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## Journal of Retailing and Consumer Services

journal homepage: www.elsevier.com/locate/jretconser



## Effects of Chinese consumers' relationship benefits and satisfaction on attitudes toward foreign fashion brands:The moderating role of country of salesperson



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#### ARTICLE INFO

Article history: Received 13 October 2014 Received in revised form 28 July 2015 Accepted 2 August 2015

Keywords: Country of salesperson(COS) Relationship benefit Satisfaction with salesperson Brand attitude

#### ABSTRACT

The paper examines the various responses of consumers depending on the country of salesperson (COS) and to look into the effects that consumer-salesperson relationship benefits have on consumer satisfaction and brand attitude. The results suggest that consumers' perceived social benefit and functional benefit positively influenced their satisfaction with salesperson, and a significant positive effect of consumers' satisfaction with salesperson on consumers' brand attitude is found. This positive relationship was moderated by COS. These findings suggest that COS will serve as an important retail mix for global marketers. Other results and management implications are also discussed.

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#### 1. Introduction

China's economy has experienced vigorous growth which has led to ever-increasing disposable income levels, thereby resulting in higher consumption of fashion products by Chinese consumers. China's fashion market is growing in both quantity and quality owing to the expansion of global fashion brands and the improved competitiveness of Chinese local brands. Many foreign fashion brands are entering China's fashion market. Global foreign fashion brands targeting the apparel market in China should find a niche market and strengthen their competitiveness by establishing a differentiated strategy.

Firms tend to build a strong relationship with customers as a means to obtaining a competitive advantage (McKenna, 1991). Maintaining customer relationship is an important method of earning profit under intense competition. Among various approaches for competitiveness, customer-oriented relationship marketing is attracting the most attention. Relationship marketing focuses on forming and maintaining a long-term relationship between companies and customers. Personal selling is essential in providing goods and services to the end-consumer and managing customer relationships (Solomon, 2009). From the company's point of view, service provided by personal selling is a major factor that differentiates it from its competitors. In personal selling, there is face-to-face mutual communication with the customer.

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Therefore, the salesperson's communication skills and knowledge of the product is the major determinant of customers' understanding of the product and resulting satisfaction (Cho and Ku, 2002; Weitz and Bradford, 1999). In Korea, where Chinese tourists contribute great sales volume for fashionable goods, many department stores employ Chinese salespeople to serve Chinese visitors as a better way of communicating with customers (Chinese Tourists Around the World, 2014). However, despite its convenience, this can provide an unsatisfactory experience for customers who are seeking foreignness. This paradox can be explained through the concept of perception of relationship benefit: Chinese customers might prefer Chinese salespeople when they pursue functional benefits, such as convenience, but prefer Korean salespeople when pursuing social benefits, such as foreignness.

Previous studies related to salespeople focused on the salesperson's performance (Johlke and Iyer, 2013; Lam, 2012; Mariadoss et al., 2014; Valenzuela et al., 2014) and job satisfaction (Chang et al., 2006; Macintosh and Krush, 2014; Rast and Tourani, 2012). These studies mainly deal with financial products such as insurance, banking, or the service industry such as hotels and airlines. Furthermore, there is no previous research on the role of the salesperson's nationality. Considering the great importance of the salesperson in the clothing industry, there are limited relevant studies. Due to rapid globalization, fashion companies now face competition from diverse foreign products in the world market. The country of origin effect, defined as positive or negative effects that information about the manufacturing country has on consumers' evaluation and purchase of a given product (Elliott and

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Cameron, 1994), has been a popular research topic. Because a single product is often designed, developed, and manufactured in different countries, factors such as country of design and country of manufacture are also being discussed. In this context, this paper aims to study the country of salesperson (COS) as another important variable.

In addition, there are few studies on relationship benefits, especially in the fashion sector. Therefore, it would be meaningful to find out how relationship benefits in foreign brand stores affect consumer satisfaction and brand attitude in light of the salesperson's nationality, and whether the method of providing relationship benefits is appropriate for improving brand attitude.

This study aims to examine the various responses of consumers regarding the COS, and to observe and discuss the effects that consumer–salesperson relationship benefits have on consumer satisfaction and brand attitude. Fashion retail salespeople create the impression of clothing firms and fashion stores and at the same time play various roles, including making fashion-related suggestions to customers. This study will reveal the effect that COS has on this process. The results will also be useful for fashion retail firms in establishing effective salesperson management strategies.

#### 2. Literature review and hypotheses

#### 2.1. Relationship benefits

Gwinner et al. (1998) claimed that the relationship benefit is a consumer benefit from a long-term relationship and acts as an incentive for firms to maintain such relationships with consumers. The relationship benefit is also known as a benefit that companies and employees provide in order to maintain interaction with. encourage loyalty from, and retain the number of customers (Reynolds and Beatty, 1999). Beatty et al. (1996) argued that along with relationships with family members or friends, relationships with service providers also provide benefits that satisfy critical needs. Furthermore, the social and functional needs of customers contribute to the formation of relationships between salesperson and customer, and the salesperson's repetitive interaction with the customer based on confidence, friendship, and functionality induce the customer's loyalty toward the company and salesperson. According to Darden and Dorsch (1990), consumers gain benefits such as information about products and social interaction. In other words, the relationship with salespeople provides the benefit of fulfilling consumers' important desires.

In a previous study, Choi (2003) asserted that the relationship benefit affects the satisfaction of employees in the water purifier industry. Lee et al. (2002) conducted a study on the effect of relationship benefits on consumer satisfaction with and loyalty to hotel employees and restaurants. Literature relating to the fashion industry reports similar findings. Beatty et al. (1996) studied the relationship between the department store salesperson and customer, and classified the benefits that customers desire as functional and social benefits. Functional benefits are related to time saving, convenience, advice on fashion, and making a better purchase. Social benefits include the pleasure of a close relationship with the salesperson, having a good friend, and having a good time. Social benefits had a positive effect on satisfaction with the salesperson and loyalty, but functional benefits had a positive effect only on satisfaction with the salesperson. Regarding such satisfaction, functional benefits had a more significant effect than social benefits. Reynolds and Beatty (1999) also classified relationship benefits into functional and social relationships, and found that the relationships had a positive effect on satisfaction with the salesperson. Such positive satisfaction seems to have a positive effect on purchase intent. Patterson and Smith (2001) studied cases in the United States and Thailand, and obtained empirical results that proved that relationship benefits increase repurchase intention. Kim and Rhee (2005) also found that the higher the perceived relationship benefits of fashion product consumers, the more positive their attitude.

In line with these studies, this study also classifies relationship benefits into functional and social benefits, and analyzes the effect that such benefits have on salesperson satisfaction. Therefore, we hypothesize

**H1.** The perception of relationship benefits has a positive effect on satisfaction with the salesperson.

**H1a.** Functional benefit has a positive effect on satisfaction with the salesperson.

**H1b.** Social benefit has a positive effect on satisfaction with the salesperson.

**H1c.** Functional benefit and social benefit have a positive effect on satisfaction with the salesperson.

#### 2.2. Satisfaction with the salesperson

The main concept of marketing is satisfaction, which is "a psychological state when the expectation meet the consumers' feeling of their consumption experience" (Oliver, 1980). Fornell et al. (1996) conceptualized customer satisfaction as dependent on how closely the perceived quality and effectiveness of the product match up with consumers' expectations. Above all, consumers experience satisfaction through the overall experience with the store and the salesperson (Chang et al., 2006). Vincent et al. (2006) pointed out that an inappropriate service manner is the main trigger of shopping stress. This is why the salesperson who directly contacts the consumer is the most important factor when it comes to consumer satisfaction (Crosby et al., 1990).

Oliver (1980) hypothesized that customer satisfaction affects the attitude of the customer, and the influence of this attitude continuously affects repetitive purchase behavior. Oliver (1980) proved this hypothesis through experiments revealing that consumer satisfaction has a positive influence on attitude, which increases consumers' purchase intention and loyalty. Poujol et al. (2013) observed that satisfaction toward the salesperson has a positive influence on anticipation of future interactions and loyalty toward the firm. Chen (2012) found that the higher the satisfaction, the more positive the consumer's attitude and, subsequently, the higher the consumer's loyalty. Choi (2003) showed that satisfaction with the salesperson has a positive impact on company satisfaction. Kim (2005) found that in the hotel industry, beneficial relationships indirectly impacted the degree of loyalty by forming positive attitudes and switching cost.

The importance of the consumer's satisfaction with the salesperson on attitude and behavior was also confirmed in the fashion shopping context. Reynolds and Beatty (1999) found that satisfaction with the salesperson had a static relationship with company satisfaction, word of mouth, and the overall purchase of clothing. According to Beatty et al. (1996), the more satisfied consumers felt about the department salespeople, the more their satisfaction with the company increased, which also results in positive word of mouth and purchase intention. The higher the satisfaction with fashion clothing store salespeople, the higher the consumer's satisfaction, and this also has a positive effect on store loyalty (Cho and Ku, 2002).

Many of the aforementioned studies have given insights about the salesperson's satisfaction difference in building attitudes toward brands, Michell and Olson (1981) define brand attitudes as consumers' overall evaluation of a brand, and anything linked in

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