Original Paper

The Effects of Customer’s Psychological Ownership on Intention to Establish Long-Term Relationships with the Company

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Abstract

Purpose: It is very important for companies to maintain long-term relationship with their customers. This study focused on the psychological ownership of customers to improve and make strong relationship with the company. This study aimed to find out the main antecedents that form psychological ownership. It also conceptually examine whether psychological ownership affects the intention to sustain long-term relationship with companies.

Methodology: This study will conduct a comparative study between the US and Korea by surveying customers using hotels and department stores. The results of survey will be analyzed by structural equation model using AMOS program.

Findings: Through previous studies and inferences, we extracted customer participation, customer experience, and customer-company identification as the main antecedents influencing psychological ownership in the customer-company relationship.

Discussion: If it is verified that psychological ownership has a significant impact on long-term relationship, marketing practices could be suggested that can maximize the psychological ownership of customers by analyzing three factors of customer participation and four types of customer experience.

Keywords

psychological ownership, customer participation, customer experience, customer-company identification, long-term relationship

1. Introduction

The ultimate goal of a company is to build and maintain long-term relationships with its customers. In forming and developing the relationship between the company and the customers, the company’s relational efforts are the most important factor. Secondarily, however, the customers should be made to think that their relationship with the company will benefit them through continuous interactions with the company so that they intend to maintain and strengthen the relationship (Lagace et al., 1991). That is, in addition to the company’s unilateral efforts to maintain a long-term relationship with the customer, the customer’s efforts to maintain the relationship with the company can be also said to be an important factor. Rao and Perry (2002) report that long-term relationship exchanges are often based on social cohesion, that is, investments in time and effort to create positive human relations between partners. These social and human relationships become to rely on cognitive and emotional processes that require
the effort, thought, and consideration of both customers and service providers for the other parties (Asatryan & Oh, 2008). Therefore, the relationship marketing framework suggests developing long-term customer involvement and commitment to the company based on continuous relationship exchanges (Asatryan & Oh, 2008). Despite that customer participation is an element that must be regarded as important together with company participation as such, most studies to date are focused on service quality improvement and company’s unilateral effort to promote relationships with customers. Studies on customers’ roles are very rare. Since services are actually provided through interactions between employees and customers, customer’s participation at service encounters is a very crucial element that cannot be completely excluded. That is, customers cannot but provide the information, time, labor, or knowledge necessary for the production of services, and the provision naturally occurs during the interactions between customers and employees at service encounters. Furthermore, customers play not only the passive role of being provided with services but also the role as cooperators and producers of the company (Hsieh et al., 2004). Since customers should inevitably participate in the process of service delivery because of the inseparability among the characteristics of services, customer participation behaviors are an element that must be regarded as important in the service environments of department stores, hotels, etc. where interactions between employees and customers frequently occur.

However, customer participation behavior cannot be simply regarded to directly affect the maintenance of long-term relationships between the company and customers. Among existing previous papers on the friendly relationships between customers and companies, there is a study indicating that customer participation behaviors are an element that affects customer satisfaction (Kim, 2010). Although there are studies indicating that customer satisfaction is a strong leading variable when seen from the aspect or repurchase intentions, which means the maintenance of long-term relationships with companies, no consistent result about it has been presented. In addition, in fact, the effect of customer satisfaction on repurchase behaviors was shown to be minimal (Seiders et al., 2005). That is, this means that not all customers who are satisfied through customer participation behaviors in the process of service delivery intend to maintain long-term relationships. That is, since customer satisfaction is judged to be a variable with insignificant effects on the maintenance of a long-term relationship between the customer and the company, new factors that explain the intention to maintain the long-term relationship between the customer and the company should be explored.

Therefore, in the present study, the concept of psychological ownership will be applied as a predisposing factor for customers’ purchase intentions and relationship intention. Psychological ownership has been studied mainly focusing on the relationship between an organization and its members. In these studies, psychological ownership is presented as an influential variable that predicts motives, attitudes, and behaviors, which are important in the workplace. For example, it has been verified that psychological ownership affects employees’ organizational commitment, extra-role behaviors (Pierce et al., 2001; Vandewalle et al., 1995), attitudes toward changes promoted by the organization (Dirks et al., 1996), and productivity (Pierce & Rogers, 2004). Although the variable psychological ownership (element of construct) has also been adopted recently in the context of marketing, few studies have been conducted on the relationship between the customer and the target organization from the viewpoint of marketing. There are only studies conducted by Peck et al. (2013) and Hartley et al. (2017), which examined the effects of psychological ownership on regions.
Therefore, in the present study, main dimensions that form psychological ownership will be found out and the effects of psychological ownership on the relationship between these preceding factors and customer behavior will be analyzed. Verifying whether the formation of customers’ psychological ownership can lead to repurchase intentions or intentions to continue long-term relationships, which mean customer loyalty, is considered to be meaningful both academically and practically. Therefore, in the present study, customer participation, customer experience, and customer-company identity will be examined separately as the main dimensions that affect psychological ownership in the relationship between customers and the company. After figuring out the effect of each of customer participation, customer experience, and customer-company identity on psychological ownership, the effects of customers’ psychological ownership of the target on the formation of purchase intentions and relationship intention will be examined.

2. Conceptual Background

2.1 Psychological Ownership

A study that raised the concept of psychological ownership for the first time was conducted by Pierce et al. (1991). They established a theoretical framework for psychological ownership and defined the concept of psychological ownership as “a psychological state of individuals to feel identity between the target of possession and theirs or themselves”. Dirks et al. (1996) similarly defined the concept of psychological ownership as “a psychological state of individuals to feel the target of possession as theirs or part of themselves”. This means that individuals feel a psychological sense of belonging to a certain target or accept the target as a part of themselves. In the field of organizational behavior, Vandewalle et al. (1995) defined psychological ownership as a sense of ownership felt by members of an organization for a certain target, even when their physical or legal rights to the target are not guaranteed. Meanwhile, Pierce et al. (2003) proposed a psychological ownership theory to explain the feeling of connection or the state of psychological ownership in the context of business. Pierce et al. (2003) stated that first, the feeling of a sense of ownership is “the meaning and feeling connected to me, mine, or ours”; second, psychological ownership represents the relationship between individuals and material and nonmaterial targets; third, individuals perceive that the target (e.g., company) is closely connected with them; and, finally, the state of psychological ownership is complex and consists of emotional and cognitive elements. In conclusion, it can be said that psychological ownership means the sense of bond to feel a sense of ownership of the target of possession even when no legal authority has been given. In addition, psychological ownership can be said to be a state in which the individual regards that the target is closely related to him/her itself through a feelings of intimacy or bond with a certain target.

2.1.1 Previous Studies Related to Psychological Ownership

Studies related to a sense of ownership reported that psychological ownership is felt for non-physical substances such as works of art, ideas, thoughts, words, relationships, and people (Issacs, 1933; Pierce et al., 2001). It has been reported that the complex feeling of a sense of ownership as such induces joy and makes the target to be felt special (Beggan, 1992).

Studies on psychological ownership have focused mainly on the relationship between organizations and the members of the organizations, and studies on the relationship between customers and the target organization are rare. The results of studies indicate that when organization members have psychological ownership of the organization, the work efficiency of the organization is improved and the organization members perform extra-role actions. Liu, Wang et al. (2011) tried to explain the
relationship between organization members’ right to participate in decision making/the autonomous management team climate, which means organization members’ perception that the organization gives them the authority to be autonomously involved in their work process, and psychological ownership, emotional commitment, organizational citizenship behavior, and Organization-Based Self-Esteem (OBSE). In addition, they checked the moderating effect of power distance by using power distance as a moderating variable. Bae et al. (2010) investigated the effects of distributive justice and procedural justice on psychological ownership and analyzed the relationship between psychological ownership and organizational citizenship behavior, organizational commitment, and job tension, which are outcome variables. Through the study, the mediating effect of psychological ownership was identified and it was verified that distributive justice and procedural justice show significant positive relationships with psychological ownership. In addition, it was verified that psychological ownership had statistically significant positive relationships with organizational citizenship behavior and organizational commitment, respectively, but had a statistically significant negative relationship with job tension. Cho et al. (2011) verified the influencing relationships between empowerment of employees, participation in decision making, and personality, which is a personal characteristic factor, and psychological ownership and job satisfaction, organizational commitment, and job performance as the consequences of psychological ownership. Asatryan and Oh (2008) proposed a model of psychological ownership for restaurants. They presented participation, identification, and a sense of connection with the place as leading variables of psychological ownership and presented intention to maintain relationships, word of mouth, intention not to use other restaurants, and intention to pay premium prices as outcome variables. In these studies, control was reported to have no statistically significant effect on the formation of psychological ownership. The remaining variables except for control were verified to have statistically significant positive effects.

These studies suggested that the reason why control has no effect was the fact that the possibility of manipulation through control by customers cannot but be lower in restaurant environments compared to other industries. In addition, Chi and Han (2008) identified the relationships between profit sharing systems, participation in decision making, and accessibility to company information and distributive justice and procedural justice, and explained the relationships using psychological ownership of the organization as an outcome variable.

Recent consumer behavior studies show that psychological ownership promotes people’s attachment to and attitudes to prefer the target (Feuchtl & Kamleitner, 2009). It is also reported that people can develop psychological ownership just by imagining that they firsthand touch the target (Peck, Barger, & Webb, 2013). Jussila et al. (2015) developed psychological ownership in the context of marketing through review of extensive literature on psychology, business administration, and marketing thereby emphasizing that psychological ownership affects motivational, attitudinal, and behavioral consequences. Hartley et al. (2017) defined psychological ownership as an emotional state of individuals to feel that they possess a target even when they have no legal title for the target (Pierce, Kostova, & Dirks, 2001; Pierce, Rubenfeld, & Morgan, 1991). These studies also reported that psychological ownership is characterized by the feelings of a sense of possession and attachment formed while the person feels a sense of ownership from the target or feels that the target is his whether the target is a substance or not (Pierce et al., 2001; Hartley et al., 2017). In these studies, advertisements that appealed to psychological ownership of a certain region were shown to have statistically significant positive effects on attitudes toward and repurchase intentions for the relevant company’s products.
As can be seen from the above study findings, psychological ownership acts as an important variable that can show the relationships among the organization, employees, and customers, and plays the role of a variable that leads to a positive and long-term relationships between customers and the company and between the organization and the employees. When seen together, studies on psychological ownership have mainly focused on the relationship between the organization and its members, and have been conducted in the behavioral aspects of organization members’ attitudes, commitment and performance. There are only a few studies indicating that psychological ownership affects customer attitudes and behavioral variables from a viewpoint of marketing and few studies have been conducted on the relationship between customers and target companies. In addition, considerations about leading variables that can form psychological ownership are also insufficient. Therefore, the present study is intended to find major dimensions that form psychological ownership and analyze the effects of psychological ownership between these predisposing factors and customer behaviors.

2.2 Customer’s Participation

Customers are known to participate in services delivered by service companies and create services together with the companies (Bowen, 1990; Lengnick-Hall, 1996; Mills, Chase, & Marguiles, 1983). Customer participation is defined diversely by many scholars. Silpakit and Fisk (1985) defined customer participation as “the degree of involvement with regard to how much of the physical or mental efforts or involvement necessary for the processes of production and delivery of services a customer invests”. Dabholkar (1990) defines customer participation as “the degree of customer involvement in the production and delivery of services” (p. 484). Lengnick-Hall (1996) suggested that co-production enables customers to determine the shapes of service encounters by reflecting the influence of customers in the process of delivery of services. Rodie and Kleine (2000) define customer participation as “the behavior and acts regarding resources provided by customers in the production and delivery of services”. This stipulates that customer participation includes both customer behaviors and resources provided by the customers in the service process. That is, this means that customer participation includes not only physical participation but also mental participation (Cermak et al., 1994). As such, customer participation can be stipulated as all types of inputs that extend to the dimension of customers’ behavior to be involved in the process of service delivery.

Individuals become to experience ownership of targets created by applying their skills or knowledge (Furby, 1978; Rudmin & Berry, 1987). For instance, restaurant customers can participate in the service delivery process by expressing their preferences to serving employees to improve their dining experience. As mentioned by Pierce et al. (2003), people become to find that they are psychologically bound to the target through their active participation or through association. Ford and Heaton (2001) report that customers involved in service experience feel a sense of ownership and build loyalty to the organization. That is, customers become to invest their time and effort while they participate in the service delivery process.

Rodie and Kleine (2000) classified major dimensions of customer participation into physical inputs, emotional inputs, and informational inputs, which are three major input elements. In this case, the physical inputs refer to tangible inputs, that is, the acts of customers to firsthand consume physical strength to create something, for instance, firsthand bringing food from a restaurant’s self-bar, going through a number of steps when using online banking, and following a set procedure when purchasing goods. In addition, the emotional inputs occur in the relationship between the customer and the employee at the service encounter, for example, trying to endure in interactions with an unfriendly employee, or trying to have a friendly relationship with the employee. The informational inputs refer to
cognitive labor such as the act of providing information to certain targets in the process of service delivery, for instance, giving information on the symptoms of one’s disease to the doctor, presenting one’s preferences in the process of service delivery, providing advice about services to a certain institution, and providing feedback about the service one has received (Rodie & Kleine, 2000). As with the study conducted by Rodie and Kleine’s (2000), Kim Yu-gyeong (2010) also divided customer participation into service participation, emotional participation, and informational participation and considered the relationships with customer satisfaction. In this study, customers’ physical participation and emotional participation were shown to have statistically significant positive effects on customer satisfaction, but customers’ informational participation was shown to have no positive effect on customer satisfaction. The reason why informational participation had no significant effect on customer satisfaction unlike other studies was reported to be the fact that this study was conducted with family restaurants as the background under other studies conducted with beauty services, education services, or medical services as the background.

In a study conducted by Ahn Jin-woo (2011), major domestic retail service industries were selected and customer participation behaviors in the industries were classified into four types; active, communicative, sympathetic, and adaptive behaviors. In this study, customer participation behaviors were verified to be partially different among the types of retail services. When seen concretely, active and communicative behaviors were shown to be significantly different among the types of retail services but no significant differences in sympathetic behaviors were shown among the types. Adaptive behaviors were shown to be different among the types at the marginal level.

When the findings of previous studies as such are put together, customer participation can be counted as a major predisposing factor that forms the psychological ownership of customers.

2.3 Customer’s Experience

In consumer behavior studies, experience is reported to occur when consumers search products, do the shopping, receive services, or consume products (Arnould, Price, & Zinkhan, 2002; Brakus, Schmitt, & Zhang, 2008; Holbrook, 2000). When seen based on marketing literature, consumer experiences have been classified from diverse viewpoints into product experiences (Hoch, 2002), service experiences (Hui & Bateson, 1991), consumption experiences (Holbrook & Hirschman, 1982), aesthetic experiences (Joy & Sherry, 2003), and consumer experiences (Ryder, 2007), and shopping experiences (Kerin et al., 1992) when they were studied. Brakus et al. (2009) defined brand experiences as consumers’ behavioral responses induced by brand related stimuli such as brand design, identity, packaging, communication, and environments, and consumers’ subjective and internal responses appearing sensually, emotionally, and cognitively. They developed and classified scales for brand experience measurement into four dimensions: sensory, affective, intellectual, and behavioral experiences. The four dimensions are defined as sensory experiences, which mean experiences created through the visual, auditory, tactile and olfactory stimuli provided by the brand, affective experiences, which mean the emotions created by the brand and the emotional bonds with consumers, intellectual experiences stipulated as the ability of the brand to get involved in consumers’ integrated and dispersed thinking, and behavioral experiences that involve physical experiences, lifestyles, and interactions with the brand.

Previous studies related to brand experiences include studies on the effects of brand benefits or each of experience types on brand satisfaction or intention to use (Ibanez et al., 2008; Bloch & Richins, 1992; Chao & Schor, 1998; Chandrashekaran et al., 2007; Oliver, 1993; Brakus et al., 2008; Zarantonello et al., 2010; Brakus et al., 2009). Except for the studies conducted by Zarantonello et al. (2010) and
Brakus et al. (2009), these studies have a limitation that they used only some elements of the brand experiences. There are studies that verified the relationship between brand experiences and brand equity. Hoch, Deighton (1989), Hoch (2002), Hoch, Ha (1986) found that successful delivery of product experiences positively affect attitudes, purchase intention, and preference. Ha and Perks (2005) reported that consumer perceptions of brand experience on the web affect brand familiarity, satisfaction and trust. However, they did not subdivide brand experience questions but measured the effects using five questions. Kara et al. (2009) verified that consumer consciousness and previous experience in the use of brand stores affect brand store perception and purchases. Chang and Chieng (2006) divided the brand experience categories proposed by Schmitt (1999) into individual and sharing experiences to verify the causal effects of brand experiences on brand relationships. However, since these studies did not subdivide questions about brand experiences but divided brand experiences into individual experiences and shared experiences, they cannot be regarded to have properly measured brand experience. Brakus et al. (2009) developed a brand experience scale and used it to verify the causal relationships among brand experiences, brand personality, brand satisfaction and brand loyalty. However, this study has a limitation that the effects of the sub constructs of brand experiences were not verified and brand experiences were regarded as a construct. Shim Hyeon-suk (2016) verified the effects of the detailed factors of brand experiences on brand personality and loyalty. In addition, Shim Hyeon-suk and Han Sang-lin (2014) verified the moderating effects of product types in the relationship between brand experience and brand equity.

On reviewing the findings of the previous studies on brand experiences mentioned thus far, it can be seen that no study established the relationship between brand experiences and psychological ownership, which is a major predisposing factor of brand equity. Psychological ownership has been shown to have direct effects on organizational commitment and job satisfaction (Vandewalle et al., 1995; Bae et al., 2010), relationship intention for the company, and loyalty to the company such as the intention to pay premium prices (Asatryan & Oh, 2018). However, there is no study that linked brand experiences with these relationships to examine the effects. In addition, if it is possible to verify which experience elements induce psychological ownership in the relationship between brand experiences and psychological ownership, it should be very significant academically. In the practical aspect, it would be very meaningful in terms of marketing strategy if it can be identified which experience elements are more influential in deriving psychological ownership, which induces loyalty to company brands.

When the findings of studies related to brand experiences were put together, it could be seen that the importance of sub-dimensions of experience may vary depending on brands. However, most of these studies were limited to product experiences, and empirical studies on service brands are insignificant. Therefore, in-depth studies on inducing a sense of ownership and inducing loyalty through the sense of ownership according to the types of customers’ experiences should be conducted in the field of services. Therefore, the present study is intended to examine the effects of detailed factors of brand experiences on psychological ownership.

2.4. Customer-Company Identification

In the fields of social psychology and organizational behavior, identification is one of the attitude variables that are regarded as very important. Organizational identification means a concept of making the relationship between an individual and an organization to be perceived as a common destiny (Dutton, Dkerich, & Harquail, 1994; Mael & Ashforth, 1992). According to Dutton et al. (1994) and Sen and Bhattacharya (2001), members with high levels of identification in an organization are immersed in their organization and become a basis and driving force for the preference for the
organization. Meanwhile, in the relationship between consumers and the company, identification (customer-company identification) is a concept that a consumer identifies the company with himself/herself when the company satisfies one or more of his/her core ego identity needs. Consumers’ perception of identification with a company can be a strong foundation for the company’s relationship with consumers. A study conducted by Bhattacharya and Sen (2003) report that consumer-company identification leads consumers to get involved in behaviors related to the company that are preferred by them as well as those that are not preferred by them by acting positively, selectively, and intentionally. Consumer-company identification can be said to be different from the concept of consumer brand identification (Sirgy, 1982; Graffie, 1996; Aaker, 1997), which is formed by a particular brand and consumers who prefer that brand. Consumer-company identification can be said to be a concept formed by diverse types of consumers, who stipulate social identity only for a certain company (Bhattacharya & Sen, 2003). In other words, consumer-company identification is the state of consumers’ attachment to a company and means that the consumers perceive that they have a sense of belonging to and a sense of unity with the company. The identification as such can give consumers a surrogate satisfaction beyond their own abilities and can be said to create emotional attachment that makes the consumers experience the company's successes and failures as theirs (Bhattacharya, Rao, & Glynn, 1995).

If this identification is broadly interpreted, it is inferred that customers’ perception of identification, which is a state of the customers’ emotional attachment to a certain company, may have a positive effect on the sense of ownership of the company. Therefore, the effects of customer-company identification on the psychological ownership of the company will be examined.

2.5 Relationship Intention

Relationship intention is defined in B2C marketing as the intention of the customer to form a persistent and long-term relationship with a certain company. In business connections, relational transactions are seeking long-term stability between trading partners and considering even future performance along with the present performance. This means regarding the persistent relationship with the trading partner as important and making best effort to continuously maintain the relationship (Lee, 2009). Since the continuance of the relationship with the customer is likely to lead to increases in sales, companies became to have relationship intentions to maintain and develop a long-term relationships customers (Shin, 2011).

As such, relationship intention is a customer’s intention to continuously use a certain service thereby maintaining the relationship and may appear as repurchase intention or acts of word of mouth intention to orally transmit information to others. Therefore, relationship intention can be said to be an important variable for measuring customer’s future behavior intention (Lee et al., 2012). In addition, in exchange relationships, it can be said that if the company that provides relational assets and the customer that receives relationship assets form satisfaction in the relationship with each other, the trade relationship will be continuously maintained and developed thanks to active participation and investments by the participants in the trade relationship termed company and customer (Kwon et al., 2011).

There is a concept termed long-term orientation, which is similar to relationship intention. Despite that these two terms have the same meaning, they have been used as different terms. In other words, they are very similar in concepts and definitions, but differ in their study subjects. On reviewing existing studies, it can be seen that the term long-term orientation has been mostly addressed in the relationship between buyers and sellers, that is, B2B marketing (Anderson & Narus, 1984; Dwyer et al., 1987; Gansean, 1994). On the other hand, the term relationship intention has been addressed mostly in studies that dealt with the relationship between customers and companies in the field of B2C marketing (Joo,
In the present study, relationship intention will be adopted and used because the present study is intended to study the relationship between customers and companies. Furthermore, the effect of psychological ownership on relationship intention, one of the ultimate outcomes of marketing, will be examined.

3. Research Model and Hypothesis

3.1 Research Model

This study started from the research proposition that customers’ purchase intention and long-term relationship intention will vary according to the degree of psychological ownership. Customer participation, customer experience, and customer-company identification were set as three leading variables that affect psychological ownership based on the existing study findings and the authors’ study concept. In conclusion, the present study is intended to examine the effects of the predisposing factors of individual sub-factors of customer participation (physical, emotional, and informational participation), customer experience (sensory, emotional, behavioral, and intellectual experience), and customer-company identification on psychological ownership and the effects of psychological ownership on long-term relationship intention.

Based on the theoretical discussions and research hypotheses of previous studies, a hypothetical study model was set up to synthesize the relationships between individual variables. To verify the study model and the study research hypotheses, questionnaire surveys will be conducted with customers who use hotels and department stores, which are the representative fields of customer services, and results will be used for analysis. The study model is as shown in Figure 1.

![Figure 1. Research Model](image-url)
3.2 **Hypothesis**

1) **Customer participation and psychological ownership**

People become feel psychological bonds to the other parties by actively participating in something (Pierce et al., 2003), and studies indicating that customers who have a business relationship with a company become feel psychological ownership of the company and loyalty to that company from experience gained through participation (Ford & Heaton, 2001) have been reported. Rodie and Kleine (2000) classified major dimensions of customer participation into physical inputs, emotional inputs, and informational inputs. In this case, the physical inputs refer to tangible inputs, that is, the acts of customers to firsthand consume physical strength to create something, for instance, firsthand bringing food from a restaurant’s self-bar, going through a number of steps when using online banking, and following a set procedure when purchasing goods. The emotional inputs occur in the relationship between the customer and the employee at the service encounter, for example, trying to endure in interactions with an unfriendly employee, or trying to have a friendly relationship with the employee. The informational inputs refer to cognitive labor such as the act of providing information to certain targets in the process of service delivery, for instance, giving information on the symptoms of one’s disease to the doctor, presenting one’s preferences in the process of service delivery, providing advice about services to a certain institution, and providing feedback about the service one has received (Rodie & Kleine, 2000).

Pierce et al. (2001) also presented three pathways for the formation of psychological ownership. The first is “when you invest in a certain target”, the second is “when you become to know a target in detail and familiarly” and the third is “when you become to control a certain target”. According to Csikszentmihalyi and Rochberg-Halton (1981), when people have invested their energy, time, effort, or interest in a certain target, they feel that they are a part of that certain target and feel a strong sense of ownership of the target. In other words, each individual becomes to feel a sense of ownership of the target. This corresponds to “when you invest in a certain target’ according to the classification” by Pierce et al. (2001), and can be regarded to mean a physical input, which is an intangible input into a certain target according the classification of participation by Rodie and Klein (2000). James (1890) reported that people become to have a sense of ownership through their relationships with a certain target. This can be regarded to mean “when you know the target in detail and familiarly’ according to the classification” by Pierce et al. (2001), and emotional input, which means the relationship formed through interactions between a customers and employees at a service encounter, among the pathway for the formation of psychological ownership according to the classification of customer participation by Rodie and Klein (2000). In addition, Furby (1978) and Rudmin and Berry (1987) report that people experience feelings of a sense of ownership for targets to which their skills or knowledge was applied. This can be regarded to correspond to “when you become to control a certain target’ according to the classification” by Pierce et al. (2001), and informational input, which means cognitive effort such as providing information to a certain target when seen based on the classification of participation to form psychological ownership by Rodie and Klein (2000).

Kim Yu-geyeong (2010) divided customer participation in the process of service delivery into service participation, emotional participation, and informational participation and considered the relationships with customer satisfaction. In this study, customers’ physical participation and emotional participation were shown to have statistically significant positive effects on customer satisfaction. In this study conducted with family restaurants as the background, customers’ informational participation was reported to have no positive effect on customer satisfaction. Ahn Jin-woo (2011) selected major
domestic retail service industries and classified customer participation behaviors in the industries into four types; active, communicative, sympathetic, and adaptive behaviors to examine them. In this study, active and communicative behaviors were shown to be significantly different among the types of retail services.

Given the above-mentioned previous studies, it can be regarded that customer participation directly affects psychological ownership. Therefore, in the present study, Hypothesis 1 was established as follows based on the classifications of input resources into three types by Rodie and Klein (2000).

Hypothesis 1: Customer participation will have a positive effect on psychological ownership.

Hypothesis 1-1: Customer’s physical participation will have a positive effect on psychological ownership.

Hypothesis 1-2: Customer’s emotional participation will have a positive effect on psychological ownership.

Hypothesis 1-3: Customer’s informational participation will have a positive effect on psychological ownership.

2) Customer experience and psychological ownership

Few studies have examined the relationship between customer experience and psychological ownership. However, studies on the relationship between customer experience and brand equity have been steadily conducted. Hoch, Deighton (1989), Hoch (2002), Hoch, Ha (1986) and others have found that successful brand experiences have positive effects on attitudes toward and preferences for brands. Ha and Perks (2005) reported that brand experience on the web affects consumers’ familiarity, satisfaction and trust with brands. Chang and Chieng (2006) also verified the causal effects of brand experience on brand relationships. After developing a scale for brand experience, Brakus et al. (2009) used it to verify the relationships among brand experience, brand personality, brand satisfaction, and brand loyalty. The results of the study demonstrated that brand experience directly and indirectly affects brand satisfaction and loyalty through brand personality. In addition, other studies reported that the effects on brand personality and equity can vary according to the types of brand experiences, that is, sensory, emotional, intellectual, and behavioral experiences (Sim, 2016; Shim & Han, 2014). Considering the findings of previous studies indicating that the higher the psychological ownership of a brand, the higher the loyalty to the relevant brand, it is inferred that positive experience of the brand will enable the customer to form psychological ownership. That is, it was inferred that psychological ownership of a brand can be formed when the customer continues to have satisfactory sensory, emotional, intellectual, and behavioral experiences with that brand. Based on these inferences, hypothesis 2 was established as follows.

Hypothesis 2: Customers’ experience will have positive effects on the formation of psychological ownership.

Hypothesis 2-1: Customers’ sensory experience will have positive effects on psychological ownership.

Hypothesis 2-2: Customers’ emotional experience will have positive effects on psychological ownership.

Hypothesis 2-3: Customers’ intellectual experience will have positively effects on psychological ownership.

Hypothesis 2-4: Customers’ behavioral experience will have positive effects on psychological ownership.
3) Customer-company identification and psychological ownership

In the fields of social psychology and organizational behavior, identification is one of attitude variables that are regarded as very important, and organizational identification means the concept that makes the relationship between an individual and an organization to be perceived as a common destiny (Dutton, Dukerich, & Harquail, 1994; Mael & Ashforth, 1992). According to Dutton et al. (1994) and Sen and Bhattacharya (2001), members with high levels of identification in an organization are immersed in their organization and become a basis and driving force for the preference for the organization. On the other hand, in the relationship between the consumer and the company, customer-company identification is a concept in which the consumer identifies the company with himself when the company satisfies one or more of its core self-identity needs. It can be a strong foundation for a company's relationship with consumers. Meanwhile, in the relationship between consumers and the company, identification (customer-company identification) is a concept that a consumer identifies the company with himself/herself when the company satisfies one or more of his/her core ego identity needs. Consumers’ perception of identification with a company can be a strong foundation for the company's relationship with consumers. A study conducted by Bhattacharya and Sen (2003) report that consumer-company identification leads consumers to get involved in behaviors related to the company that are preferred by them as well as those that are not preferred by them by acting positively, selectively, and intentionally. Consumer-company identification can be said to be different from the concept of consumer brand identification (Sirgy, 1982; Graffe, 1996; Aaker, 1997), which is formed by a particular brand and consumers who prefer that brand. Consumer-company identification can be said to be a concept formed by diverse types of consumers, who stipulate social identity only for a certain company (Bhattacharya & Sen, 2003). In other words, consumer-company identification is the state of consumers’ attachment to a company and means that the consumers perceive that they have a sense of belonging to and a sense of unity with the company. The identification as such can give consumers a surrogate satisfaction beyond their own abilities and can be said to create emotional attachment that makes the consumers experience the company’s successes and failures as theirs (Bhattacharya, Rao, & Glynn, 1995).

Customers tend to identify the numerous company associations that constitute a company’s identity and themselves (Bhattacharya & Sen, 2003). This customer-company identification is motivated by the self-identification desire with the question, “Who am I?” (Dutton, Dukerich, & Harquail, 1994; Pratt, 1998). Pratt (1998) concludes that most definitions of identification entail a perception of value integrity. Value integrity occurs when individuals believe that a certain company has values and beliefs that are similar to their values and beliefs. Ashforth and Mael (1989) stated that identification occurs when a customer feels a sense of unity with a particular company in terms of value. Positive customer-company identification has been reported to deepen the relationship between the customer and the company and consequently to enhance the immersion in the relationship with the company (Bhattacharya & Sen, 2003).

Since it was inferred that customer’s perception of identification, which is a state of emotional attachment to a certain company, can have positive effects on the sense of ownership of the company, hypothesis 3 was established as follows.

Hypothesis 3: customer-company identification will have positive effects on psychological ownership.
4) Psychological ownership and intention to continue the relationship with the company

Relationship intention was defined as the intention to continue to visit and use the service environment of the hotel or department store used by the user beyond a simple short-term act. Shultz and Holbrook (1999) reported that messages containing psychological ownership appeals emphasize bonds between recipients and targets of psychological ownership, which in turn strengthen the association of the recipients with the messages thereby increasing the audiences’ involvement. Studies in the field of social marketing report that messages that use psychological ownership appeals form more favorable attitudes in targets, lead the targets to have more wills to spread positive words of mouth, and increase the targets’ intention to purchase products and services related to the targets and their intention to continue relationships (Raggio & Folse, 2009, 2011; Shultz & Holbrook, 1999).

A study conducted by Asatryan and Oh (2008) also found that relationships based on psychological ownership have positive effects on persistent relationship intention. For instance, a frequent visitor to a bar near his house should feel the place as if it is his place and should like to continue the relationship because the bar’s environment is felt as part of his/her members. From the study finding as such, it was inferred that psychological ownership should lead the person to have the intention to continue the relationship with the company concerned, and hypothesis 5 was established as follows.

Hypothesis 4: Psychological ownership will have positive (+) effects on the intention to continue the relationship with the company.

4. Methods

This study aimed to analyze the effect of the degree of psychological ownership of customers on long-term relationship intentions with companies in the service delivery environment. A study model will be set up based on the theoretical discussions and study hypotheses of previous studies and data will be collected from customers who use department stores and hotels to analyze the study hypotheses and study model. The reason why hotels and department stores were selected as service environments is that it was considered that department stores, for example, may lead to the expression of the state of emotion of psychological ownership in customers, who frequently visit the department stores, in which the customers feel the department stores as part of them and regard that the department stores are closely related to them.

The study was conducted with the hotel and department store service industries, and the present research will be conducted as a study to compared the US and South Korea. The survey samples in South Korea will be commissioned to a professional survey agency to select those who have experience in using major domestic hotels or department stores as panels. In the case of the United States, the survey will be conducted with residents and visitors of Hawaii, which is a representative tourist destination in the world with very highly developed hotel and department store businesses. The questionnaire surveys will be conducted using the self-administration method. The analysis will be conducted with a structural equation model using the AMOS program.
5. Implications of the Study and Directions of Future Studies

5.1 Implications of the Study

This study was intended to analyze how psychological ownership of customers affects long-term relationship intention. Customers’ physical, emotional and informational participation was proposed as the first predisposing factor of psychological ownership, customers’ sensory, emotional, intellectual, and behavioral experience as the second predisposing factor, and customer-company identification as the third predisposing factor. If it is verified that psychological ownership affects repurchase intention and long-term relationship building that would greatly affect marketing performance, the point of marketing practice that can maximize customers’ psychological ownership can be proposed through the analysis of the effects of each of the three sub-factors of customer participation, four sub-factors of customer experience, and customer-company identification on psychological ownership. By inducing direct and active participation of customers rather than passive roles induced by the company, the customer-company relationship can be maximized, and this will eventually bring about very positive effects on sales growth.

Due to the inseparability that production and consumption cannot be separated in the process of service delivery among the characteristics of the field of services, customer participation cannot but occur inevitably in the process of service delivery. Nevertheless, on reviewing existing previous studies, it can be seen that studies on customer participation did not diversely addressed customer participation. In addition, psychological ownership variables, which are the core of this paper, have been mostly used to identify relationships between organizations and organization members, and studies conducted with customers are currently insufficient.

Today when marketing is regarded as important, it is very clear that customers’ satisfaction with and loyalty consciousness for services provided by the company can vary according to the customer’s experience. However, there is no paper that analyzed the effects of customer experiences as a predisposing factor that induces psychological ownership, which can be a predisposing factor that induces customers’ active loyalty.

It is clear that the results of empirical analysis of the effects of each of customer participation, customer experience, and customer-company identification as leading variables on the formation of customers’ psychological ownership should have very large academic and practical implications. The concrete implications of the present study are summarized as follows.

First, most of studies on psychological ownership are related to the relationship between organization and its members, and empirical studies on psychological ownership at the customer level have been relatively insufficient. Therefore, the present study can be said to have academic and practical significance in that it presented predisposing factors of psychological ownership based on the situations of service industries termed hotels and department stores so that direct factors that form psychological ownership at the level of customers can be extracted.

Second, since it is possible to find out on which factor among customers’ physical, emotional, and informational participation, efforts should be concentrated, more effective marketing strategies can be used and this can contribute to increases in the company’s sales.

Third, similarly to customer participation, the effects of sensory, emotional, intellectual, and behavioral experiences among customers’ experiences will vary according to service companies. With the findings of the present study, concentrating on which experiences of customers is more effective in the formation of psychological ownership can be found. The result can also be used as an important material in establishing a more effective marketing strategy.
Fourth, since psychological ownership is interpreted as the emotional commitment that leads the customer to have a favor of or attachment to the company, if the customer is induced to form psychological ownership, it can positively affect the customer’s intention to repurchase the service of the relevant company and the intention to continue the relationship in order to continuously use the service. That is, by demonstrating that psychological ownership is an important variable in establishing a long-term relationship between the customer and the company, the findings of the present company can be used as a very useful evidentiary material by service companies in establishing active and concrete plans to strengthen customers’ psychological ownership of the companies.

In conclusion, companies can maximize the strengthening of psychological ownership of the customer by establishing a customized marketing strategy applied with more useful customer participation behavior factors and more appropriate customer experience types according to the service characteristics and this will contribute to increases in the company’s sales with the maintenance of long-term relationships between customers and the hotel.

5.2 Limitations of the Study and Directions of Future Studies

The limitations of the present study are as follows. It is considered that future studies that supplemented the limitations should be conducted. First, the present study focused on hotel and department store services among diverse service fields. However, it can be regarded that, compared to the relationship between an organization and the members of the organization, there are limitations for customers to feel a sense of ownership of the relevant target in environments termed hotels, despite that the level of interactions between employees and customers is higher. For example, since most customers regard some bodily and physical participation in hotels as natural, their psychological ownership of hotels can be regarded to be inevitably weak. Therefore, studies centered on other types of services where customers can have strong psychological ownership of the target other than hotels should be conducted.

Second, in the present study, the predisposing factors of psychological ownership were classified into three dimensions; customer participation, customer experience, and customer-company identification. However, there should be other meaningful predisposing factor than the constructs used in the present study. Therefore, further studies entailing new forms of influential behavioral dimensions that would induce psychological ownership should be conducted.

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