

A study on the effects of sales related factors on brand equity

Naser Azad* and Azadeh Salmantabar

MA in Business Management, Department of Management and Accounting, South Branch, Islamic Azad University, Tehran, Iran

CHRONICLE

Article history:

Received January 4, 2014

Accepted 1 June 2014

Available online

June 3 2014

Keywords:

Brand equity

Factor analysis

Sales effect

ABSTRACT

This paper presents an empirical investigation to study the effects of sales related factors on brand equity. The study designs a questionnaire and distributes it among all 353 sales representatives who work for a dairy producer in province of Mazandaran, Iran. Using principal component analysis, seven variables including qualification criteria, motivation, personality, empowering sales representative, information size, personal characteristics and sales interest in job on brand equity are extracted. The implementation of structural equation modeling has confirmed that there were positive and meaningful relationships between seven factors and brand equity. The highest impact belongs to empowering sales representative followed by qualification criteria, quantity of information, personality and sales motivation.

© 2014 Growing Science Ltd. All rights reserved.

1. Introduction

The strategic planning process can be normally linked with corporate goal formulation but it is argued that bigger progress would be constructed in understanding marketing's participation in strategic planning if marketing's role in the goal formulation process can be accomplished. Unfortunately, the extant theories of the firm are inadequate in varying degrees for this purpose. Anderson (1982) proposed a new theory of the firm, which attempts to specify the role of marketing and the other functional areas in the goal setting and strategic planning process. There are literally several methods for sales promotion and management such as sales force automation (SFA) (Barker et al. 2009), which is the implementation of software to automate sales tasks, including sales activities, order processing, customer management, sales forecasting and analysis, sales force management, and information sharing. According to Bente et al. (2012), reputation and seller photos hold a large and equally sized capability for sellers' "face work" in most online transactions. Buehrer et al. (2005) explored the reasons why salespeople use SFA technologies, the perceived barriers to SFA usage and how management may increase the usage of SFA technology.

*Corresponding author.

E-mail addresses: N_azad@azad.ac.ir (N. Azad)

Cascio et al. (2010) introduced a new antecedent to the SFA adoption model, management commitment alignment (MCA) and explained that alignment between top management and immediate supervisors' commitment to the SFA technology played essential role on SFA adoption. Their results indicated that while commitment from both leadership levels seemed to be the most conducive to SFA adoption, misaligned commitment conditions maintained differential impacts on adoption. More specifically, even when supervisors are committed to sales technology, insufficient top management commitment may hurt SFA adoption.

Cho and Chang (2008) empirically investigated the psychological and social antecedents of salespeople's resistance toward SFA technologies in South Korea. They added to the literature on SFA technologies by looking at resistance toward innovation in the post-adoption as well as intra-organizational diffusion stage.

Franke and Park (2006) combined findings from a sample of 155 salespeople to examine alternative methods of antecedents and consequences of adaptive selling behavior (ASB) and customer orientation (CO). They reported that selling experience could increase performance but not job satisfaction, and saleswomen rated their performance and satisfaction bigger than salesmen did. The magnitudes of the relationships in their survey also indicated that ASB and selling experience had bigger impacts than CO and gender on salesperson performance did.

Gohmann et al. (2005) reported the results of a study, which concentrated on the differences in perceptions held by the United States Army's hiring force and its top-level management toward the Army's newly adopted SFA system, the Army Recruiting Information Support System (ARISS). They reported that substantial differences existed between the perceptions held by the recruiting force and higher level management toward ARISS, the SFA system.

2. The proposed study

This paper presents an empirical investigation to study the effects of sales related factors on brand equity. The study designs a questionnaire and distributes it among all 353 sales representatives who work for a dairy producer in province of Mazandaran, Iran. Fig. 1 demonstrates some basic personal characteristics of the participants. According to the results of Fig. 1, 63% of the participants were male and 37% of them were female. In addition, most participants were middle-aged people. Approximately, 85% of the participants hold some university education. In addition, the results of Fig. 1 have indicated that most of the sales representative had less than 5 years of job experiences.

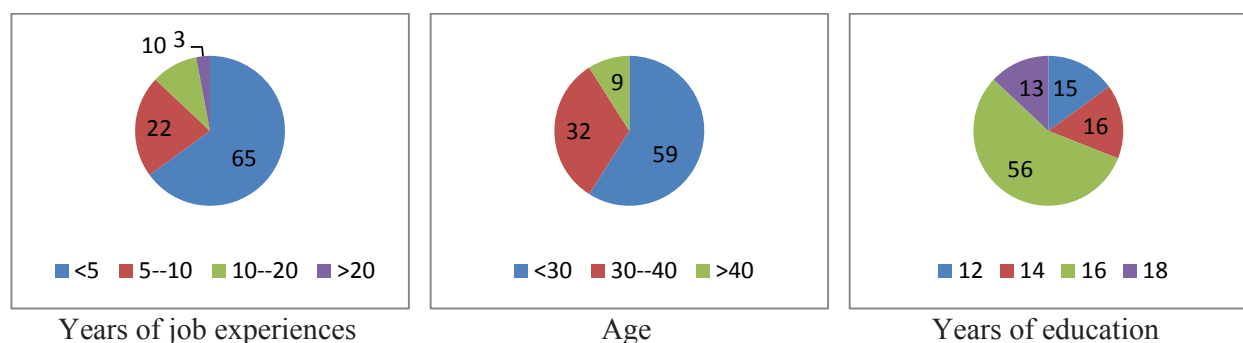


Fig. 1. The summary of job experience, age and years of education

The study considers the effects of seven variables including qualification criteria, motivation, personality, empowering sales representative, information size, personal characteristics and sales interest in job on brand equity. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy along with Bartlett's test have been accomplished and the results are 0.879 and Chi-Square = 4554.141 with Sig. = 0.000. These results have indicated that the questionnaire is reliable and we may rely on to

The study extracted seven variables including qualification criteria, motivation, personality, empowering sales representative, information size, personal characteristics and sales interest in job on brand equity. Cronbach alphas for these components are 0.787, 0.834, 0.709, 0.731, 0.770, 0.731, 0.773, respectively. These results validate the overall questionnaire. The results of some basic statistics are Chi-square = 544.47; RMSEA = 0.047; X^2/df = 1.42 ; CFI = 0.98; IFI = 0.98; RFI= 0.92; AGFI = 0.86; NFI = 0.93, which are within acceptable limits.

3. The results

Table 3 demonstrates the results of the implementation of structural equation modeling (SEM).

Table 3
The summary of SEM implementation

Variable	loading Factor	T-Value	Variable	loading Factor	T-Value
Qualification criteria			Empowering sales representatives		
8	0.58	8.2	16	0.52	7.11
20	0.42	5.72	25	0.28	3.64
21	0.63	9.12	46	0.37	4.94
9	0.55	7.7	47	0.64	8.96
41	0.66	9.68	48	0.52	o7.2
14	0.59	8.35	Personality		
33	0.71	10.55	34	0.67	9.28
57	0.63	9.09	32	0.63	8.57
			35	0.63	8.70
Sales' motivation			Sales representatives' interest		
36	0.66	9.23	13	0.61	8.13
37	0.61	8.45	17	0.69	9.46
50	0.68	9.62	54	0.49	6.37
51	0.51	6.88	60	0.54	7.14
Size of information			Personal characteristics representatives		
38	0.63	8.59	40	0.6	7.78
39	0.68	9.5	53	0.56	6.78
52	0.59	8.03	56	0.53	6.78

Next, we use the results of factor analysis to verify the effects of these seven factors on brand equity. The results of some basic statistics are Chi-square = 701.87; RMSEA = 0.063; X^2/df = 1.76; CFI = 0.96; IFI = 0.96; RFI= 0.91; AGFI = 0.87; NNFI = 0.93, which are within acceptable limits.

4. Discussion and Conclusion

The implementation of structural equation modeling has provided us good insight to examine the effects of seven important factors influencing on brand equity. Table 4 shows details of our findings on testing the hypotheses of the survey.

Table 4
The results of structural equation modeling

Relationship	β	Standard β	Standard error	t-value	R-Square	P-Value	Result
Qualification criteria → Brand equity	0.8	0.80	0.11	7.1	0.64	P<0.01	Confirmed
Sales motivation → Brand equity	0.72	0.72	0.1	6.89	0.52	P<0.01	Confirmed
Personality → Brand equity	0.74	0.74	0.11	6.76	0.54	P<0.01	Confirmed
Empowering sales representative → Brand equity	1.03	1.03	0.12	8.42	0.98	P<0.01	Confirmed
Quantity of information → Brand equity	0.76	0.76	0.11	6.77	0.57	P<0.01	Confirmed
Personal characteristics → Brand equity	0.66	0.66	0.12	5.52	0.44	P<0.01	Confirmed
Sales representative motivation → Brand equity	0.71	0.71	0.12	6.03	0.51	P<0.01	Confirmed

According to the results of Table 4, all seven factors influence on brand equity, positively. The highest impact belongs to empowering sales representative followed by qualification criteria, quantity of information, personality and sales motivation.

The results of our findings are consistent with findings of Hawkins et al. (2013), Holmes and Srivastava (2002), Honeycutt Jr et al. (2005), Keillor et al. (1997), Keller (1993), Rangarajan et al. (2005), Ram and Jung (1991) and Aaker (1990, 2008, 2009, 2012).

Acknowledgement

The authors would like to thank the anonymous referees for constructive comments on earlier version of this paper.

References

- Aaker, D. A., & Keller, K. L. (1990). Consumer evaluations of brand extensions. *Journal of marketing*, 54(1).
- Aaker, D. A. (2008). *Strategic market management*. John Wiley & Sons.
- Aaker, D. A. (2009). *Managing brand equity*. Simon and Schuster.
- Aaker, D. A. (2012). *Building strong brands*. Simon and Schuster.
- Anderson, P. F. (1982). Marketing, strategic planning and the theory of the firm. *The Journal of Marketing*, 46(2), 15-26.
- Bente, G., Baptist, O., & Leuschner, H. (2012). To buy or not to buy: Influence of seller photos and reputation on buyer trust and purchase behavior. *International Journal of Human-Computer Studies*, 70(1), 1-13.
- Barker, R. M., Gohmann, S. F., Guan, J., & Faulds, D. J. (2009). Why is my sales force automation system failing?. *Business Horizons*, 52(3), 233-241.
- Buehrer, R. E., Senecal, S., & Bolman Pullins, E. (2005). Sales force technology usage—reasons, barriers, and support: An exploratory investigation. *Industrial Marketing Management*, 34(4), 389-398.
- Cascio, R., Mariadoss, B. J., & Mouri, N. (2010). The impact of management commitment alignment on salespersons' adoption of sales force automation technologies: An empirical investigation. *Industrial Marketing Management*, 39(7), 1088-1096.
- Cho, S. D., & Chang, D. R. (2008). Salesperson's innovation resistance and job satisfaction in intra-organizational diffusion of sales force automation technologies: the case of South Korea. *Industrial Marketing Management*, 37(7), 841-847.
- Franke, G. R., & Park, J. E. (2006). Salesperson adaptive selling behavior and customer orientation: a meta-analysis. *Journal of Marketing Research*, 43(4), 693-702.
- Gohmann, S. F., Guan, J., Barker, R. M., & Faulds, D. J. (2005). Perceptions of sales force automation: Differences between sales force and management. *Industrial Marketing Management*, 34(4), 337-343.
- Hawkins, D. I., Mothersbaugh, D. L., & Best, R. J. (2013). *Consumer behavior: Building marketing strategy*. McGraw-Hill Irwin.
- Holmes, T. L., & Srivastava, R. (2002). Effects of job perceptions on job behaviors: implications for sales performance. *Industrial Marketing Management*, 31(5), 421-428.
- Honeycutt Jr, E. D., Thelen, T., Thelen, S. T., & Hodge, S. K. (2005). Impediments to sales force automation. *Industrial Marketing Management*, 34(4), 313-322.
- Keillor, B. D., Bashaw, R. E., & Pettijohn, C. E. (1997). Salesforce automation issues prior to implementation: the relationship between attitudes toward technology, experience and productivity. *Journal of Business & Industrial Marketing*, 12(3/4), 209-219.
- Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *The Journal of Marketing*, 57(1), 1-22.

- Ram, S., & Jung, H. S. (1991). "Forced" adoption of innovations in organizations: consequences and implications. *Journal of Product Innovation Management*, 8(2), 117-126.
- Rangarajan, D., Jones, E., & Chin, W. (2005). Impact of sales force automation on technology-related stress, effort, and technology usage among salespeople. *Industrial Marketing Management*, 34(4), 345-354.