only their self-interest (e.g., Dutton et al. 1994). Companies are, however, facing great challenges when it comes to OI or “getting people on board” (*Getting People on Board*, Harvard Business School Press, 2004). A recent Gallup study (2013) conducted in 142 countries worldwide shows that only 13 percent of employees are engaged in their work and likely to make positive contributions to the organizational goals. We believe that the marketing department in general, and consumer advertising in particular, can have an important role to play in addressing this challenge.

There is indeed a large body of literature within the marketing field that addresses how organizations can get their employees “on board”. Some related concepts are internal marketing (Rafiq and Ahmed, 2000), internal branding (Punjaisri and Wilson, 2007), and employee branding (Miles and Mangold, 2004). A common theme in these literatures is alignment, that is, making sure employees share the same perceptions of the organization internally *and* that there is a fit between internal and external perceptions. Still, the role played by consumer advertising is rarely explicitly addressed in empirically in this work.

To our knowledge, only a handful studies have investigated the role played by consumer advertising for employees. These studies show that employees indeed react

to its company's consumer advertising (c.f. Acito, 1980; Hughes 2013; Wolfinbarger and Gilly 2005; Wolfinbarger-Celsi and Gilly, 2010). OI has emerged as a relevant construct within this field, and it has been proposed, based on qualitative studies (Gilly and Wolfinbarger, 1998), that consumer advertising can build OI. If true, this would mean that advertising contributes to the organization beyond influencing consumers. However, this relationship has not been empirically verified. We therefore aim to build on emerging work by empirically testing the proposed effects of advertising on organizational identification, using an experimental design that allows for causality to be established.

Our study was conducted in cooperation with a large food retailer, which allows us to study real employees and real consumer advertising. A total of 314 employees participated in the study and they were asked to express their views on six different examples of advertising created by the company. Each participant only saw one ad and answered questions about organizational identification only once (either before or after seeing the ad). The allocation to conditions was random. By varying the order of measurement of OI and ad exposure we can a) compare the level of organizational identification between those exposed and those not exposed to advertising and b) explore the causal direction of ad perceptions and organizational identification.

The findings show a significant positive influence of consumer advertising on organizational identification. Further correlational analysis, based on Kenny's (1975) approach, confirms the causal direction of this relationship. Thus, our results suggest that advertising exposure leads to increased OI, and not the other way around. The findings also show that this effect is not true for all ads, and that employees' perceptions of advertising effectiveness is a key driver of the OI effect..

The originality of the study is, first, that it contributes a better understanding of employee reactions to consumer advertising, by providing empirical support for a previously suggested (Wolfinbarger and Celsi, 1998) relationship between advertising and OI. Second, our research complements previous qualitative (Wolfinbarger and Celsi, 1998) and correlational (Hughes 2013; Wolfinbarger-Celsi and Gilly, 2010) studies of the internal effects of consumer advertising by using an experimental approach. This allows us to establish the causal relationship between advertising and OI. Finally, on a more general level, the present paper contributes to the growing literature on different stakeholder reactions to consumer advertising and adds a broader picture of how advertising contributes to organizations, beyond influencing consumers.

Managerially, the findings suggest that advertising is an important tool in aligning and getting employees "on board". Thus, advertisers should take employees into account when designing and evaluating consumer advertising. Employees could be invited prior to a campaign, to influence the planning in terms of, for example, key messages. Advertisers could also pay greater attention to employee reaction after the campaign, by conducting campaign evaluation internally – in the same way that consumer reactions typically are measured. The latter action could also serve as a tool for advertisers to further strengthen their accountability and influence within the company.

Further research is called for in order to better understand the reasons for the effects of advertising on OI. A particularly relevant question is what type of advertising that has greater or lesser effect on OI. It would be fruitful to include traditional measures of consumer reactions to advertising (ad attitude, message clarity, etc.) to further understand effects on employees.

Key references

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