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The Identity Salience Model of Relationship Marketing Success: The Case of Nonprofit Marketing

Researchers suggest that developing long-term relationships with key stakeholders is an important strategy in today’s intensely competitive business environment. Many organizations have embraced this concept, which is referred to as relationship marketing. Much of the research on relationship marketing success has examined relationships that (1) are primarily economic in nature, (2) involve business-to-business marketing, and (3) involve for-profit firms. However, the authors argue that relationship marketing is a viable strategy in such contexts as those involving high levels of social exchange, business-to-consumer marketing, and nonprofit marketing. In these contexts, relationship marketing success may require different relationship characteristics from those identified in previous research. The authors develop “the identity salience model of relationship marketing success,” which they posit is useful for explaining relationship marketing success in exchange relationships that (1) involve individuals and (2) are based primarily on social exchange. The authors further develop and test the model in the context of nonprofit higher education marketing. The results provide support for the model.

My car makes me feel free, yet secure. —Saab Owner

I needed to feel like I was doing my part. It makes me feel good. It’s a great feeling. —Red Cross Blood Donor

Consumers often receive benefits from marketing exchanges that go beyond basic economic benefits. For example, consider the two epigraphs. Although the motivation for buying a car is transportation, consumers often derive noneconomic benefits (e.g., prestige, security). Similarly, donors to nonprofit organizations also can derive considerable noneconomic benefits from their exchanges with nonprofits (e.g., feeling good, pride). As a result, competition among firms is often based considerably on communicating the noneconomic benefits from exchange relationships, and firms seek strategies that will enable them to communicate both economic and noneconomic benefits better. One strategic option that has received significant attention is relationship marketing. In this option, organizations should view (1) stakeholders as partners, (2) the process of dealing with stakeholders as a means of creating value, and (3) the resulting partnerships as tools for increasing the firm’s ability to compete (Sheth and Parvatiyar 1995a, b). Relationship marketing is based on the premise that marketing exchanges are not of the discrete, “transactional” variety, but rather are long in duration and reflect an ongoing relationship-development process (Dwyer, Schurr, and Oh 1987). These relational exchanges, it is argued, are becoming so important that they can constitute firm resources that can lead to competitive advantage (Hunt 1997, 2000; Hunt and Morgan 1995).1

Much of the research on relationship marketing success has focused on relationships that (1) are primarily economic in nature, (2) involve business-to-business marketing, and (3) involve for-profit firms. However, we argue that relationship marketing is a viable strategy in such contexts as those involving high levels of social exchange, business-to-consumer marketing, and nonprofit marketing. In these contexts, relationship marketing success may require different relationship characteristics from those identified in previous research. That is, the importance of particular relationship characteristics in producing relationship marketing success may be more context specific than heretofore thought. We suggest that “identity salience,” a construct not previously investigated in relationship marketing, may be an important characteristic of successful relationship marketing in particular contexts.

Identity salience is grounded in identity theory (Burke 1980; Laverie, Kleine, and Kleine 2002; McCall and Simmons 1978; Stryker 1968, 1980, 1987a, b; Turner 1978), which posits that people have several “identities,” that is, self-conceptions or self-definitions in their lives. Identity theory posits that identities are arranged hierarchically and that salient identities are more likely to affect behavior than those that are less important. We propose that identity salience may play an important role in relationships that are

1Forms of relationship marketing include selling alliances (Smith 1997), manufacturer-supplier relationships (Kalwani and Narayandas 1995), co-marketing alliances (Venkatesh, Mahajan, and Muller 2000), working partnerships (Anderson and Narus 1990), strategic alliances (Day 1995), interfirmic alliances (Lambe, Spekman, and Hunt 2000), buyer partnerships (Berry 1983), and internal marketing partnerships (Arndt 1983).
distinguished by a minimum of two characteristics. First, though most theoretical and empirical research in relationship marketing focuses on characteristics of successful business-to-business relationships, such as trust and commitment (Morgan and Hunt 1994), many exchange relationships involve individuals. It is not unusual for organizations to attempt to develop long-term relationships with consumers on an individual basis. We argue that in contexts in which one partner is an individual, for example, business-to-consumer marketing, identity salience may be an important construct that mediates relationship-inducing factors, such as reciprocity and satisfaction, and relationship marketing success.

Second, though relationship marketing has long recognized the importance of social benefits in relational exchange, most empirical research (e.g., Anderson and Narus 1990; Dwyer, Schurr, and Oh 1987; Lusch and Brown 1996; Morgan and Hunt 1994; Smith and Barclay 1997) has been conducted in contexts in which the benefits to both partners are primarily economic. We argue that identity salience may play a crucial role in contexts in which one of the partners to the exchange receives substantial social benefits. For example, in the clothing industry many consumers use strong brand names as social symbols, which can affect the formation and maintenance of identities (Laverie, Kleine, and Kleine 2002; Solomon 1983). Therefore, the underlying thesis of this article is that identity salience is an important characteristic of relationship marketing success in contexts in which (1) one party to the exchange is an individual and (2) the individual receives significant social benefits from the relationship. Although many of the relationships in the for-profit sector involve individuals and extensive social benefits, we suggest that these characteristics may be more prominent in nonprofit relationships. For example, many nonprofit organizations are using relationship marketing as a strategy to develop and maintain relationships with individual donors (Block 1998; Remley 1996; Selladurai 1998; Squires 1997). Therefore, we propose that identity salience may be associated with nonprofit relationship marketing success.

In summary, (1) many exchanges involve both economic and noneconomic (i.e., social) benefits, (2) firms are turning to relationship marketing strategies to communicate exchange benefits, but (3) most research in relationship marketing has not focused on the factors key to success in contexts in which

- benefits received are substantially social,
- the exchanges are business-to-consumer, and
- the firm is a nonprofit organization.

To fill this gap in the literature, we develop and test what we label the “identity salience model of relationship marketing success.” Our article is structured as follows: First, we examine the nature of exchange relationships in which social benefits to individual consumers play a primary role. Second, drawing on identity theory, we develop the identity salience model of relationship marketing success (see Figure 1). Third, we further develop our model in the specific nonprofit context of higher education marketing (see Figure 2). Fourth, we test and refine our model using self-reported data from more than 950 donors to a large southwestern university and objective donation data from their alma mater.

**The Nature of Social Exchange**

A transaction is typically considered an exchange of money for a product or service. However, in some exchanges one or both partners may receive benefits that are not economic in nature. For example, when donors give money to a nonprofit they do not receive any product or service in return. Similarly, when they donate products or services they do not receive monetary compensation. This type of transaction is better represented by Kotler’s (1972) broader concept of transaction, which he defines as an exchange of values between two parties. By stipulating value as the criterion for exchange, Kotler allows a transaction to include exchanges that are not primarily economic in nature.

Consumers often derive benefits from products that go beyond the basic economic ones. In a for-profit exchange, for example, though Mercedes-Benz automobiles provide their owners with basic transportation, they may also symbolize personal success and worth. Such transactions have characteristics that are consistent with social exchange (e.g., Blau 1964). Unlike pure economic exchange, in which rewards from the exchange manifest themselves as money, products, or services, rewards from social exchange may be either economic or social (or both). In the case of nonprofit organizations, economic rewards may include such items as tax breaks and gifts, and social rewards include emotional satisfaction, spiritual values, and the sharing of humanitarian ideals. Cermak, File, and Prince (1994) find that donors tend to fall into one of four market categories: (1) affiliates: people who are motivated to donate by a combination of social ties and humanitarian factors, (2) pragmatists: people who are motivated by tax advantages, (3) dynasts: people who donate out of a sense of family tradition, and (4) repayers: people who are motivated by having benefited personally from the charity or know someone who has.

As Blau (1968, p. 455) points out, the “most important benefits involved in social exchange do not have any material value on which an exact price can be put at all, as exemplified by social approval and respect.” That is, social rewards are often valued more than economic rewards. For
this reason, many for-profit organizations focus on social rewards in their promotional campaigns. An example of this is Jaguar’s print advertisement for its XK series of automobiles, which features the slogan, “It’s why people stop and look before crossing the road,” which suggests the social benefits of owning one. Social exchange theory is often used as a theoretical foundation for commitment and trust in relationship marketing (e.g., Anderson and Narus 1990; Dwyer, Schurr, and Oh 1987; Lusch and Brown 1996; Morgan and Hunt 1994; Smith and Barclay 1997). As Dwyer, Schurr, and Oh (1987, p. 12) note, “relational exchange participants can be expected to derive complex, personal, noneconomic satisfactions.” The rewards that partners receive from engaging in social exchange over time aid in developing cooperation, a key relationship characteristic (Blau 1964; Dwyer, Schurr, and Oh 1987; Homans 1958).

Because organizations often rely heavily on the promise of social benefits from their products, it is important that they acquire a better understanding of the factors that affect relationships that involve primarily social exchange. Drawing on identity theory, we posit that identity salience is an important factor that influences relationships that are primarily based on social exchange.

Identity Salience and Relationship Marketing Success

Identity theory focuses on the connections among the self, personalized roles, society, and role performance. Identity theory is a microsociological theory that examines people’s identity-related behaviors (Hogg, Terry, and White 1995). It views the relationship between the self and social structure as central to furthering the understanding of social behavior (Serpe 1987). Research suggests that identity theory can be used to provide a better understanding of exchange processes. For example, Burke (1997) finds that computer simulations of network exchanges based on a model of identity processes, as suggested by identity theory, match closely the results from prior experiments. Furthermore, Burke (2000) posits, identity theory can provide insights into why people buy certain goods and services.

Research suggests that the structure of the self is relatively stable over time, and changes in the self are related directly to changes in the social structure surrounding the person (Serpe 1987; Wells and Stryker 1988). “Thus, the theory presumes both relative constancy in the structure of the self, given the absence of movement within the social

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structure, and relative change in the structure of the self, given such movement” (Serpe 1987, p. 44). Identity theory posits that the self should be regarded as a multifaceted, organized construct. That is, the self is a structure of multiple identities that reflect roles in differentiated networks of interaction (Stryker 1980, 1987a, b). People have an identity for each distinct network of relationships in which they occupy positions and play roles (Burke 2000). As self-conceptions or self definitions that people apply to themselves, identities provide meaning for the self. For example, a person may, at the same time, think of himself or herself as a parent, a golfer, an American, a blood donor, a Dallas Cowboy fan, and a Southwest Airline employee.

Identity theory acknowledges that some of a person’s identities have more self-relevance or salience. As a result, identities are organized hierarchically. Identities that are placed high in the hierarchy (i.e., are more salient) provide more meaning for the self and, as a result, are more likely to evoke identity-related behaviors (Burke 2000; Laverie and Arnett 2000; McCall and Simmons 1978; Stryker 1968). In addition, these identities often compete against one another. As Bhattacharya, Rao, and Glynn (1995, p. 54) suggest, “identification is not simply a bilateral relationship between a person and an organization, isolated from other organizations, but a process in a competitive arena.” Identity theory seeks to understand how and why people select among role performances given the various possible alternatives (Stryker 1987b). For example, why do some people choose to stay and work late and others choose to go home to their children? Identity theory suggests that one factor that influences the decision is the salience of the person’s work-related identity. That is, people whose work-related identities are stronger in salience than their parent identities would be more likely to choose to stay at work longer, whereas people whose parent identities are stronger would choose to go home.

The successful enactment of identity-related behaviors validates and confirms a person’s status as a member of an identity group (e.g., fathers) and reflects positively on self-evaluation (Callero 1985). A person’s perception that he or she is performing behaviors consistent with an identity can enhance his or her self-esteem. Conversely, poor performance can lead to poor self-esteem and even psychological distress (Thoits 1991). Therefore, people who have strong salience for a particular identity will try to perform successfully the behaviors that are associated with that identity. Therefore, identity theory captures the social nature of an exchange relationship. That is, it explicitly incorporates many of the social benefits that are derived from relationships (e.g., self-esteem).

Research suggests that identity salience mediates the tie between relationship-inducing factors and identity-related behaviors (Welbourne and Cable 1995). Laverie and Arnett (2000) find that identity salience (related to a specific basketball team) is a key mediating construct between three relationship-inducing factors (situational involvement, attachment, and enduring involvement) and game attendance. In addition, research on the antecedents (Kleine, Kleine, and Kerman 1993; Laverie et al. 2002) and consequences (Callero 1985; Callero, Howard, and Piliavin 1987; Chang, Piliavin, and Callero 1988; Lee, Piliavin, and Call 1999) of identity salience assume implicitly the mediating role of identity salience. Therefore, we posit that identity salience will be a key mediating construct in exchange relations that (1) are based primarily on social exchange and (2) have an individual as one of the partners (see Figure 1).

Morgan and Hunt (1994) define success in channel relationships as an organization encouraging certain behaviors in its partner. Note that identity salience is posited to lead to appropriate identity-related behaviors. In the context of for-profits, desired behaviors include cooperation, acquiescence, a reduced propensity to leave the relationship, and increased functional conflict (Morgan and Hunt 1994). For nonprofit marketing, success can be defined as a nonprofit organization generating supportive behaviors from key stakeholders (e.g., donations from large corporations, adequate volunteerism, stakeholders providing positive word of mouth for the nonprofit) (Mael and Ashforth 1992). We posit that organizations will be more successful in their relationship marketing strategies when individual consumers involved in the exchange have salient identities related to the exchange relationship (Figure 1, Path B). For example, people who consider themselves “racquetball players” (i.e., they have a salient identity related to racquetball) are more likely to buy products (e.g., the newest state-of-the-art racquet or branded clothing) from the kind of manufacturers they perceive as important for their racquetball identity (e.g., Ektelon and Penn).

People seek out opportunities to enhance salient identities (Serpe and Stryker 1987). When they succeed in doing so, the related identity is reinforced. However, when such opportunities are not available, changes in the salience of the identity occur (Burke 2000). For example, Serpe and Stryker (1987) find that when students first enter a university, they try to join organizations that are consistent with prior salient identities. Sen and Bhattacharya (2001) suggest that organizations can be an important factor in developing the network of social relations. Therefore, identity salience is affected by the number and quality of social interactions related to the identity, which we label relationship-inducing factors (Figure 1, Path A). The identity will be reinforced when relationship-inducing factors support or confirm the identity.

Figure 1, Path C, recognizes that there are other, non-relationship-inducing factors that may affect relationship marketing success. For example, though people may be loyal Ford customers, they may not have any strong identity related to Ford automobiles. Instead, their purchase behavior may be more strongly related to a desire not to go against a family tradition of buying Fords. Therefore, specific models and empirical works should include both kinds of factors. To test the general model represented in Figure 1, we examine it in the specific context of nonprofit higher education marketing.

The Identity Salience Model of Nonprofit Relationship Marketing Success

Nonprofit higher education marketing provides an appropriate context in which to further develop and test the general model shown in Figure 1. The context-specific model shown in Figure 2 focuses on the exchange relationship between a university and its alumni donors because (1) individual con-
consumers constitute one party in the exchange and (2) it is primarily based on social exchange:

The majority of nonprofits raise funds through charitable donations or foundation grants. These might be called quasi-economic transactions in that there is money exchanged but the “other side” of the transaction does not involve goods or services. This is not to say that there are not important returns to donors or funders in psychic and social satisfaction. (Andreasen 2001, p. 87)

That is, nonprofit–donor relationships involve primarily social exchanges.

Figure 2, our proposed identity salience model of nonprofit relationship marketing success, stresses the importance of identity salience in explaining success. Successful relationships are ones in which organizations encourage certain cooperative behaviors in their partners (Morgan and Hunt 1994). Within the context of higher education, we define “success” as a university generating cooperative, supportive behaviors from such stakeholders as alumni. Important supportive behaviors include making financial contributions and promoting the university to others (i.e., providing positive word of mouth) (Mael and Ashforth 1992). These activities are crucial for the success of both private and public universities. Indeed, public funds are often scarce, and as a result, public institutions—not just private universities—must rely on voluntary support from businesses, foundations, and individuals (Bruggink and Siddiqui 1995).

To be successful, a university must find ways to promote supportive behaviors among its alumni. We argue that nonprofit success results from four major relationship-inducing factors: participation, reciprocity, prestige, and satisfaction. However, these factors do not promote relationship marketing success directly. Rather, we model these relationship-inducing factors as influencing success through a key mediating construct—identity salience. Figure 1 and empirical research suggest that certain non–relationship-inducing factors can also influence a person’s donating behavior. Therefore, for our context, we include income and perceived need—constructs commonly found to be associated with donating—as control factors in our study (Harrison 1995; Nichols 1994; Warren and Walker 1991).

University Identity Salience

Research suggests that people form identities related to being a donor (Callero 1985; Callero, Howard, and Piliavin 1987; Lee, Piliavin, and Call 1999). For example, Lee, Piliavin, and Call (1999) find that the salience of a donation–related identity predicts the donation of time, money, and blood. Many people form a strong identity related to their former university. For these people, being a “Trojan” or a “Gator,” for example, is an important part of their lives. Heckman and Guskey (1998) suggest that relational bonds with a university are among the strongest predictors of supportive behaviors. People are more likely to enact behaviors that they believe are consistent with a salient identity (Burke 2000; Laverie and Arnett 2000). Laverie and Arnett (2000) examine women’s basketball fans and find that fans whose team-related identities are more salient attend university basketball games more frequently than other fans. We suggest that the stronger a person’s salience for a particular university identity (e.g., a “fighting Irish” identity), the more likely they will be to enact certain supportive behaviors (e.g., donating money to and providing positive word of mouth for the university). Therefore, we posit that

H1: University identity salience is related positively to donating to the university.

H2: University identity salience is related positively to promoting the university.

Relationship-Inducing Factors

As shown in Figure 2, we distinguish between factors that are likely to induce a relationship between donors and nonprofit organizations and factors that (though influencing donor behaviors) do not foster the relationship. Using identity theory research, we identify four major factors that influence identity salience: participation, reciprocity, prestige, and satisfaction.

Participation in university activities. Research suggests that participation in university activities (e.g., student government, sports, Greek orders) increases the likelihood of future donations (Bruggink and Siddiqui 1995; Harrison, Mitchell, and Peterson 1995). As Mael and Ashforth (1992) suggest, people who are actively involved in an organization tend to identify more with the organization. Students tend to engage in activities that are consistent with their salient identities (Serpe and Stryker 1987). Identity theory posits that participation in identity–related activities encourages the formation and maintenance of an identity (Stryker 1968, 1980). As people participate in university activities, they develop a more salient identity related to the university. That is, their university-related identities are confirmed through participation in the university activities, and as a result, the salience for that identity is reinforced (Burke 2000). As Callero (1985, p. 205) emphasizes, “it is through action that role identities are realized and validated.” Identities require self-expression and positive feelings that affirm the identity (McCall and Simmons 1978). Students who are involved in university activities provide themselves with many positive experiences related to their university-related identities. For example, to promote membership, most student organizations schedule social events that are designed to be enjoyable. Although the proximate purpose of these events is to increase the likelihood that students will join and become involved in the student organization, because these organizations are part of the university experience, the events also reaffirm and strengthen participants’ university-related identities. Therefore, we posit that

H3: Participation in university activities is related positively to university identity salience.

Reciprocity. The term “reciprocity” implies that a nonprofit organization not only takes but also gives something in return (e.g., expressions of gratitude or recognition) (Eisenberger, Fasolo, and Davis-LaMastro 1990). Farmer and Fedor (1999) find that perceived reciprocity is associated with increased volunteerism and lower donor turnover rates because perceived reciprocity by donors is an important part of the “psychological contract” that nonprofits have with their donors. In general, donors believe that the rela-

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tionship they have with the nonprofit creates a promissory contract (Rousseau and Parks 1993). In donors’ minds, each party is bound by a set of beliefs regarding what each is obliged to provide. Because reciprocity tends to be pervasive in society, people expect, seek, and create psychological contracts to define relationships (Farmer and Fedor 1999). Bagozzi (1995, p. 275) maintains that reciprocity is “at the core of marketing relationships” and regards it as “a fundamental virtue” that goes beyond behavioral norms.

When nonprofit organizations fulfill their end of the psychological contract (e.g., by acknowledging that the donor’s contribution is contributing to the success of the nonprofit), donors form a general perception that the organization values their contributions. In turn, such acknowledgment induces positive feelings in the donor (Eisenberger, Fasolo, and Davis-LaMastro 1990). These feelings reflect positively on self-evaluation, which in turn provides a reaffirmation of the identity related to the nonprofit (Callero 1985; Hoetler 1983). Therefore, we posit that

H$_{2}$: Perceived reciprocity is related positively to university identity salience.

**Prestige of university.** Because prestigious organizations are assumed to be successful, the prestige of an organization often serves as an indicator of organizational success. Bhat- charya, Rao, and Glynn (1995, p. 48) suggest that “the more prestigious the organization, the better the opportunity to enhance self-esteem through identification.” They find that perceived organizational prestige is associated positively with organizational identification, which they define as a sense of oneness with or belongingness to an organization. They suggest that nonprofits might enhance the prestige of their organizations by eliciting the support of celebrities.

Cialdini and colleagues (1976) find that people attempt to associate themselves with a successful group to bolster their self-esteem in a process referred to as “basking in reflected glory” (BIRGing). In contrast, people may also try to maintain their self-esteem by disassociating themselves from an unsuccessful group, which is referred to as “cutting off reflected failure” (CORFing). Wann and Branscombe (1990), in the area of sports marketing, demonstrate that higher identification with an organization can lead to an increase in the likelihood of BIRGing and a decrease in the likelihood of CORFing. On the one hand, BIRGing increases the salience of the related identity by providing positive reinforcement. On the other hand, CORFing reduces the identity salience because the person believes that the behavior related to the identity should be hidden.

People who associate themselves with prestigious organizations can therefore increase their self-esteem by BIRGing. For example, donors may display prominently plaques and other paraphernalia associated with donating. Shenkar and Yuchtman-Yaar (1997) submit that organizational members and prospective members are more affected by organizational prestige than other stakeholders because they are in constant contact with the organization. Mael and Ashforth (1992) find that organizational prestige is related positively to organizational identification, and many educational institutions use this to their advantage. For example, Lively (1997) finds that some colleges are elevating themselves to universities to communicate more prestige to potential donors and, in turn, improve their fundraising efforts. Therefore, we posit that

H$_{3}$: Perceived prestige is related positively to university identity salience.

**Satisfaction.** Satisfaction has become a central construct in marketing research. For example, studies have examined satisfaction’s antecedents (Bitner, Booms, and Mohr 1994; Voss, Parasuraman, and Grewal 1998) and its effects on intentions (Cronin and Taylor 1992; Garbarino and Johnson 1999), economic returns (Andersen, Fornell, and Lehmann 1994), and strategic orientation (Oliva, Oliver, and MacMillan 1992). Many organizations focus on satisfaction as a means to retain current consumers and attract new ones. Satisfaction is often used as a referent by which organizations measure their performance (Fornell et al. 1996). Satisfaction is considered crucial for organizations that strive for long-term relationships with customers: “[S]atisfaction in exchange is necessary if ongoing relationships are to be maintained and future relationships are to be facilitated” (Oliver and Swan 1989, p. 21).

Satisfaction is an important factor that leads to organizational identification (Covin et al. 1996; Mael and Ashforth 1992). Welborne and Cable (1995) find that pay satisfaction influences the enactment of work-related behaviors. They suggest that the positive affect derived from satisfaction with an event results in people reevaluating the salience of different identities. The satisfaction the person feels reaffirms his or her identity, which in turn increases the salience of the identity. As McCall and Simmons (1978) maintain, positive feelings that affirm the identity are important for the development and maintenance of identities. We suggest that satisfaction influences supportive behaviors indirectly by increasing the salience of the related identity. That is, alumni who are satisfied with their university experiences are more likely to place a university identity higher in their hierarchy of identities. Therefore, we posit that

H$_{4}$: Satisfaction with the university experience is related positively to university identity salience.

**Non–Relationship-Inducing Factors**

We include two non–relationship-inducing factors as controls in our study: the donors’ income and the perception of the organization’s financial need. Research suggests that people with higher levels of income are more likely to donate to nonprofit organizations (Harrison 1995). Bruggink and Siddiqui (1995) argue that income is an important factor because people with higher levels of income have excess resources available for donating. Indeed, households “earning more than $80,000 have more than $11,000 a year to spend on leisure, charitable and other nonessential purchases” (Nichols 1994, p. 14). In an effort to boost donations, some nonprofits appeal to potential donors on the grounds that their organization, its “customers,” or its programs have special needs that require additional donations. Warren and Walker (1991) find that this strategy is more successful if the organization identifies the need as short-
term and focuses on a single case (e.g., showing how the donation will help a specific person). Universities often stress financial need when soliciting funds for new construction or for specific scholarships. The conventional wisdom is that people enjoy contributing to “needy” causes because they empathize with them. House (1987) finds that alumni who perceive that an institution is in great need of financial support are more likely to donate. Therefore, we expect that both higher levels of income and perceived financial need will be related positively to donating. Because these are control factors in our study, we do not include them among our formal hypotheses.

**A Rival Model**

Following Bollen and Long (1992), we compare our model with a rival model (see Figure 3), which we label the satisfaction model of nonprofit relationship marketing success. Based on the extensive research on satisfaction in the marketing literature, a potential alternative model would be one that provides a more central role for satisfaction. A mediating role for satisfaction is implicit in works that examine the antecedents or outcomes of satisfaction (e.g., Bitner, Booms, and Mohr 1994; Voss, Parasuraman, and Grewal 1998). Indeed, Garbarino and Johnson (1999, p. 74), referring to their model that hypothesizes satisfaction as a mediator, emphasize that “our satisfaction as a mediator model represents the basic model that long has guided consumer researchers.” Therefore, we test a model in which satisfaction is the key mediating construct between the relationship-inducing factors included in our study (participation, reciprocity, prestige, and identity salience) and nonprofit relationship marketing success (donating and promoting).

Overall satisfaction with an organization is a cumulative evaluation that is composed of satisfaction with specific components of an exchange relationship (e.g., the people and the market offerings) (Garbarino and Johnson 1999; Westbrook 1981). In the rival model (Figure 3), four factors are modeled as antecedents of satisfaction (participation, reciprocity, prestige, and identity salience). Because these constructs represent different components of the relationship that donors have with their alma mater, each factor can affect a donor’s overall satisfaction with the university. For example, the positive affect associated with participating in

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**FIGURE 3**

The Satisfaction Model of Relationship Marketing Success

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extracurricular activities could increase a person’s overall satisfaction with the university. Research suggests that satisfaction may indeed play a central role in some nonprofit marketing relationships. For example, Garbarino and Johnson (1999) find that, for occasional customers of a nonprofit repertory theater company, satisfaction mediates the relationships between attitudes toward the theater company and future intentions. Therefore, the rival model in Figure 3 represents a realistic, theory-based alternative to our hypothesized model.

Research Method

Sample

Alumni were sampled from a large southwestern state university. Questionnaires were sent to graduates from three classes (1954, 1974, and 1994). (Note that the sample frame consisted of all alumni in the university’s database for these years.) A total of 4481 questionnaires were mailed, of which 953 completed questionnaires were returned, yielding a response rate of 21.3%. The sample consisted of slightly more men (n = 520) than women (n = 433). Most of the respondents provided their year of graduation (772 of 953). For those who responded to this question, 90 are from the class of 1954, 362 are from the class of 1974, and 320 are from the class of 1994. Approximately 12% of the respondents have incomes less than $25,000. Slightly more than half of the respondents (~53%) have incomes between $25,000 and $75,000, and the remaining respondents (~35%) have incomes over $75,000. In addition, the modal (and median) donation amount per year is modest (in the $1–$49 category). Of the respondents, 274 (29.5%) did not donate money to the university. However, 362 respondents (38%) donated more than the modal amount.

Measures

The study uses a combination of single indicant (for donating and income) and multi-item scales (for promoting, identity salience, perceived need, reciprocity, prestige, satisfaction, and participation) from two sources. To minimize problems associated with “same source” bias (i.e., the inflation and/or deflation of the strengths of the observed relationships due to common method variance), we measured donation behavior using objective donation data that come from university records (for a discussion of the effects of same source bias, see Cote and Buckley 1987, 1988; Podsakoff and Organ 1986). Data to measure the other constructs come from the self-reports of respondents. (The measures are included in the Appendix.)

Donating. We were able to elicite the support of the university whose alumni constituted our sample. The university supplied us with a list of alumni donors and their contact information. In addition, the university supplied the donors’ donation histories, which enabled us to use the respondents’ actual donation amounts. Members of the sampling frame were assigned to a level of donating based on their average donation amount per year since graduation (total amount donated since graduation ÷ number of years since graduation). To preserve the anonymity of respondents yet still identify their level of donating, we coded each questionnaire before mailing, using various colors and headings that indicated each respondent’s level of donating.

Promoting. A scale was developed that reflects behaviors that promote the university to others. Three items were developed through exploratory interviews with alumni, colleagues, and nonprofit marketers. The three items capture the concept of providing positive word of mouth for or “talking up” the university. The items concentrate on positive information communicated in social situations (e.g., in conversations with friends and acquaintances). Research suggests that word of mouth is extremely effective in these situations because the recipient perceives the information as more credible (Berry and Parasuraman 1991; File, Judd, and Prince 1992).

We measured identity salience using a scale developed by Callero (1985). The scale consists of four items, each measured on a seven-point scale (“strongly disagree” to “strongly agree”). The original items measure identity salience as it relates to blood donating. Therefore, it was necessary to change the items to reflect the context of the present study. To measure participation, we asked respondents to list the extracurricular activities they participated in while attending the university and to rate their level of participation in each activity on a seven-point scale (“not active at all” to “very active”). Because we are interested in the level of participation (i.e., how actively they participated in the activities), not the number of activities they participated in, we use the average of the ratings to measure participation. We suggest that the level of participation (i.e., how actively they participated in the activities) is a better indicator of the social connections the person had when he or she attended the institution. For example, some students join many organizations on campus to improve their resumes. However, they may not be very involved in any of the organizations. Conversely, some students may participate in only one activity, such as an intercollegiate sport, but be highly involved in it, and thus the participation may promote identity salience.

We measured the perceived prestige of the university using a scale developed by Mael and Ashforth (1992). The scale consists of four items, each measured on a seven-point scale (“strongly disagree” to “strongly agree”). We measured reciprocity using a scale adapted from Eisenberger and colleagues (1986), whose study examined reciprocity between private high school teachers and their schools. Therefore, it was necessary to adapt the items to the present context. The scale consists of six items and is measured on a seven-point scale (“strongly disagree” to “strongly agree”).

We use an adapted version of a scale tested by Westbrook and Oliver (1981) to measure satisfaction. Westbrook and Oliver’s study examined consumer satisfaction with products or services. Therefore, it was necessary to alter the items to the present context. The scale consists of four items.

\[\text{Other operationalizations of participation are possible. For example, we could examine academic versus nonacademic activities or measure the intensity, frequency, or variety of activities.}\]
each measured on a seven-point scale ("strongly disagree" to "strongly agree"). We measured perceived need using three questions developed for the study. The items are the result of exploratory interviews with university officials and nonprofit marketers. We measured income using a single-item scale.

Results

Analysis

We analyze the data using structural equation modeling (LISREL 8.30; Jöreskog and Sörbom 1999). First, we use the entire sample (n = 953) to refine the measures and test their convergent and discriminant validity (see Table 1).

Second, we test the hypothesized structural model. As Hair and colleagues (1998) and Schumacker and Lomax (1996) suggest, if modifications of a structural model are made, the model should be cross-validated with a separate set of data. Therefore, to allow for model improvement and cross-validation, we randomly divide the sample into two subsamples (Group A consists of 477 respondents, and Group B consists of 476 respondents). The correlation matrix for each subsample is shown in Table 2. Following Bollen and Long’s (1992) recommendations, we compare our model to a theory-based, rival model (see Figure 3).

Measurement model. All internal consistency measures are greater than .80, which is above the level set by Nunnally (1978) of .70, so the scales demonstrate internal reliability.

<table>
<thead>
<tr>
<th>TABLE 1 Properties of Measurement Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constructs/Indicators</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>Donating</td>
</tr>
<tr>
<td>DON</td>
</tr>
<tr>
<td>Promoting</td>
</tr>
<tr>
<td>PRO1</td>
</tr>
<tr>
<td>PRO2</td>
</tr>
<tr>
<td>Identity Salience</td>
</tr>
<tr>
<td>ID1</td>
</tr>
<tr>
<td>ID2</td>
</tr>
<tr>
<td>ID3</td>
</tr>
<tr>
<td>ID4</td>
</tr>
<tr>
<td>Participation</td>
</tr>
<tr>
<td>PAR</td>
</tr>
<tr>
<td>Reciprocity</td>
</tr>
<tr>
<td>REC1</td>
</tr>
<tr>
<td>REC2</td>
</tr>
<tr>
<td>REC3</td>
</tr>
<tr>
<td>REC4</td>
</tr>
<tr>
<td>REC5</td>
</tr>
<tr>
<td>REC6</td>
</tr>
<tr>
<td>Prestige</td>
</tr>
<tr>
<td>PRE1</td>
</tr>
<tr>
<td>PRE2</td>
</tr>
<tr>
<td>PRE3</td>
</tr>
<tr>
<td>PRE4</td>
</tr>
<tr>
<td>Satisfaction</td>
</tr>
<tr>
<td>SAT1</td>
</tr>
<tr>
<td>SAT2</td>
</tr>
<tr>
<td>SAT3</td>
</tr>
<tr>
<td>SAT4</td>
</tr>
<tr>
<td>Income</td>
</tr>
<tr>
<td>INC</td>
</tr>
<tr>
<td>Perceived Need</td>
</tr>
<tr>
<td>PFN1</td>
</tr>
<tr>
<td>PFN2</td>
</tr>
<tr>
<td>PFN3</td>
</tr>
</tbody>
</table>

*aAll loadings are significant at p < .01.

*bThese items were deleted during the measurement refinement process.

Notes: Descriptive fit statistics: $\chi^2(219) = 599.31$ (p < .01); RMSEA = .044; CFI = .97.
During the measurement purification process, three items (REC1, PRE3, and SAT2) from three different constructs (reciprocity, prestige, and satisfaction, respectively) were dropped from the analysis because of high cross-loadings with other constructs. The final measurement model includes 24 items across nine constructs (see Table 1). The fit indices for the model are as follows: $\chi^2(219) = 599.31, p < .01$; root mean square error of approximation (RMSEA) = .044; comparative fit index (CFI) = .97. Given the size of the sample and the number of constructs, it is not surprising that the $\chi^2$ statistic is significant ($p < .01$). Therefore, the more robust RMSEA and CFI indices are used to assess model fit. Browne and Cudeck (1993) suggest that RMSEA values between .00 and .05 imply good approximate overall fit. Although the prior rule of thumb for CFI values has been .90 or above, recent evidence suggests that CFI values of .95 or above should be used to indicate adequate overall fit (Rigdon 1998). According to these guidelines, there is evidence that our measurement model fits the data.

The path estimates for all the latent constructs are statistically significant ($p < .01$), with parameter estimates ranging from 24 to 30 times as large as the standard errors; this pattern combined with the high variance extracted (≥.59 for all reflective constructs) for each scale provides evidence of convergent validity (Cannon and Perreault 1999). We assess the discriminant validity of the constructs using a procedure suggested by Bagoszi and Phillips (1982). The technique entails analyzing a series of two-factor models—two for each pair of reflectively measured constructs. We analyze each two-factor model twice. First, we constrain the correlation between the two constructs to unity, and then it is allowed to be estimated. We compare the $\chi^2$ statistic for each model using a $\chi^2$-difference test. Evidence for discriminant validity exists when the $\chi^2$ statistic for the unconstrained model is significantly lower than that of the constrained model. All of the reflective scales passed this test. Therefore, all of the reflective constructs exhibit discriminant validity.

**Hypothesized model.** We test the hypothesized model (Figure 2) using the respondents from Group A. The results indicate that seven of the eight hypothesized paths (~88%) are supported (see Table 3). The model explains 17% of the variance in donating and 60% of the variance in promoting. Identity salience is related significantly to both donating and promoting ($\beta = .11, p < .01$, and $\beta = .78, p < .01$, respectively). Thus, $H_1$ and $H_2$ are supported. Three of the four hypotheses involving the relationship-inducing factors are supported. Specifically, participation is related significantly to identity salience ($\gamma = .15, p < .01$). $H_3$ is supported. However, reciprocity is not related significantly to identity salience. Thus, $H_4$ is not supported. Prestige is related significantly to identity salience ($\gamma = .59, p < .01$), which supports $H_5$. Satisfaction is related significantly to identity salience ($\gamma = .18, p < .01$), which supports $H_6$. Finally, both of the non–relationship-inducing control factors (income and perceived need) are related significantly to donating ($\gamma = .18, p < .01$, and $\gamma = .32, p < .01$, respectively).

The fit indices indicate that the model fit could be improved ($\chi^2(232) = 586.17, p < .01$; RMSEA = .056; CFI = .94). Specifically, the RMSEA value is slightly above the .05 value suggested by Browne and Cudeck (1993), and the CFI value is slightly below the .95 value discussed by Rigdon (1998). An examination of the modification indices indicates that the model would be improved considerably if prestige were allowed to influence promoting directly (i.e., if $\gamma_{33}$ was freed, the dotted path in Figure 2).

**Respecified model.** In the respecified model, we allow a path from prestige to promoting ($\gamma_{35}$). We test the respecified model on the holdout sample (Group B). The results are consistent with the initial test of the model. The analysis reveals that seven of the nine paths (78%) are supported, including the new path from prestige to promoting ($\gamma = .63, p < .01$) (see Table 3). In addition, the model explains 10% of the variance in donating and 75% of the variance in promoting. The fit indexes indicate that the model fits the data ($\chi^2(231) = 485.53, p < .01$; RMSEA = .049; CFI = .96). In summary, the analysis supports $H_1$, $H_2$, $H_3$, and $H_5$. 

---

**TABLE 2**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Meana</th>
<th>Standard Deviationb</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Donating</td>
<td></td>
<td>1.00</td>
</tr>
<tr>
<td>2. Promoting</td>
<td>5.72</td>
<td>.14**</td>
</tr>
<tr>
<td>3. Identity salience</td>
<td>5.26</td>
<td>.19**</td>
</tr>
<tr>
<td>4. Income</td>
<td></td>
<td>.18**</td>
</tr>
<tr>
<td>5. Perceived need</td>
<td>5.36</td>
<td>.36**</td>
</tr>
<tr>
<td>6. Participation</td>
<td>3.81</td>
<td>.34**</td>
</tr>
<tr>
<td>7. Reciprocity</td>
<td>4.15</td>
<td>.16**</td>
</tr>
<tr>
<td>8. Prestige</td>
<td>5.26</td>
<td>.17**</td>
</tr>
<tr>
<td>9. Satisfaction</td>
<td>5.60</td>
<td>.12**</td>
</tr>
</tbody>
</table>

Notes: Group A (n = 477) correlations are below the diagonal; Group B (n = 476) correlations are above.

*aThese statistics are based on the entire sample (n = 953) and are calculated from the average of each person’s responses for each construct. Donating and income are categorical in nature, and therefore their means and standard deviations are not reported (for descriptive statistics regarding these two constructs, see the “Sample” section).
**p < .05.
* * p < .01.

75%
TABLE 3
Results: Hypothesized and Respecified Models

<table>
<thead>
<tr>
<th></th>
<th>Hypothesized Model</th>
<th>Respecified Model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group A (n = 477)</td>
<td>Group B (n = 476)</td>
</tr>
<tr>
<td>Participation → identity salience (γ_{11})</td>
<td>.15'</td>
<td>.09'</td>
</tr>
<tr>
<td>Reciprocity → identity salience (γ_{12})</td>
<td>.07</td>
<td>.01</td>
</tr>
<tr>
<td>Prestige → identity salience (γ_{13})</td>
<td>.59'</td>
<td>.73'</td>
</tr>
<tr>
<td>Satisfaction → identity salience (γ_{14})</td>
<td>.18'</td>
<td>-.03</td>
</tr>
<tr>
<td>Income → donating (γ_{26})</td>
<td>.18'</td>
<td>.11'</td>
</tr>
<tr>
<td>Perceived need → donating (γ_{36})</td>
<td>.32'</td>
<td>.19'</td>
</tr>
<tr>
<td>Identity salience → donating (β_{21})</td>
<td>.11'</td>
<td>.19'</td>
</tr>
<tr>
<td>Identity salience → promoting (β_{31})</td>
<td>.78'</td>
<td>.29'</td>
</tr>
<tr>
<td>Prestige → promoting (γ_{33})</td>
<td>—</td>
<td>.63'</td>
</tr>
<tr>
<td>R^2 (identity salience)</td>
<td>.62</td>
<td>.55</td>
</tr>
<tr>
<td>R^2 (donating)</td>
<td>.17</td>
<td>.10</td>
</tr>
<tr>
<td>R^2 (promoting)</td>
<td>.60</td>
<td>.75</td>
</tr>
<tr>
<td>χ^2 (df,1)</td>
<td>586.17 (232)*</td>
<td>485.53 (231)*</td>
</tr>
<tr>
<td>RMSEA</td>
<td>.056</td>
<td>.049</td>
</tr>
<tr>
<td>CFI</td>
<td>.94</td>
<td>.96</td>
</tr>
</tbody>
</table>

*p < .01.

The rival model. We follow a similar testing procedure for the rival model. It suggests, as does the hypothesized model, that a path from prestige to promoting is warranted. Therefore, we include this path in the rival model (see Figure 3). The results for the analysis using data from Group B for the rival model are shown in Table 4. We compare the respecified model with its rival on the following criteria: (1) overall fit of the model, as measured by the RMSEA, the CFI, and the Akaike information criterion (AIC); (2) percentage of the model’s significant structural paths; (3) ability to explain variance in the outcomes of interest, as measured by squared multiple correlations (SMCs) of the outcome constructs, and (4) overall performance of the key mediating construct, as measured by significant paths leading to and from the key mediating construct (see Table 5).

The RMSEA for the rival model is slightly higher than that of the respecified model (.052 versus .049), indicating that the rival model does not fit the data as well as the respecified model. The two models have the same value for CFI (.96). However, the rival model has a higher AIC value than does the respecified model (665.27 versus 637.25). The AIC value is used to compare two or more models estimated from the same data (smaller values indicate a better fit). Therefore, the AIC indicates that the respecified model fits the data better than the rival model. In the rival model, only four of the nine structural paths (44%) are supported at the p < .01 level (at the p < .05 level, five of the nine paths are supported, 56%). In contrast, seven of the nine structural paths (78%) in the respecified model are supported at the p < .01 level. Examinations of the SMCs indicate that the rival model has a slightly lower SMC for donating (.08 versus .10). However, the rival has a slightly higher SMC for promoting (.77 versus .75).

TABLE 4
Results: Rival Model

<table>
<thead>
<tr>
<th></th>
<th>Rival Model Group B (n = 476)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation → satisfaction (γ_{11})</td>
<td>−.08**</td>
</tr>
<tr>
<td>Reciprocity → satisfaction (γ_{12})</td>
<td>.28'</td>
</tr>
<tr>
<td>Prestige → satisfaction (γ_{13})</td>
<td>.60'</td>
</tr>
<tr>
<td>Identity salience → satisfaction (γ_{14})</td>
<td>−.09</td>
</tr>
<tr>
<td>Income → donating (γ_{35})</td>
<td>.06</td>
</tr>
<tr>
<td>Perceived need → donating (γ_{36})</td>
<td>.23'</td>
</tr>
<tr>
<td>Satisfaction → donating (β_{21})</td>
<td>.07</td>
</tr>
<tr>
<td>Satisfaction → promoting (β_{31})</td>
<td>−.02</td>
</tr>
<tr>
<td>Prestige → promoting (γ_{33})</td>
<td>.89'</td>
</tr>
<tr>
<td>R^2 (satisfaction)</td>
<td>.52</td>
</tr>
<tr>
<td>R^2 (donating)</td>
<td>.08</td>
</tr>
<tr>
<td>R^2 (promoting)</td>
<td>.77</td>
</tr>
<tr>
<td>χ^2 (df,1)</td>
<td>535.68 (231)*</td>
</tr>
<tr>
<td>RMSEA</td>
<td>.052</td>
</tr>
<tr>
<td>CFI</td>
<td>.96</td>
</tr>
</tbody>
</table>

*p < .01.

A comparison of the performance of the two proposed key mediating constructs (satisfaction and identity salience) indicates an important difference between the two models.

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Each model has two antecedents that are related significantly to the key mediating construct at the \( p < .01 \) level. In the rival model, reciprocity and prestige are related positively to satisfaction. In contrast, in the respecified model, participation and prestige are related positively to identity salience. However, in the rival model, satisfaction is not related significantly to donating, nor is it related significantly to promoting. In comparison, in the respecified model, identity salience is related significantly to both donating and promoting \( (p < .01) \).

### Discussion

When organizations engage in exchange relationships with individuals that are based primarily on social exchange, what is the role of identity salience? Does identity salience influence relationship marketing success? If so, what is the nature of this effect? To answer these questions, we examine relationship marketing in the context of nonprofit higher education marketing. Our results provide evidence that identity salience indeed plays a key role in nonprofit relationship marketing by mediating the relationships between relationship-inducing factors (participation and prestige) and supportive behaviors (donating and promoting).

To provide a better test of our model, we compare it with a theory-based rival model. Although both models explain a significant amount of variance in donating and promoting, goodness-of-fit measures indicate that the respecified model fits the data slightly better than the rival model. In addition, the respecified model has a much higher percentage of significant paths \( (78\% \text{ versus } 44\% \text{ at the } p < .01 \text{ level}) \), which indicates that it provides a better explanation of the relationships among the constructs investigated. More important, the analysis reveals that satisfaction does not perform a mediating role. In the rival model, neither of the paths from satisfaction to the terminal constructs is significant.

The analyses suggest that satisfaction plays a different role from the one hypothesized in our study. The results from the rival model (Table 4) indicate that both the prestige of the university and reciprocity are related positively to respondents' level of satisfaction. However, satisfaction is not related to higher levels of donating or promoting. The results from the respecified model (Table 3) indicate that satisfaction is not antecedent to identity salience. Nevertheless, the results should not be interpreted as showing that satisfaction has no role in social exchanges. Perhaps satisfaction plays a different role from the one specified here. For example, satisfaction may be related to other important constructs (e.g., relationship commitment) that are not included in our study.

Our study provides managers with a basis for marketing strategies. When organizations strive for long-term relationships with individuals (e.g., consumers, donors), they must take into account the effect of social structures. Our results suggest that organizations can improve relationship marketing success by strengthening the ties between their organizations and the identities people find important. Understanding the role of identity salience enables marketers to have a better understanding of underlying mechanisms at work. As Morgan and Hunt (1994, pp. 31–32) emphasize, “to the manager, understanding the process of making relationships work is superior to developing simply a ‘laundry list’ of antecedents of important outcomes.” Such an understanding can aid managers in the development of marketing plans by suggesting potential strategies.

Our study suggests that managers who are trying to encourage supportive behaviors from donors should do so by encouraging them to develop salient identities related to the nonprofit organization. Laverie and Arnett (2000) maintain that activities that increase involvement and attachment, such as providing the opportunity for customers to get to know the employees on a more personal level, increase identity salience. In the case of nonprofits, marketers could provide more opportunities for contact with the organization (e.g., through social functions or speaking engagements), which would allow donors (or potential donors) the opportunity to create social ties with the organization. Our results suggest that for higher education marketers, encouraging students to be actively involved in school activities and improving or maintaining a level of university prestige will encourage the formation and strength of a university identity, which in turn will encourage students to engage in supportive behaviors in the future.

The importance of university prestige is also highlighted by our results. Our findings suggest that prestige affects alumni behavior in two ways. First, it increases the salience of a person’s university identity, which in turn positively

### TABLE 5

<table>
<thead>
<tr>
<th></th>
<th>Respecified Model Group B ( n = 476 )</th>
<th>Rival Model Group B ( n = 476 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMSEA</td>
<td>.049</td>
<td>.052</td>
</tr>
<tr>
<td>CFI</td>
<td>.96</td>
<td>.96</td>
</tr>
<tr>
<td>AIC</td>
<td>637.25</td>
<td>665.27</td>
</tr>
<tr>
<td>Percentage of significant paths ( p &lt; .01 )</td>
<td>78% (7 of 9)</td>
<td>44% (4 of 9)</td>
</tr>
<tr>
<td>Percentage of significant paths ( p &lt; .05 )</td>
<td>78% (7 of 9)</td>
<td>56% (5 of 9)</td>
</tr>
<tr>
<td>( R^2 ) (donating)</td>
<td>.10</td>
<td>.08</td>
</tr>
<tr>
<td>( R^2 ) (promoting)</td>
<td>.75</td>
<td>.77</td>
</tr>
<tr>
<td>Significant paths to mediator ( p &lt; .01 )</td>
<td>2</td>
<td>2*</td>
</tr>
<tr>
<td>Significant paths from mediator ( p &lt; .01 )</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

*Three paths are significant at the \( p < .05 \) level.
affects supportive behaviors (promoting and donating). Second, it has a direct and positive effect on the likelihood that a person will promote the university to others. Many universities attempt to improve their institutions’ prestige (e.g., by improving academic programs and supporting faculty research efforts) and believe that such efforts will help them recruit students and faculty members and increase donations. Our study provides preliminary evidence as to the underlying process at work.

Our results do not provide support for a central role for satisfaction in nonprofit relationship marketing. Although preliminary results using the data from Group A provide support for the hypothesis that satisfaction positively affects identity salience, the data from Group B do not support this view (see Table 3). These results may be an indication that the relationship between satisfaction and identity salience is more complex than our model indicates. Perhaps it is moderated or mediated by factors not accounted for in our study. For example, people could be unsatisfied with their overall university experience but still feel strongly about specific aspects of their university experiences (e.g., a particular professor or counselor). Or our findings could be an indication that satisfaction may not be as stable a predictor of identity salience as the other constructs in our study. Finally, it is possible that a person might not be satisfied with the college itself but could still develop a salient university identity because of other social connections (e.g., friendships).

Finally, the degree to which people have internalized an identity can affect how they respond to environmental cues. For example, Reed (2002) suggests that people who have newly adopted an identity may rely more heavily on feedback from others to validate their identities. In contrast, people whose identities are more deeply seated will rely more heavily on internal cues (e.g., feelings of satisfaction). Therefore, the level of satisfaction that donors have with their university experiences may be more relevant for people whose university-related identities are a deep-rooted part of their concepts of self.

Our data do not support the hypothesis that reciprocity influences the salience of a person’s university identity. For our sample, at least, the level of perceived reciprocity did not affect respondents’ identity salience. One possible explanation is that it is difficult for a university to communicate with individual alumni regarding each person’s value to the university, and concomitantly, most alumni may not expect such communication. Reciprocity, however, may be an important contributor to identity salience in other relationship marketing contexts.

As indicated by our results, our model explains a higher percentage of the variance in promoting than in donating. This may be an indication that other economic factors affect people’s donating behavior. For example, families that have more children may have less disposable income, which affects their ability to donate money. In addition, other factors may affect people’s ability to donate to nonprofits (e.g., serious illnesses in the family, the health of the general economy, pessimism about the future). We did not control for these factors in our study.\(^3\)

\(^3\)An alternative explanation is that the higher variance explained in promoting is due to common methods variance (i.e., promoting is a self-reported behavior but donating is not).

Our study benefited from two factors. First, the large sample size (n = 953) enabled us to use a holdout sample to better refine and test our model. As a result, we were able to respect our model, which enabled us to investigate the direct relationship between prestige and promoting. Second, the use of objective data (donations) reduced the amount of same-source bias in our data.

**Limitations and Further Research**

As do all studies, ours has limitations. First, the cross-section design used in our study provides limited inferences regarding causality. Therefore, the model developed and tested here could benefit from being examined with a longitudinal design. In addition, such a design would enable researchers to investigate the stability of key constructs such as identity salience. Evidence suggests that identity salience is a more stable construct than constructs such as satisfaction. For example, Laverie and Arnett (2000) find that basketball fans’ identity salience is a better predictor of attendance than is satisfaction. One possible explanation is that satisfaction levels may change from game to game because of external factors such as the performance of the team and the attitudes and behaviors of the people who attend games. However, fans’ identity salience remains more constant because the identity is an important part of the self. Therefore, empirical evidence that supports or refutes this view would provide managers with additional information that would aid them in their decision making, for example, by suggesting which factors to focus on when implementing a relationship marketing strategy.

Second, the context of the study, nonprofit higher education marketing, may limit the generalizability of the results. As we argue, identity salience has the potential to be a key mediating construct in all exchanges in which one party is an individual and the exchange benefits are significantly social. However, the nature of the contact between universities and their alumni may be unique. Many organizations do not have the opportunity to be in direct contact with potential exchange partners for long periods of time (e.g., for four years while they are obtaining an undergraduate degree). Yet this limitation does not preclude other organizations from learning from our results. For example, factors such as participation and prestige may also be important in for-profit settings (e.g., selling products with such brands as Mercedes, Harley-Davidson, Ralph Lauren–Polo).

Third, we specifically investigate factors connected to university experiences (e.g., satisfaction with the education received from the university and the facilities at the university). However, universities can provide many opportunities for alumni to strengthen their ties to the university further after graduation. Further research could investigate how these factors affect identity salience and, in turn, donating and promoting. Such studies could investigate the effects of different types of events (e.g., alumni gatherings versus sporting events) on identity salience.

Fourth, many constructs have been investigated in the relationship marketing literature that might be used to expand our model. These concepts include commitment (Anderson and Weitz 1992), trust (Morgan and Hunt 1994), communication (Anderson and Narus 1990), cooperation...
(Anderson and Narus 1990), mutual goals (Morgan and Hunt 1994), shared values and norms (Heide and John 1992), social bonds (Wilson 1995), adaptation (Hakansson 1982), and satisfaction (Dwyer, Schurr, and Oh 1987). These constructs may affect the formation and maintenance of identities.

Fifth, our results provide support for the overall identity salience model of relationship marketing success (Figure 1). As Andreasen (2001) maintains, specific marketing concepts and tools that are useful in nonprofit (for-profit) settings may also be valuable in for-profit (nonprofit) environments, if the environments have similar characteristics. We argue that because many exchange relationships in the for-profit sector match the exchange characteristics examined in our study—that is, they (1) involve individuals and (2) are based primarily on social exchange—our identity salience model of relationship marketing success should provide useful insights to marketing researchers and marketing managers in other contexts. For example, research suggests that consumers can derive social benefits from the products they purchase (Laverie, Kleine, and Kleine 2002). Our model could be used to test the role of identity salience in these contexts.

Conclusion

Researchers suggest that promoting long-term relationships with key stakeholders is an important strategy, especially in today’s intensely competitive business environment. Many organizations have embraced this concept, which is referred to as relationship marketing. Much of the research on relationship marketing success has examined relationships that (1) are primarily economic in nature, (2) involve business-to-business marketing, and (3) involve for-profit firms. However, we argue that relationship marketing is a viable strategy in contexts such as those involving high levels of social exchange, business-to-consumer marketing, and nonprofit marketing. In these contexts, relationship marketing success requires different relationship characteristics from those identified in previous research.

Our study suggests that identity salience plays an important role in nonprofit relationships that are characterized by a minimum of two characteristics: (1) the exchange relationship involves individuals and (2) the exchange is based primarily on social exchange. Identifying the importance of identity salience in nonprofit relationship marketing is an important step in understanding how nonprofit organizations can successfully implement strategies based on relationship marketing. Our results suggest that managers in nonprofit organizations should focus on increasing the salience of their donors’ organization-related identity and developing such identities in potential donors. In the case of nonprofit higher education marketing, this involves encouraging students to become more actively involved in university-related activities (e.g., student government, sports, Greek orders) as well as maintaining and, if possible, improving the prestige of the university. All of these factors are related to building a university-related identity and/or encouraging students to develop one, which in turn encourages them to promote and donate to the university in the future.

REFERENCES


APPENDIX
Measurement Scales

I. Promoting (new scale; seven-point scale: "strongly disagree" to "strongly agree")
1. I "talk up" [university name] to people I know.
2. I bring up [university name] in a positive way in conversations I have with friends and acquaintances.
3. In social situations, I often speak favorably about [university name].

II. Identity salience (adapted from Callero 1985; seven-point scale: "strongly disagree" to "strongly agree")
Being a [university name] graduate ...
1. is an important part of who I am.
2. is something about which I have no clear feeling.*
3. means more to me than just having a degree.
4. is something I rarely think about.*

III. Satisfaction (adapted from Westbrook and Oliver 1981; seven-point scale: "strongly disagree" to "strongly agree")
I am satisfied with ...
1. the education I received while at [university name].
2. the facilities at [university name] when I was a student.
3. the manner in which I was treated as a student at [university name].
4. how [university name] prepared me for a career.

IV. Participation (new scale; seven-point scale: "not active at all" to "very active")
Please list the different extra-curricular activities or organizations that you participated in while at [university name] (for example, student government, fraternities/sororities, music, drama, service organizations, athletics, intramurals) and how actively you participated:
(Respondents were given eight blank lines with eight corresponding seven-point scales—"not active at all" to "very active"—with which to rate their levels of participation.)

V. Reciprocity (Eisenberger et al. 1986; seven-point scale: "strongly disagree" to "strongly agree")
[University name] ...
1. values my contribution to its well-being.

*Denotes reverse-scored items.


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