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The local brand representative in reseller networks

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ABSTRACT

This study investigates the characteristics of local individuals who represent a brand to its resellers by first conceptualizing these characteristics by employing complexity theory and then testing the conceptualization. This research revealed that four characteristics 'native', 'entrepreneurial', 'advisor', and 'compatible' are the main ones that influence reseller brand preferences. The study finds a link between reseller brand preference and reseller brand loyalty which is useful for managing business-to-business markets. The study closes with implications, limitations, and directions for future research.

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1. Introduction

To gain competitive advantage, brands are increasingly becoming concerned with their relationships with resellers and are employing local representatives. Interactions between local individuals who represent the firm behind the brand and the reseller firm provide opportunities for highlighting commercial aspects of the brand, such as product pricing, product differentiation and brand experience, to the reseller (Gummesson, 1994). Local individuals representing brands use opportunities to promote the brand by building trust in the brand–reseller relationship (Christine, 2005; Libererman & Montgomery, 1988; Morgan & Hunt, 2002).

This practice has been regularly employed by brands in IT (Intel, HP, Microsoft), telecom (Samsung, Benq, Sony Ericsson) and pharma (Pfizer, Ranbaxy) that tend to push their products through large networks of resellers, retailers and pharmacists. Such local individuals representing firms have been termed brand ambassadors by Debling, de Chernatony, and Middleton (2002) and Gromark and Melin (2011) whereas they have been termed relationship promoters by authors such as Palmatier, Scheer, Houston, Evans, and Gopalakrishna (2007) and Walter and Gemunden (2000). This study investigates the characteristics of local individuals who represent a brand to its resellers. It does this by first conceptualizing these characteristics by employing complexity theory and then testing the conceptualization. The result is a scale of characteristics that can be used as an employee profile.

The literature fails to explain how these local brand representatives can drive reseller brand preferences by grounding them in the theory of rational choice from a utilitarian perspective which implies that the preferences of resellers as agents will depend upon their identification of means, ends, costs and benefits (Granovetter, 1985; Whitford, 2002). Previous research extends the viewpoint about this aspect of brand representatives from the viewpoint of the consumer, corporations (Chun & Davies, 2006), industrial organizations (Herbst & Merz, 2011) or the country of origin (Veloutsou & Taylor, 2012). However, this research has not considered the influence of the characteristics of individuals who represent a brand to a dynamic cluster of small and medium sized firms involved with brands as its resellers. This missing knowledge creates a gap that the authors have addressed using complexity theory and by synthesizing theories from different domains, such as the social, personality, brand management and business-to-business marketing literatures. One possible reason for this gap in the marketing literature is the focus of researchers on identifying tangible factors that will satisfy the rational needs of the resellers' (Christopher, 1996; Lindgreen & Wynstra, 2005). Thus, this study addresses what characteristics of the local brand representative lead to reseller brand preferences and loyalty?

Therefore, in order to precisely identify the characteristics of local brand representatives who can drive reseller brand preference, a scale was developed and empirically tested by the researchers using structure equation modeling techniques and fuzzyset qualitative comparative analysis (fsQCA) (Ragin, 2006, 2008). fsQCA helps the researchers to gain a rich perspective on the data when applied together with complexity theory (Leischnig & Kasper-Brauer, 2015; Leischnig &

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Kasper-Brauer, 2015; Mikalef, Pateli, Batenburg, & Wetering, 2015; Ordanini, Parasuraman, & Rubera, 2013; Pappas, Kourouthanassis, Giannakos, & Chrissikopoulos, 2015; Woodside, 2014; Wu, Yeh, & Woodside, 2014).

Drawing on the theory of rational choice, this paper proposes that the characteristics that attract resellers are leadership qualities, entrepreneurial nature, advisory skills, compatible attitude and charming personality. Also, this paper will identify those characteristics of a local brand representative, which influence resellers' brand preferences and ultimately build reseller brand loyalty. Additionally, the current study contributes to the existing literature on industrial branding which describes the management of reseller networks.

2. Literature review

The business and psychology literature links the characteristics of individuals representing firms with the success of the firm in the marketplace (Harris & Lee, 2004). Personality characteristics of individuals who represent organizations were discussed in the institutional context to explain the effect of their sharpness, reliability and meaningfulness. This study dealt in general terms with the perceptions of customers about the organization. The characteristics of individuals representing firms was also reviewed by Sujun (1986) who identified working hard for achieving goals and working intelligently for achieving success as essential characteristics for individuals who represent a firm to its customers.

Keller and Richey (2006) explained how perceptions of customer facing employees about their brand reflect upon its personality to the outside world. These authors identified values, words and actions demonstrated by representatives of the supplier firm as characteristics that build the corporate personality of a brand. Their research identified three dimensions, heart (passionate and compassionate), mind (creative and disciplined) and body (agile and collaborative), as the core dimensions of corporate brand personality that have two traits each and the authors suggested that their effect is interactive and multiplicative.

Chun and Davies (2006) systematically analyzed multi-group data collected for a large pool of personality traits that reflected the perceptions of customers and employees about two successful retail organizations. Their structural model revealed five characteristics, 'agreeable', 'enterprise', 'competence', 'chic' and 'ruthlessness', as ones that influence satisfaction and differentiation perceived by customers and employees. Using data collected from 1252 respondents, the authors demonstrated significant differences between different dimensions of personality that constituted their personality scale. Their findings showed that customer satisfaction will be high for firms that display characteristics like 'imaginative' and 'innovative', whereas firms that are perceived as 'reliable' and 'leading' will be regarded as competent in the marketplace.

Veloutsou and Taylor (2012) highlighted that there is no consistent view in business-to-business research about the characteristics of brands and brand representatives. Because the focus of their study was on nationality related concepts, the authors reviewed constructs like 'country of origin', 'country of design' and 'country of assembly' for investigating the extent to which the characteristics of the brand can influence the various actors involved in its supply chain. Personal interviews and focus groups conducted with professionals working in different positions in the supply chain of the industrial valve market were used to understand if intangible concepts of brand as a person can be applied to the business-to-business segment. Analysis of qualitative data indicated that brand as a person is a valid concept for the business-to-business segment as respondents referred to brand personality and brand nationality as characteristics of the brand.

Herbst and Merz (2011) validated Aaker's brand personality scale (1997) for industrial markets. The authors used qualitative data collected from individuals working for leading German industrial firms by

asking them to describe characteristics of their company. Based on an analysis of 27 in-depth interviews and the content analysis of 18 mission statements of their firms, the researchers revealed a total of 78 traits. Six traits out of 78 such as rational thinkers, competent, trustworthy, problem-oriented and achievement-oriented were different from Aaker's (1997) scale for consumer brands. The authors identified 3 dimensions from this list i.e. performance, sensation and credibility and collected data through an online survey to establish them. The respondents of the survey were 117 practitioners from diverse industrial companies and 138 professionals who were alumni of two German universities. Analysis of this data helped investigators to reduce the 78 items to 31 items. Their findings revealed that Aaker's (1997) scale does not provide a suitable measurement scale for industrial markets. Engagement of respondents in the management, production, procurement, human resources and marketing functions revealed that different members of a buying center perceive different characteristics of the brand differently.

The literature indicates a consensus that the characteristics of individuals representing brands can drive reseller brand preferences (Herbst & Merz, 2011; Keller & Richey, 2006). Simultaneously, the literature also highlights familiarity as an important factor that drives the brand preferences of customers (Keller, 1993). Unfamiliarity of resellers with the brand that sells in multiple locations through multiple channels of sales can make reseller brand preferences very inelastic in nature because they seek rational benefits from the brand (Webster, 2000). Therefore, when an individual representing a brand develops a relationship and creates brand familiarity for the resellers, the individual can drive reseller brand preference (Webster & Keller, 2004). The authors thinking is consistent with the notion of relationship promoters by Palmatier et al. (2007) which suggests that a native relationship promoter can influence salient beliefs of business-to-business customers. Additionally, the current conceptualization of the personality characteristics of individuals representing brands to resellers embeds previous research on the personality characteristics of individuals representing brands and the nature of brand-reseller relationships (Chun & Davies, 2006; Davies & Chun, 2002; Glynn, 2004; Veloutsou & Taylor, 2012) into complexity theory as proposed by Woodside (2014). Thus, a configuration of characteristics that a native individual has, who speaks a local language, understands local culture and knows the local community will be able to positively influence reseller brand preferences, leading to the following hypothesis:

Hypothesis 1. *A configuration of characteristics that form the personality of a native individual representing a brand will have a positive effect on reseller brand preference.*

The business-to-business literature emphasizes that the preference of buyer firms depends upon the congruency between personalities of the individuals representing the two firms because it helps the buyer firm to understand the seller firm (McFarland, Challagalla, & Shervani, 2006; Mende & Bolton, 2011; Rajagopal, 2009). Reseller firms are micro level small and medium sized entrepreneurial firms run by individuals who are rational, passionate and enterprising in nature (Jaouen & Lasch, 2013; Talebi, 2007). The challenges faced by them for growth in a competitive market are different from those encountered by established brands (Beverland, 2000). Mehta, Larsen, Rosenbloom, Mazur, and Polsa (2001) found that individuals representing established firms are more likely to receive cooperation from their agent firms when they are entrepreneurial in nature. In line with the argument made by Mehta et al. (2001) and Magrath and Hardy (1989), this paper claims that reseller firms will cooperate with a local individual who is competent and demonstrates a passion to facilitate the growth of the reseller firm in an enterprising manner. In order to enlighten and better recognize the relationships, a configural analysis of factors is more appropriate than an examination of individual causal factors (Pappas et al., 2015). Therefore, this study anticipates that the

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