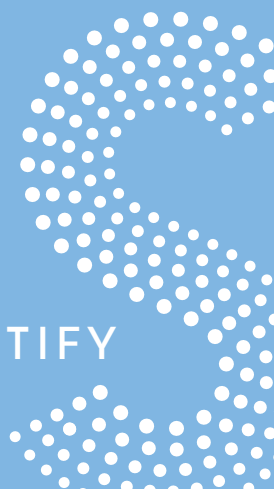


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Editor's Introduction to Volume 4, Issue 2 of Expert Journal of Marketing

Simona VINEREAN*

Sprint Investify Research Unit

The second issue of volume four of *Expert Journal of Marketing* presents valuable research that illustrate the expansion of marketing knowledge. The articles published in this issue illustrate a model of brand personality and purchase intention, the development of marketing in financial institutions, premises of sales territory management and distributor performance, the formation and validation of a new scale for online resale motivation. Further, I present a short representation of each article published in *Expert Journal of Marketing*, vol. 4, issue 2, year 2016.

M. Dharma Tuah Putra Nasution, Yossie Rossanty and Prana Ugiana Gio, published their article, '*Does Religious Commitment Matter in the Relationship Between Brand Personality and Purchase Intention on Halal Brand? Evidence from Consumers in Indonesia*'. In this article, they propose a model of brand personality and the effect of a halal brand on purchase intentions, in which they include variables, such as brand personality, religious commitment, and purchase intentions. Their results showed that brand personality does not have an impact on the purchase intention of a Halal brand, however, religious commitment is an important mediator in the relationship between brand personality and purchase intentions.

In '*Development and Creation of Competitive Advantages in the Function of Marketing Services in Financial Institutions*', Fatos Ukaj discusses the nature and development of marketing in financial institutions and the elements of the marketing mix particularized for these type of institutions. Also, in this theoretical research the author also presented opportunities for efficient marketing based on certain strategies and their main areas of focus.

In their paper '*Sales Territory Management and Distributor Performance in the Telecommunications Industry in Ghana*', Isaac Tweneboah-Koduah, Charles Adusei and Charles Tenkorang evaluate sales territory management and distributor performance in the highly competitive mobile telecommunications market in Ghana, using a primary research. Their analysis revealed that the key distributor should restructure their distribution strategy for better market penetration. Also, they describe managerial practices that will aid better relationships and integration of mutual benefits between companies and their distributors.

Authors, Myriam Ertz, Fabien Durif and Manon Arcand, examine the potential of the web as a channel for *second-hand economy*, in their article titled '*Business in the Hands of Consumers: A Scale for Measuring Online Resale Motivations*'. Their paper outlines the development and validation process of an online resale motivation scale via three primary research studies involving 1,119 respondents. The three studies offer a comprehensive view on the formation and validation of a new scale, as such Study 1 examines the multi-dimensional construct and the premises of its scale, Study 2 replicates and validates the scale, and Study 3 mediates the role of ORM on the relationship between planned resale intentions and online resale behaviour. The value of this paper lies in the novelty and innovative methods used to fully validate a scale.

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In '*Branding Strategies for Social Media Marketing*', Simona Vinerean focuses on social media marketing as part of digital inbound marketing, its uses for organizations and its potential for branding in online settings. These brand-related social media tactics and strategies involve initiatives such as ongoing business-to-consumer conversations, content that is created and shared on social media, consumer engagement experiences, and a brand persona that invites consumers to co-create the brand in online settings, it promotes interaction, participation, and collaboration with consumers

A Final Thought

On behalf of our Editorial Board, I would like to thank our Authors for choosing our journal as a publishing outlet for their valuable contributions to economics knowledge, our Reviewers for their time, effort and input on the manuscripts, and to all the Readers and Researchers for expanding upon all the articles we publish in open access.



Does Religious Commitment Matter in the Relationship Between Brand Personality and Purchase Intention on Halal Brand? Evidence from Consumers in Indonesia

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The purpose of this study is to investigate a model of brand personality and the effect of a halal brand on purchase intentions, particularly, by highlighting of religious commitment mediated between brand personality, and purchase intentions on a Halal brand. This study uses a path analysis with the main concepts of brand personality, religious commitment, and purchase intentions. The sampling method used non-probability sampling. Data were collected from 120 respondents at several supermarkets in North Sumatera, Indonesia. Findings of the study indicated that brand personality does not have a significant and positive effect on the purchase intention of a Halal brand. However, the role of religious commitment is significant in mediating the relationship between brand personality and purchase intentions of a Halal brand. Finally, the results of this study also showed the total effects between brand personality, purchase intentions, and religious commitment. Dimensions of brand personality were not always relevant on the dimensions of a Halal brand.

Keywords: Brand Personality, Religious Commitment, Purchase Intention, Halal Brand, Branding

JEL Classification: M31

1. Introduction

1.1. Background

A global market seeks to understand the role of religion as a principal source, in its various forms, such as to choose a Halal product (Mukhtar and Butt, 2012); intention to purchase labelled Halal (Jamal and

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Sharifuddin, 2014); to manage Halal brands (Ahmad M.F, 2015). Halal brand as an Islamic principle (Alserhan, 2010). A Halal brand offers a substantial value for the product and it delivers a cue to the consumers' orientation to purchase or to consume the permissible products (Rajagopal et al., 2011). The word Halal has various meanings, and it is possible to use it in conveying the goodness quality of a product. Within religious contexts, the Halal has indicated assurance of a religion authority (Wilson and Liu, 2010). Indeed, Halal is a spiritual obligation for Muslim consumers (Alserhan, 2010) and is necessary to shape consumers' personality (Ahmad, 2015).

The Muslim population represents a quarter of the world's population, and it is estimated to continue to increase by 28% until 2020. This condition leads to a significant demand for halal products (Temporal, 2011). Moreover, multinational companies should consider investing in the halal brand or Islamic brand (Alserhan, 2010). Halal brand is a secure container to reduce the uncertainty related to purchasing a product, and more importantly Halal is a source to establishing a powerful relationship with consumers (Borzooei and Asgari, 2013). Halal brand has been associated with human personality traits by several authors (see Ahmad, 2015; Borzooei and Asgari, 2013). Dimensions of brand personality are recognized by Aaker (1997).

Several authors proposed dimensions of brand personality as suitable to explain Halal brands. Brand personality means a chance to attach human characters related to a brand into a consumer's mind. Thus, the highlighting of brand personality probably assists in synthesizing the understanding between various consumers. Therefore, finding Halal brand personality assists in recognizing the familiarity and confidence of a brand. In addition, brand personality as human characters are difficult to change. Personality combined with the brand may create a solid relationship (Borzooei and Asgari, 2013). Several prior studies have seen various research aspects regarding Halal, for instance: Islamic brand or Halal brand (Alserhan, 2010), Halal cluster (Tieman.M, 2015), Antecedents of Halal brand personality (Ahmad M.F, 2015), Halal certification (Azis and Vui, 2013), Halal-Holistic brand (Aoun, et al., 2015).

Finally, this study focuses on the role of the religious commitment mediating the relationship between brand personality and purchase intention.

1.2. Problem Formulation

The following questions were considered as a basis for this research:

- Is there any effect of brand personality on religious commitment?
- Is there any effect of religious commitment on purchase intention of Halal brand?
- Is there any effect of brand personality on purchase intention of Halal brand?
- Is there any effect of brand personality on purchase intention of Halal brand mediated by religious commitment?

1.3. The Purposes of the Study

The purposes of the study are as follow:

- to investigate the effect of brand personality on religious commitment
- to investigate the effect of religious commitment on purchase intention of Halal brand
- to investigate the effect of brand personality on purchase intention of Halal brand
- to investigate the effect of brand personality on purchase intention of Halal brand mediated by religious commitment.

2. Literature Review

2.1. Brand Personality

Aaker (1997) developed a model of brand personality that consists of five dimensions i.e. sincerity, excitement, competence, sophistication, and toughness, to measure the properties of brand personality. Although some other models of brand personality have been developed since by the different scholars, nevertheless Aaker's model (1997) is still more popular and valid for measuring the nature of brand personality (Freling et al., 2011). Moreover, personality provides the opportunity for a brand to fulfill a specific space in consumer's mind. In Halal context, this concept is related to the level of perception about Halal by consumers. Perception is a self-judgement of consumer regarding a particular product, brand or service (Erdem et al., 2015). Accordingly, the highlighting of brand personality probably assists in integrating perception within various consumers; such as Muslim and non-Muslim. Therefore, finding Halal brand personality was supporting consumers to recognize familiarly and confidence of a brand.

Besides that, brand personality as a human character cannot be easily changed, and the combination of personality with brand may create a solid relationship (Borzooei and Asgari, 2013). Hence, brand

personality is closely related to a human characters and increasing in its effect in a long time. Usually, humans tend to be described related to an adjective approach and psychological approach. The way to identify the main features of brand personality were related to the viewpoint of consumers on certain features (Ahmad, 2015). In regards to brand personality, they support consumers created relationship to Halal brand; it mentioned a solid relationship. Temporal (2011) argued brand personality showed how a consumer can acquire and purchase ideally through a brand. Furthermore, brand personality is one of the primary elements of brand strategy (Temporal, 2011). Brand personality creates a difference in the market (Sung and Kim, 2010). For instance, Aaker (1997) describes some examples; brand "Mild Seven" character as feminine, while "IBM" character as ancient.

Similarly, Halal brand personality represents "purity, excitement, safety, sophistication and righteousness" (Ahmad, 2015). Existence halal brands still facing significant challenges that might not solve without effective branding management (Alserhan, 2010). Consumer perceptions are related to the five dimensions of brand personality differ benefits related to the brand (Maehle et al., 2011). Competency personality is associated with functional benefits and symbolic benefits (Maehle et al., 2011).

Thus, recognition of halal personality asserts on specific benefits of Halal brand. Consumers establish the relationship with various brands on a daily basis. Brand personality is an essential element in consumer decision making, purchase intention, and maintaining a stable relationship with a brand (Louis and Lombart, 2010). Honest brands are considered the high morals, whereas the excited brands offer a chance to experience feelings of excitement (Maehle et al., 2011). Meanwhile, brand in honesty personality and traits can make a much stronger relationship rather than a brand with an impressive personality (Heding et al., 2009). Finally, at the time marketers manage and develop a brand personality, it will inject charisma into their products (Temporal, 2001, Borzooei, M., 2013).

2.2. Religious Commitment

Religion represents the universal values and influence on human behavior, in decision making (Mokhlis, 2009). Other scholars explain religious values are established in an individual's spiritual experience, a criterion that emotionally affects the purchase orientation (Shah Alam and Hisyam, 2011), in the form of personal morality and social's ethics in the community (Khraim, 2010). Religious commitment expressed a religiosity aspect to influence consumers' choice behavior (Mukhtar and Butt, 2012). The model of religiosity reflects on religious beliefs and religious activities.

Religiosity explains the cognitive (intrapersonal) and behavioral (intrapersonal) dimensions (Mokhlis, 2009). The intrapersonal religious dimension is related to religious identities, religious attitudes, values, and beliefs, while the interpersonal religious dimension reflected religious affiliation and religious activities in society (Mokhlis and Spartks, 2007). This is important to understand that consumers on religious commitment and affiliation to their religion, due to indicates that religious doctrines would be effect to their lifestyle, and decision-making process (Mokhlis and Spartks, 2007; Khraim, 2010; Muhammad and Mizerski, 2010).

2.3. Purchase Intention

The most critical point in each industry was concentrating on increasing consumer purchase intentions. In fact, purchase intentions reflects a passion to continuing to using a specific brand (Tariq et al., 2013). In assessing the purchase intentions of Halal brand with an assist to understanding the consumer need and their expectation (Shaari and Arifin, 2010). Intention to purchase is a process to determine and view consumer behavior (Lin and Lin, 2007), and it is related to the willingness to purchase, consume, and high consideration in particular brand (Shah et al., 2012). A previous study indicated that there is a strong relationship between brand personality and purchase intentions (O'Cass and Lim, 2001). Therefore, identifying the Halal brand personality in business is able to increase consumer' purchase intention, and it can change consumer attitude for those who see Halal as a merely spiritual issue (Borzooei, M., and Asgari, M. 2013).

2.4. Conceptual Framework

For this research, the model is designed with 'brand personality' as an independent variable with the five core dimensions i.e., sincerity, excitement, competence, sophistication, and toughness. The role of 'religious commitment' with two-dimensions of intrapersonal and interpersonal as a mediator, while 'intention to purchase' is a dependent variable.

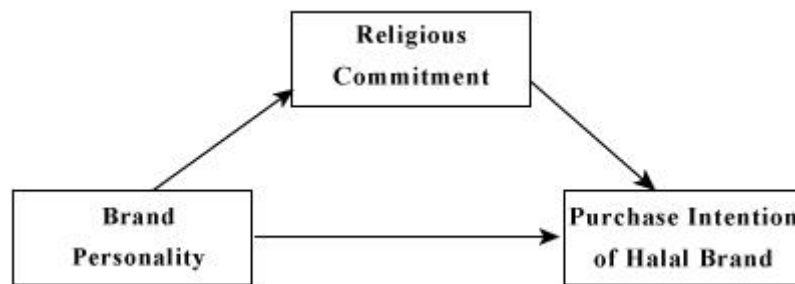


Figure 1. Conceptual Framework

Source: Adapted from Borzooei and Asgari (2013, 2014)

2.5. Research Hypotheses

H1: There is a significant and positive effect between brand personality and religious commitment.

H2: There is a significant and positive effect between religious commitment and purchase intention of a Halal brand.

H3: There is a significant and positive effect between brand personality and purchase intention of a Halal brand.

H4: There is a significant and positive effect between brand personality and purchase intention of a Halal brand mediated by religious commitment.

3. Research Methodology

3.1. Research Design

Research design of this study uses a causal research to retaining evidence of a causal relationship. The research used a quantitative approach, which is a research method used to measure the data, usually applied in the form of statistics analysis (Malhotra, 2012).

3.2. Population and Sample

The population of the study included consumers who purchase at several supermarkets in Medan, North Sumatera, in Indonesia that was a combination of all elements that had the information sought by the authors. The sample is a part of the population that was selected to participate in the study (Malhotra, 2012). The sampling method was non-probability sampling with purposive sampling technique in which each member of the sample selected for the study based on certain criteria. In this study, the sample of the population that selected to participate was a number of 120 respondents, who made purchases of a Halal brand (i.e., instant noodle) at several supermarkets in Medan City. The certain criteria of the respondents were: men and women; minimum age were 25 years; living in Medan City, Indonesia.

The respondents are shoppers in certain supermarkets, and they expressed their willingness to fill out the questionnaires. The questionnaire used a Likert scale 5 point, where 1 designed 'strongly disagree' and 5 designed 'strongly agree' to different statements. The authors used a Statistical Package for Social Sciences (SPSS) version.19.0 to conduct a quantitative data analysis. The authors used the variables three types of variables, namely independent variable, dependent variable, and a mediator variable, and more specifically: brand personality (X) was used as an independent variable; purchase intention (Y2) was used as an dependent variable; and religious commitment (Y1) was used as an mediator variable.

4. Results and Discussion

4.1. Results

Characteristics of respondents

The total distribution of the questionnaire was a number of 126, but six questionnaire were declared invalid, and a total number of 120 surveys were selected, confirmed and continued to examine within the statistical testing process. The demographic section of the questionnaire consisted of questions about the respondents: gender, age, and job occupation. Regarding the demographic details of the respondents, 40.8 percent of the respondents were men, and 59.2 percent of the respondents were women. In terms of age, the majority of the respondents fell in the age group of 36-45 years, which made up a total of 37 percent, followed by respondents in the age group of 26-35 years, which consisted of 34.2 percent; 18.8 percent of the respondents were in the age group upper 46 years; and 10 percent of the respondents were in the age group

below 25 years. In addition, with reference to the occupations, the majority of the respondents were private sector employees which added up to 27.5 percent; followed by government employees which added up 20 percent of the total observations; 19.1 percent indicated that they were housewives; 16.7 percent of the respondents indicated that they were self-employees; and the professionals made up 9.2 percent of the respondents; lastly, 7.5 percent of the respondents indicated that they were students.

Validity and Reliability Test

Initial testing conducted on the model of research aimed to observe the convergent validity with examining the loading factor value for each indicator. The factors loading for each indicator are presented in the following table (see Table 1) are greater than 0.5, according to the criteria for a sample size of 120 (Hair et al., 2010, pp.117-118). The results of the validity test showed that the indicators are valid.

Table 1. Loading factor value

Item	Brand Personality (X)	Religious Commitment (Y1)	Purchase Intention (Y2)
X1.1	.9042		
X1.2	.9484		
X1.3	.8829		
X1.4	.9377		
X1.5	.8510		
Y1.1		.9752	
Y1.2		.9731	
Y2.1			.9106
Y2.2			.9571
Y2.3			.8910

Source: Data processed using SPSS.19

The study assesses the consistency of the entire scale with Cronbach's alpha and the overall reliability of each factor. All values yielded alpha coefficients exceeded the values of 0.70 suggested (Hair et.al.,2010). From the result of Cronbach's alpha and composite reliability, the questionnaire was accepted and admissible. In short, it proved to be reliable (see Table 2).

Table 2. Reliability test

Variables	Composite reliability	Cronbach's alpha
Brand Personality (X)	.9578	.9445
Religious Commitment (Y1)	.9738	.9463
Purchase Intention (Y2)	.9429	.9091

Source: Data processed using SPSS.19

Coefficients of Determination

Based on the results of Table 3, R.Square (R^2) for substructural-1 is 0.526. Means the ability of independent variables in explaining the variance of the dependent variable is 52.6 percent. The result indicated there are 47.4 percent (100%-64%) variants dependent variable explained by another factor. The interpretation of it appears that the value of R^2 is between 0 to 1. Moreover, R.Square (R^2) for substructural-2 is 0.423, which means, that the contribution of brand personality and religious commitment on purchase intention is 42.3 percent and the result shown there is 57.7 percent, and is explained by another factor.

Table 3. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Substructural-1	.725 ^a	.526	.522	1.88747
Substructural-2	.650 ^a	.423	.413	1.81464

Source: Data processed using SPSS.19

Hypothesis testing

The results of testing H1, H2 and H3 are shown in Table 4.

First, for H1, brand personality has a significant and positive effect on religious commitment ($\beta=0.725$, sig.< 0.05 ; 11.440 > 1.96); hence hypothesis (H1) was accept. The findings of the study supported previous results achieved by previous researchers (Shah Alam and Hisham, 2011; Borzooei and Asgari, 2013; Ahmad, 2015).

Second, for H2, religious commitment has a significant and positive effect on purchase intention ($\beta=0.622$, sig.< 0.05 ; $6.097 > 1.96$); the result indicated the hypothesis (H2) was accept. The findings support the previous studies (Mokhlis and Spartks, 2007; Shaari and Arifin, 2010; Muhammad and Mizerski, 2010).

Third, for H3, brand personality does not have a significant and positive effect on purchase intention ($\beta=0.039$, sig. > 0.05; $0.370 < 1.96$); the result showed that hypothesis (H3) was rejected.

Table 4. Output coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std.Error	β		
Brand Personality → Religious Commitment	.232	.020	.725	11.440	.000
Religious Commitment → Purchase Intention	.540	.089	.622	6.097	.000
Brand Personality → Purchase Intention	.011	.028	.039	.370	.705

Source: Data processed using SPSS.19

Table 5. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	282.428	2	141.2	42.884	.000 ^a
Residual	385.272	117	3.293		
Total	667.700	119			

Source: Data processed using SPSS.19

Furthermore, the result of testing H4 is shown in Table 5. Based on the data (see Table 5 ANOVA) F-value was 42.884, and F-table was 3.07 (F-value > 3.07); while significance level < 0.05 or (0.000 < 0.05). Hypothesis (H4) indicated that brand personality has a significant and positive effect on purchase intention mediated by religious commitment. Accordingly, the hypothesis was accepted. The findings of this study supported the result of the previous authors, such as Mukhtar and Butt (2012), Lada (2009).

Based on results in Table 6, it is shown that the direct effect of brand personality on religious commitment was 72.5 percent. Besides, the direct effect of religious commitment on purchase intention was 62.2 percent. Meanwhile, the direct effect of brand personality on purchase intention was 3.9 percent. However, the indirect effect of brand personality on purchase intention and mediated religious commitment was 45.1 percent. Hence, the total effect of direct and indirect was 48.9 percent.

Table 6. Summary of Direct Effect, Indirect Effect, Total Effect

Relationships	Direct Effect	Indirect Effect	Sig.	Conclusion
Brand Personality → Religious Commitment	.725	.000	.000	accepted
Religious Commitment → Purchase Intention	.622	.000	.000	accepted
Brand Personality → Purchase Intention	.039	.000	.705	rejected
Brand Personality → Religious Commitment → Purchase Intention	.000	(.725 x .622 =.451)	.000	accepted
Total Effect		(.039 + .451 = .489)		

Source: Data processed using SPSS.19

4.2. Discussion

The first hypothesis testing indicated there is a significant and positive effect between brand personality and religious commitment. This result supported the study conducted by Shah Alam and Hisham, (2011) which proposed that a brand name was a part of a relative and contextual variables. The findings of their study indicated the relationship between the relative and contextual variable and religiosity had a significant correlation. While the relationship of brand personality and religiosity have recognized the result of a preliminary study by Ahmad (2015) that was suggested that the religious aspect of personality also deserves careful consideration for the factor of Halal Brand Personality namely, "righteousness" dimensions.

Understanding the nature of consumer behavior means that it determines how strong the commitment of consumers is, and they were affiliated with their religion. Religiosity demonstrates their belief systems and adherence to the doctrines of their faith and consumption style and decision-making process (Mokhlis and Spartks, 2007). Brands with genuine personality traits can lead to a stronger relationship with the brand with an attractive personality (Heding et al., 2009). Therefore, finding the appropriate halal brand personality can offer better understandings of consumer perceptions of Halal brands and how they were perceived. Halal brand

personality reflects the sincere and a truthful reflection of the human personality and brings peace of mind for consumers (Borzooei and Asgari, 2013).

The second hypothesis found that religious commitment has a significant and positive effect on purchase intention. The results of this study confirm prior research. The finding of this study indicates the religious commitment is significant, and the construct can be used to predict several aspects in shopping orientation (Mokhlis and Spartks, 2007). Nonetheless, in the study, the authors have not discussed the determinant of shopping orientation. The previous scholars explained three factors, i.e., price awareness, quality awareness, also the impulsive buying patterns which consistently related to the religiosity. This study was conducted by Mokhlis and Spartks (2007). Moreover, religious commitment varied to another one. Therefore, the consumer consumption or buying were not only influenced by the religion, however the person's activities on religious affiliation or religiosity can influence it. Individuals who have a religious commitment are likely to find the best price offer, have an excellent product quality and tend to purchase impulsively.

The finding of the third hypothesis demonstrated brand personality does not have a significant and positive effect on purchase intention of Halal brand. Brand personality and human character do not present a complete analogy. Human personality traits are not only as an absolute element (perceived) but the real element (goal), and it is perceived for people who have it independent. Clearly, the brands have not the personality traits from consumer's perception who become the target market, but the brand personality is developed by the hypothesis construct of consumers (Ahmad, 2015).

Finally, the result of the fourth hypothesis demonstrated that brand personality has a significant and positive effect on purchase intentions of halal brand mediated religious commitment. The findings were in line with that argued of a prior scholar (Ahmad, 2015; Borzooei, and Asgari, 2013) suggested the religiosity aspects from consumer personality became to consideration factors for determining the halal brand personality dimensions. The most important factors for halal brand personality are safety and purity. The results are consistent with the finding of Ahmad (2015) that indicated dimensions of brand personality conventionally is not always related to the concept of halal brand personality.

5. Conclusion

This study investigated the conceptualization of brand personality and the effect on purchase intentions of a halal brand also the role of religious commitment. The study found that brand personality has a significant and positive effect on religious commitment. Meanwhile, religious commitment has a significant and positive effect on purchase intentions of the halal brand. However, brand personality does not exhibit a significant and positive effect directly on the purchase intentions of the halal brand.

Furthermore, the study has discovered that brand personality has a significant and positive effect on purchase intentions of the halal brand mediated by religious commitment. We argued this is an indirect effect. The total effect was a sum of the direct effect and the indirect effect. The role of religious commitment has a great contribution between brand personality and purchase intentions of the halal brand. In a future study, we aim to use the dimensions of halal brand personality conducted by Ahmad (2015), namely: righteousness; purity; excitement; safety, and sophistication to describe halal personality traits.

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Development and Creation of Competitive Advantages in the Function of Marketing Services in Financial Institutions

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The marketing of the financial services by financial institution is regarded as an easier job. This is due to the fact that, in most cases, when a client is gained, he/she remains loyal to the institution on a long term. Nowadays, taking into consideration the needs of the consumers - clients who are undergoing a constant change - financial institutions are faced with a necessity to have the required knowledge and information regarding what and how to meet the needs of their clients. Financial institutions have reached a stage of adapting their daily activities with the demands of their clients. Thus, this is due to the available information which deals with the needs of the clients, opportunities of financial institution themselves, structural changes in the services provided, and the changes in the market which includes competition. This paper will strive to present the stages of the marketing development in financial institutions through the acquisition of knowledge regarding the finances and marketing of these services. It also involves the current concept and approach towards marketing by financial institutions in Kosovo. Adopting new approaches would satisfy the client and would strengthen the position of financial institution. In addition, through this analysis, we will try to show the importance of including the concept of marketing in the operations and strategies of financial institutions for a successful business.

Keywords: financial institutions, information, communication, client, marketing.

JEL Classification: M30, M3.

1. Introduction

Based on the needs of people for goods and services, marketing was adopted and developed according to specificities of activity areas carried out by enterprises. For these purposes, the marketing of material goods or consumption products has been developed. Thus, the marketing of services came as a result of the development of numerous specialized industries that came to being recently in various areas, including the financial industry. Consequently, C. Ennew, T. Watkins and M. Wright (1991) in their article on banking marketing defined it as the "achievement of bank objectives by knowing the needs and desires of their target clients, and meeting their needs in a more efficient manner than their competition." (Ennew, Watkins, and

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Wright, 1991). Thus, we consider this definition to be applicable to other financial institutions in their activities in Kosovo. The setting of the operations of financial institutions has changed rapidly. Some authors, among them, Jain, pay great importance to the business setting (Jain, 2007).

However, the differences relate to the specificities of a country which is defined as marketing setting in this field. Taking this into consideration, importance is given to the fact that many financial institutions develop their activities in more than one country. Therefore, this should be clear to the marketing staff of these financial institutions that the marketing setting varies from country to country, and from population to population within one country as well as from region to region. This enables us to understand that, when a financial institution establishes and develops activities with other countries and on a global level, it should inevitably plan and set clear marketing objectives in every setting they operate.

Banking marketing has a history of its development. In Western Europe, it started developing during 1950s and so on. In Kosovo, the implementation of banking marketing started in different forms after 1999 and onwards based on the efforts of different existing banks to create a market for them. In 1999, Kosovo emerged from the war and no financial institution operated at that time. Thus, there was a gap during this period. The Financial System in Kosovo, in terms of activities and number, is structured as follows: commercial banks – 10, insurance companies – 13, pension funds – 2, financial facilitators – 44, and micro-finance institutions – 18 (CBK, 2015). The Central Bank of Kosovo (CBK) is the regulatory body in the financial market which applies the best international practices. CBK has been recently carrying out the role of the intermediary in the trading of securities of the Government of Kosovo. Since 2015, 21 auctions were organized with a total nominal value of 398.6 million euros.

Based on changes in the world settings including Kosovo, financial institutions have applied various necessary and useful marketing functions to their activities. This marketing function is characterized by its integrated approach of service delivery, efficient development of operations, and research clients' needs as a basis for the provision of those services and financial products which constitute their offer. Financial institution marketing deals with activities related to the provision of financial services in order to meet the demands and needs of clients in an effective manner. This is usually carried out in a timely and appropriate place. This has brought marketing to another phase known as "relationship marketing" which is the result of many factors (Ukaj, 2012).

The objective of the article is to explore and analyze the development of marketing in financial institutions. It is based on these findings that conclusions were drawn and possible activities that would move the financial sector forward in the provision of services to clients was proposed. The emphasis of this article is the financial industry in Kosovo, which is already consolidated, and each financial institution in its own way is operating successfully in terms of business. However, in the frame of the financial industry, there is a difference between "strong" institutions and "weak" ones. In terms of the capital structure, these institutions are divided into those with foreign capital and those with domestic capital.

2. Nature and Development of Marketing in Financial Institutions

Service marketing, particularly the one in the financial industry, is one of the areas where specialization of marketing has been done. Thus, it takes into account the introduction, development, and the division of services as something special in the market offer, apart from the goods (products). A definition of banking marketing is given by Ionescu who defines it as "management of processes which lead to the fulfillment of financial needs of clients, in a more profitable way for banks" (Ionescu, 2001). This brings us to the truth that financial institutions are profitable businesses with clearly defined objectives. This is proven also with financial institutions in the case of Kosovo, which is showing profit growth from year to year, according to official reports of the Central Bank of Kosovo.

Marketing in financial institutions was developed and has gained importance in developed countries at a time when the financial sector gained its importance in doing business and participating in the economy of countries. Thus, this is with an entry of competition from other countries, possibilities of covering the market demand, and the development of competitiveness to keep and gain clients. Within the market offer of financial institutions, we include financial services provided by commercial banks, specialized banks, insurance companies, markets of securities, and other non-banking financial institutions.

Nowadays, the financial market is characterized with strong competition. Also, financial institutions are opened to the public, while clients have become more critical and selective towards the offer by being better informed and familiar with the issue of financial services. Thus, it should be emphasized that the client now has the opportunity and space for advice on financial services. This has led participants in the financial market to

apply and develop a professional and efficient marketing directed towards their loyal clients. With the new developments in the financial institutions, a tendency was noted.

In addition to classical marketing, the focus is switching to the level of micro-marketing which focuses on an individual and clients specific needs and demands. Also, it accepts the particularities of a client in behavior, beliefs, and habits. Furthermore, banks, insurance companies, and other financial institutions in Kosovo based on their business activities have applied marketing and, in particular, planning of their activities to enable them put their products and services in the market. A change has to take place in their behavior towards clients. This is achieved by focusing on satisfying the needs of clients and establishing a loyalty. This is because, nowadays, financial institutions in Kosovo are behaving in a standardized manner, carrying out their activities as an "industrial" process. Clients in Kosovo need a creative approach from the banks, tailored services for them, and an increased care towards them. Thus, we have to mention that, for the financial institution, it is important for businesses to have available resources. They should, thus, have a good understanding of impact factors and the role of the regulator in financial activities to enable the application of the marketing concept. This cannot be achieved in a short period of time, but with a long-term commitment and involvement of available resources.

Most of the authors have identified at least 5 stages in the development of business associated with marketing activities (Önce, 2000; Ukaj, 2012). They are: Inclusion oriented marketing promotion; Inclusion of marketing in maintaining relations with clients; Marketing reform; Inclusion of marketing in specialization of specific sectors; Research, and planning and control as inclusion oriented marketing. When adopting and implementing marketing in financial institutions, the approach is based on several steps. This starts with the identification of the needs and desires of the clients, development of suitable products and services which fulfill the needs of clients, determining prices which are adjusted to the products and services provided, setting up proper distribution channels and ways, promoting and advertising products and services for existing and potential clients, and continuous forecasting and research on the market demand.

When the business of the financial institutions in Kosovo is analyzed, namely the report on the revenues and expenditures of the banks, the ratio shows a good return on investments and reduction in expenditures. The revenues for the year 2015 were 238.2 million euro's, while the presented expenditures were 143.5 million euro's. Hence, this shows a decrease compared to a year before. Within the bank expenditures reported, it can be distinguished that the general and administrative expenditures which constitute the bulk of the total expenditures, are the only category which shows an increase with a scale of 5.2% compared to the year 2014. This increase is mainly attributed to other expenditures, which are not related to interest rates, and where the funds for marketing, legal expenditures, and incidentals are allocated.

3. Elements of Marketing Mix for Financial Services

3.1. Financial Institution Product or Service Offer

In everyday communication of financial institutions in Kosovo in the market, one can observe, hear, and read messages about "their product" or "the package of their products". It is evident that in the development of financial institutions in Kosovo, same as in the financial markets of western countries and beyond, they earn money by rendering services to clients. This is in addition to the profit they make from "buying and selling money".

What about those who do not understand the issue of identifying activities carried out by financial institutions? Subsequently, confusion has been created as to whether they have or whether they offer products or services. Distinctive characteristics of services which include intangibility, inseparability, variability, and perishability, have great effect on the design of marketing programs (Kotler and Keller, 2006). The truth is somewhere in between, and majority of the authors are Kotler, Keller (2006) and Jakovski, Kadrioski (2006) and Babic-Hodovic (2012).

However, they qualify for the work of financial institutions as the provision of services have one feature that they are "untouchable" (Ukaj, 2016). We also support the view that when we talk about the activities of financial institutions, we talk about provision of services. These financial institution services are provided to clients in a number of forms such as: loans, deposits, transfers, insurance policies, brokerage, and financial advice. In reality, they are associated with "money", and they are presented to us in different forms and features at a time. Also, the client in most of the cases does not see them, does not submit to them, and does not accept them physically. This is important for marketers and those who deal with marketing in financial institutions. If we look at the provision of services as a process depending on whether we talk about insurance, deposits, or transfers, these services are included in the contract between parties. However, we also have cases when more than two parties are involved in different roles in one contract, for example, a loan or insurance.

In addition to the quality of services, the number or assortment of services provided by an institution for its clients also plays an important role in the success of the financial institution. In the frame of the factors that have an impact in the marketing of financial products and services, Dixit concluded that for a successful and more effective marketing, the needs of the clients have to be identified during the process of creating and designing new products which fit the needs of their clients (Dixit, 2004). Thus, it is important for the staff to have proper knowledge and adequate resources so as to be able to meet the needs of the clients. Furthermore, this should encourage financial institutions to design long-term strategies so that the entire institution is client-oriented. A new and important movement has been noticed in the approach of institutions towards clients in the form of "adviser". This is linked to the role of informing the client regarding offers from financial institutions which is a phase leading the client to the stage of his/her education. In the frame of advancing their offers in 2015, financial institutions got the permission from the CBK to introduce 29 new voluntary products into various insurance companies operating in Kosovo (CBK, 2015).

3.2. Price

It is not by chance that most of the people when first asked about the product or service inquired about the price. Therefore, the price in the mixed marketing concept occupies a special place as a mixed element. In fact, it expresses the income which in relation to other mixed elements is defined as investments. While the price in usual transactions of industrial products and services are expressed in monetary value, such as: euro, dollar, etc., in financial institutions, the element of price is expressed in interest, fee, provision, and commission.

In any case, when a price is set, one should take into account how the client evaluates the product. Environmental factors also have an impact in this regard. It is easier for a financial institution which has set the objective based on price policy to determine the price. In addition, the objective of the financial institutions can be multifold: survival, current profit maximization, and the maximization of participation in the market (Jakovski and Kadriroski, 2006). The objectives that the financial institution opt for, depends also on the method of determining the price. In different conditions, this determines the method of price formation. During the research, it has been noticed that most of the financial institutions determine the price based on the cost plus the anticipated profit. Nonetheless, each of the methods and strategies used must follow a well-known definition of a three-legged chair "tripod" where three factors have to be taken into consideration: cost, value for clients, and competition (Jakovski and Kadriroski, 2006).

The price policy is defined by "reference value" (where the interested client in our product takes into account the price of competitive products) and "distinguishing value" (when the client interested in our product makes the ranking of the product features by comparing them to the features of other products) (Needham, Dave, 1996). When we notice that it is a problem for a financial institution to define and implement market information on their price, it has to be directed through promotional activities directly or through other forms. Hence, this makes it necessary to understand the behavior of clients in relation to the works and services that the financial institution provides. During the analysis period, we have noticed a decreasing tendency in the prices of products and services provided by financial institutions in Kosovo. This takes as an argument the decline of the interest rate in term deposits to 1.5% in 2015, 1.6 % a year before, and at the same time the average loan interest rate was 7.4% in 2015; here, we observed a decline from the year before when the interest rate was 9.6% (CBK, 2015).

3.3. Distribution

Depending on the capital which is at the disposal of financial institutions, as well as the level of demand in the market and competition, financial institutions are interested to cover the market, or at least specific parts of it. Covering the market brings the financial institution to a position where it has to make the segmentation of the market, define targets, and position itself in the market. In coordination with other policies such as product, price and promotion, a financial institution strives to use the demand in the market, use its capacities (i.e., to sell the product or service), and raise the level of knowledge or the level of its image (i.e., communication with the market). Here, the distribution policy can be used as support of other policies or interact with them.

Distribution as an activity within the frame of the marketing concept has gained importance at a later stage. This was after understanding the importance of the inter-connection between the financial institution and the client. However, there is also a strategy of action to this function, but it should be noted that a number of factors should have an impact on it. These factors include: the market and its development, the country in which the financial institution operates (within the country or abroad), demand, environment, etc. This product or service, however, has distinguished features such as tangible, inseparable, delicate due to the inability to preserve, and is instantly consumable. Therefore, this is because the provision and consumption of this product is done in real time (Mak, 2004; Ukaj, 2014).

Furthermore, there are two ways of distribution in the financial institution: physical distribution and personal distribution. In terms of physical distribution, we deal with the services provided "in house", such as: cards, phone, and computer. In the personal distribution, we deal with the direct contact of sales force – client and electronic services such as: ATM, POS, EFT, online banking, etc. The definition of the product/service and its characteristics are of the first hand importance. However, one of these characteristics is "inviolability" which is related to the skills of the sales force.

In fact, it is related to the method of service provision prior to purchasing, during and after the purchasing, as a process "of activities which enable the flow of goods and services from the producer to the client or user" (Ukaj, 2012). Everyone should understand their role and duties in providing satisfaction to clients by focusing on the innovations of the offer against the ever changing demands. One of the factors which should be seen as an innovation is the information communication technology through an efficient information system which, in a way in this field, plays the role of the distribution channel (Ukaj, 2015). With an aim of bringing the provision of services closer to clients, during 2015, 91 requests for establishing new offices by insurance companies have been approved by CBK. Thus, these requests include new online marketing methods and innovations in some insurance companies. This was the case of Scardian Company which comes as a new entrance in this industry.

3.4. Promotion

The process of communication which we refer to as an element of marketing mix is the basis for the success of a business, be it a bank or other institution. Furthermore, the level of application of the marketing concept has shown the importance of communication between financial institutions with their clients. Therefore, the activities which accompany the implementation of them regarding the product, price, and distribution are promotional activities which are organized and coordinated well. Financial institutions use promotion in a continuous manner so as to inform, educate, and create a good image of the institution and its services. Facilitating the placement of new products in the market, price change, opening of new branches, etc., is dependent on, and is linked to the process that the promotion does for the financial institution through communication with clients, partners, and the public in general.

Therefore, the whole process of communication is linked to the message a financial institution wants to send out to the market. At the same time, it is the recurrent force which is the information that the client has understood the message which might be the product, price, or the distribution. A tendency has been noticed recently in Kosovo that financial institutions are being involved in the issues of so-called "social responsibility". Also, sponsorship is gaining a greater role compared to other promotional elements. Based on our research, we raise the issue of the need that financial institutions should pay particular attention, besides communication to parties outside the institution and communication "within the house." Thus, this factor is used for increasing the performance of activities which includes the performance of staff within the institution. In this regard, it is worth mentioning that the application of internal marketing, net marketing, and relations marketing is seen as a possibility of increasing the performance and success of financial institutions in Kosovo.

An objective of a financial institution can be achieved through different promotional strategies, but in reality, we deal with two basic strategies which they use in their communication with the public. Also, they are strategies "push" and "pull" which apart from informing the public, they are meant to increase the demand for their services. The budget allocated for marketing in a financial institution is considerable. According to the information provided, it is determined by the "ad hoc" method. Also, it covers most of the budget for economic propaganda or advertisements, sales promotion, relations with the public, sponsorship mentioned above, and personal sales.

4. Opportunities for Efficient Marketing Based on Selected Strategies

In our efforts to find data from the data collected about the application level of marketing in local financial institutions, we noticed an increasing trend of applying various marketing activities by members or financial institutions. Hence, this is also dependent on the different branches of this industry. In the field, we noticed an increase in competition through the introduction of new products, new distribution channels, introduction of new technology, and the striving to achieve objectives not only through price. Therefore, what is most important is recognizing the importance of the client as being the leader in their business. Based on the current situation in the business of financial services, we distinguish some areas where the marketing of a financial institution should be focused on. These areas include:

Technology - The means of providing services has undergone progress and most of the financial institutions are directed towards the provision of the so called e-services. This would, however, help them to

keep up the pace with the competition. For most of the financial institutions, the internet-based technology implementation remains a challenge.

Staff – By exploring the needs of the clients, knowledge is obtained and this knowledge should be shared with the financial institution staff, including sales and support staff. If financial institutions do not know or disregard the needs of clients, then the financial institution will lose potential clients. This is in addition to 10 other potential clients with whom he/she is in contact with. The attitude of staff towards clients should be analyzed thoroughly and trainings should be carried out on this issue. In order to increase the skills and the level of communication of staff with clients, time and investments are needed. However, different financial institutions are not at equal position in this regard.

Financial institution marketing should have such an approach that is not based only at the central level, and the opening of branches in big towns, but should be based on specific marketing in the most remote and small regions in terms of the number of clients.

Increased confidence of clients towards financial institutions on products and services they provide. Marketing is effective when there is an increase in the number of clients. Also, their interest is achieved when they gain trust and have a positive image of the financial institution.

Increased awareness of clients regarding the products and services provided by financial institutions. An informed client will easily select a product or service, and this represents a challenge for financial institutions to provide information to clients on what they offer. This in a way raises their knowledge regarding the financial institution and the products and services they provide.

As a result of the planning of work and based on well managed activities, financial institutions can achieve progress and can position themselves in the market. Analyzing the work of financial institutions in Kosovo, and based on their financial results and their capital strength with which they operate, we can distinguish few strategies which they should follow in the future. Being in a competitive market and in an environment where it is obvious that client's needs are constantly changing, we have to take into account the fact that financial institutions should adapt their activities according to these changes in the market competition and the needs of the clients. Therefore, this requires the financial institutions to be dynamic and flexible in meeting the needs of the market and clients.

Financial institutions in Kosovo, when designing their marketing strategies, should intervene to make the marketing effective and beneficial to them. This can be achieved if the focus is put on the issue of clients' deposits, particularly on term deposits in creating products in their offer for which there is a demand. Also, there is a possibility of sale which is based on the needs and desires of clients.

Our recommendations for financial institutions would be to focus on sustainable and long-term development. Besides the issues mentioned above, they should focus on creating products according to clients' desires, for specific segments, and for focus groups in financial institutions. Also, they should work in creating a brand which connects the client with the financial institution through emotions and love for the product, the way the service is provided, and how communication is being carried out. The importance of a client was mentioned above.

However, it must be taken into account that women constitute an important group. Also, much work has to be done in raising their awareness on the products and services provided by financial institutions. There are quite a number of segments in Kosovo which are not well covered by financial institutions for various reasons. Hence, this is an opportunity for financial institutions to present themselves with their offer in smaller and remote places of the market. The issue of maintaining the pace of informing clients through proper communication forms increases the possibility of financial institutions to provide their products and services based on the needs and desires of clients.

Therefore, this also includes the satisfaction of clients at the right time and at the right place. After concluding from the collected data that most of the financial institutions in Kosovo have been achieving positive business results with a considerable profit, we noticed that there is no competition for survival. This, however, makes them to make greater profit. In the situation where strong competition prevails, the possibilities of failing are greater. Therefore, the only weapon to combat competition remains the application of an effective and an all-inclusive marketing.

5. Conclusion

This article confirms the importance of the access of financial institutions to the market based on marketing concept. Also, it brought to the surface the challenges faced by financial institution marketing in Kosovo so as to achieve sustainability in the market. We have distinguished a historical division of periods in the application of marketing by financial institutions. Also, we have observed a changing environment in the

21st century as one of the key factors in determining access to these institutions towards clients and their needs and desires. This would help them to achieve business success. Financial institutions which use different marketing techniques and advanced methods of communication, including communication through the internet, are being provided with opportunities to achieve better results.

The marketing activities of a financial institutions is expected to increase the efficiency in the provision of different forms of quality services. Hence, this would raise their image and provide products and services in the most convenient time for clients. On the other hand, it would also pay more attention to expansion through branches and sub-branches throughout Kosovo. In this study, we propose that financial institutions should be guided by a market-oriented strategy, and not be oriented towards exploiting the situation and legal regulation to achieve results. This is without entering into a high risk, which includes understanding the impact of environmental factors and particularly the technological development, the status of the development of the financial industry in a country, the level of completion, etc.

Furthermore, an increase in the quantity and quality of services provided by the banks in Kosovo has been noticed in 2015. However, this is due to the application of marketing concept in their daily activities, with the client as the primary beneficiary, followed by the bank, and last the society as a direct or indirect beneficiary. In order to successfully achieve the marketing objectives, market analysis ought to be carried out. This is done by the analysis of the existing and potential clients, and by carrying out financial market analysis, client behavior analysis, and the analysis of the progress of the business, mediators, and competition. Therefore, all this should be part of the implementation of marketing strategies of financial institutions in their markets (understanding market segments) through their sales force that knows and wants to meet the needs and desires of clients. This is with proper and timely products and services in a way and in the place they prefer.

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Sales Territory Management and Distributor Performance in the Telecommunications Industry in Ghana

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The mobile telecommunications in Ghana is a highly competitive market which faces a problem of retaining their customers due to low switching cost. The purpose of this study was to investigate sales territory management and distributor performance of Vodafone in Sunyani. The population for the study was staff and retailers of Vodafone product and services. Multi-Stage sampling approach was employed for the study. A well-structured questionnaire and interview guide were used in collecting data from the respondents. Descriptive statistics, One Sample t-test, Kendall's Coefficient of Concordance and Pearson Correlation Matrix were used to analyse the data. Results revealed that there was effective supervision of the sales territory representatives by the sales managers. The retailer's confirmed the receipt of their requested orders from the distributor when the need arose. The sales territory representatives confirmed that sales managers involved them in developing new or adjusted territory plans for effective distribution. This study suggests that the key distributor should restructure their distribution strategy for better market penetration. Vodafone should do more to support the distributor in terms of logistics and intensify sales training for the sales territory representatives. Furthermore, the study prescribed five generic factors to serve as best practices for distributor management of any organisation.

Keywords: distribution, sales management, sales territory, Vodafone, Ghana

JEL Classification: C42, L32, M31

1. Introduction

Well-designed sales territories make it easier to match the workload and opportunities in every territory to the capacity of the sales person or the team assigned to cover that sales territory as indicated by Zoltners et al., (2009). Jobber and Lancaster (2009) argue that sale territory design is an important issue and a major determinant of salesperson's opportunity to perform well. Establishment of sales territories might be

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seen to facilitate sales force operations effectively. According to Zoltners et al., (2009), most sales leaders often overlook the power of sales territory design as a sales effectiveness tool. Wayne (2008) indicated that customer coverage, increased sales and fair performance evaluation can be achieved by having a good sales territory design. He went on to suggest that effective sales territory design will help with a better identification of customer needs and serving them in a cost effective manner.

National Communication Authority (NCA) (2015) indicated that, the mobile phone lines in Ghana have reached a little above 32.8 million in 2014 - which exceeds the estimated 27.4 million people population of the country. It went on to state that there is a high rate of mobile phone number portability, indicating that 86.5% of the total number of subscribers which have had their numbers ported only once, 12% ported twice and the remaining 0.6% ported more than twice. The population for all locations for Sunyani Municipal was 123,224 with 102,389 people accounted for the in Urban territories, while Rural territories had 20,835 people, in 2010, according to the population census as reported by Ghana Statistical Services (2013) for which the age group between 15-64 years accounted for 80,011 in all locations, with 68,116 accounted for the Urban territories, while Rural territories had 11,845 which implies that there is a big market for Vodafone if effective distribution and sales territory management is deployed respective of the competition. It is obvious from the statistics that the mobile telecommunications in Ghana is a highly competitive market which is faced with a problem of retaining their customers. Out of stocks situations and its effects on lost sales and possible subscriber switch to competitor prompted this study.

Distributor performance is crucial to the survival of any organisation and so it is important for specific measurable sales goals for distributors as the expectations from the manufacturer or supplier. Kotler and Keller (2012) argue that the distributors know that their performance will be evaluated throughout the year, and make sure they understand the yardstick against which they will be measured. Dent (2008) indicated that distributor performance is crucial in achieving sales targets in volume and value. Donaldson (2007) added that distributor effort in market and outlet coverage can develop new markets and new accounts.

The role of the distributors and the sales territory representatives serve as the link between customers and the products and services of Vodafone. This study investigates redistribution and the management of sales territories of the key distributor of Vodafone within the Sunyani Municipality and assesses how the performance of the distributors is affected by the type of sale territory management practices being used.

2. Literature Review

2.1. Sales Territory Management Practices

It is important for organisations to consider issues on territory management as an essential aspect of sales management as the organisations' success to a larger extent depends on sales and revenue for the organisation as indicated by Zoltners et al. (2009). The sales territories are established by making sure that they capture the existing customers as well as potential customers to a distribution representative (i.e. salesperson), branch, or an intermediary (retailer or wholesaler) as suggested by Jobber and Lancaster (2009). When defining sales territory, the emphasis is not on the geographical area but rather on the characteristics of the customers Zoltners et al. (2009). One of the responsibilities of an effective sales manager is to be able to adapt and deploy the territory concept that meets the needs of the company's specific go-to-market strategies which addresses the present market dynamics.

Kotler and Keller (2012) indicated that one of the objectives of sales territory design is to have a maximum coverage of the entire market. This implies that effective design of sales territory can allow the channel players to spend more time with existing and also make room for prospecting. Simpkins (2004) suggested that a well design sales territory can set a company apart from competition as it can optimise the role of the key distributors and that of the territory sales representatives to achieve proper market coverage.

Wayne (2008) explained that it is imperative that organisations allocate and define clearly the responsibilities of each salesperson accurately and resourced them to perform well. The sales territory management must aid a cost-effective journey plan by making available information on customer details to help the sales representative to serve them better. Customer relationships are best developed over a long period of interactions between the distributor and the customers. Sales territory management ensures regular visits and interactions as indicated by Piercy and Lane (2009). Without sales territory management system, distributors would travel to their customers from the sales office without any planned scheduling, eventually spending more time and money in traveling as affirmed by (Dent, 2008). Under the sales management system, the sales manager gets to evaluate the performance of distributors effectively when the distributors have been assigned to a specific sales territory. Evaluation can be done not only with respect to sales volume but also in terms of selling expenses, customer satisfaction levels, customer service, and other responsibilities of the

distributor (Jobber and Lancaster, 2009). Some of the critical areas that a sales manager needs to exhibit high level of managerial skills and competence include the area of supervision, salesforce control, exploiting new product and market opportunities and salesforce motivation according to Zoltners et al., (2004).

2.2. Distribution Performance

The concept of salesforce or distribution performance has received a considerable empirical support (Piercy et al., 2004; Kuster and Canales, 2008). This research support rests on the finding that the overall sales organization effectiveness of a company is directly related to the salesperson factors, although that is not the only factor that affects it but other factors such as organizational factors (e.g. management control systems, advertising spending and brand image) and environmental factors (e.g. competition). Based on these studies, the effectiveness of sales organization and the performance of salespersons or distributors are closely correlated, but conceptually distinct. Thus, effectiveness is an overall evaluation of organizational outcomes that can be in part attributed to the performance of salesperson (Kotler and Keller, 2012).

Performance standards are designed to measure the performance activities that the company consider most important. Setting standards of performance for the sales executive in the evaluation process requires consideration of the nature of the selling job (Bradley, 2003). Setting performance standard for sales personnel relies upon company products and dealership network and the marketing channels through which company effort to push the product into market. Performance standards of performance make it easy to measure the progress made for the accomplishment of the sales organization objectives which may vary according to company's marketing situation but the general objective is to increase the sales volume, profit and growth, according to Zoltners et al., (2004).

Performance standard can be done in two forms: quantitative and qualitative. The quantitative type measures success in achieving profit objectives such as sales generated in terms of volume number of customer generated which includes high user segment, low user and moderate user segments to gauge the progress sales quota is expressed in absolute terms for the specific territory. In quantitative methods, the number of factors to be consider while using the evaluation process such as call frequency ratio, calls per day, order call ratio, average cost per call, average order size and non-selling activities (Farris et al., 2006).

The second aspect of performance of standards is its qualitative form, comprising of measuring sales personnel which includes the behavioural aspect of the sales executive, such as personal effectiveness in handling the customer relation problem, customer satisfaction and customer service. In the qualitative method, the degree of excellence can be evaluated by each sales person using a detailed checklist of subjective factors such as product knowledge, awareness of customer needs, relationship with customer, service follow up and personal factors, such as punctuality, general attitude, dress and appearance, diligence, cooperation, accuracy, adaptability and reliability (Farris et al., 2006).

3. Study Area and Methodology

3.1. Study Area

Sunyani Municipality is one the twenty-seven districts in the Brong Ahafo Region. The municipality was established on 10th March, 1989 by a legislative instrument (LI) 1473. This was the period in which Ghana adopted the District Assembly concept. The overall goal is to accelerate growth and development in the Municipality. The Sunyani West district was carved from this Municipality on November 2007. The Sunyani Municipal Assembly covers a total land area of 506.7 km². It is located at the heart of Brong Ahafo Region lying between Latitudes 7° 20'N and 7° 05'N and Longitudes 23° 30'W and 23° 10'W. It is bordered on the north by Sunyani West District; west by Dormaa East District south by Asutifi District to the South and east by Tano North District. The population of the Municipality, according to the 2010 Population Housing Census, stands at 123,224 with 61,610 males and 61,614 females.

3.2. Methodology

3.2.1. Research Design

The research approach consists of a survey which is appropriate for the investigation into sales territory management and distributor performance in Sunyani, using Vodafone as case study. Abramson and Abramson (2008) indicated two basic designs for surveys that are cross-sectional and longitudinal. They indicated that a cross-sectional study provides information about the situation that exists at a single time, whereas a longitudinal (time-span) study provides data about events or changes during a period. The study adopted descriptive cross-sectional study as it investigated a snap shot of the current situation of Sunyani Municipality

of the distributor distribution performance. As indicated by De Vaus, (2002), a survey research uses structured and in-depth interview, observation and content analyses apart from questionnaires that are widely used.

This study adopted a mixed method approach, utilizing both qualitative and quantitative methods. The quantitative aspect was done through questionnaire administration via the Retailers and Sales Territory Representatives while the qualitative approach was used to supplement and strengthen the quantitative aspect to provide an opportunity for the study to seek first-hand information from the Regional Sales Manager of Vodafone in Sunyani. The popularity of the mixed approach was confirmed by Tashakkori and Creswell, (2007) indicating that the mixed method approach embraces more than just a combination of qualitative and quantitative methods, rather it highlights a new “third way” of epistemological paradigm that is based in the conceptual space between positivism and interpretivism.

The justification of the mixed method approach is that the strength of one method can be used to overcome the weakness of another one. Also, narrative and non-textual information can increase the meaning of numeric data, while numeric data can increase the precision to narrative and non-textual information.

3.2.2. Population

Bethlehem (2009) indicated that a target population of a study is the population that should be investigated. It is also the population to which the outcomes of the survey refer. He went on to say that the elements of a target population are often people, households or companies.

The population of the study covers the staffs of the Vodafone Regional Office which comprises of eighteen (18) staff. The composition of Vodafone staff are two (2) management staff each respectively from the commercial department and technology department, seven (7) territory representatives from commercial and seven (7) from technology department and two (2) administrative staff. Three hundred (300) approved retailers on the distributor journey plan. This makes the population of the study to be three hundred and eighteen (318).

3.2.3. Sampling Procedure

Multi-Stage sampling approach was employed for the study. The first of which was the purposive selection of the regional office of Vodafone in Sunyani from the ten (10) regional offices of Vodafone in Ghana. Vodafone is a market challenger with a market share of 22.11% as at June 2016 behind the market leader which is MTN with a market share of 48.01% as reported by NCA (2016). This was chosen based on the proximity to the researchers, their knowledge of the town and staff preparedness and willingness to cooperate with the study. The second stage was cluster sampling to group the Vodafone Staff, retailers who sell Vodafone products and services and the approved distributors of Vodafone. The retailers were selected randomly from the sales territory journey plan, while the staff and the distributors were purposively selected. The third stage was using quota target for the respondents.

3.2.4. Sample Size

The sample size of the two hundred and fifty-three (253) representing 79.5% of the population as indicated in the table 1. The determination of sample size was non-statistical; it was based on the availability of the right respondents who have a fair knowledge of the issues under discussion. Most importantly the respondents voluntarily took part in the study. The sample is representative to the study population.

Table 1. Composition of Respondents

Theme	Total number(s)	Number of respondents
Vodafone staff	18	8
Retailers	300	245
Total	318	253

Source: Researchers construct 2016

The eight (8) staff from Vodafone represent the regional manager and seven territory representative. Two hundred and fifty-three (253) retailers comprise of shops, kiosk and table tops within Sunyani.

3.3. Data Collection Instruments

3.3.1. Questionnaires

Questionnaires were used to solicit information from staff and retailers. The questionnaire was in the form of five Likert scales. The questionnaire is divided into five (5) main sections, with each section examining different issues in the study. Section I looked at Socio-demographic characteristics of employees. Section II

explores the sales territory management practices. Section III examines the competence of staff in applying territory management practices. Section IV investigates the distribution performance of Vodafone Brong Ahafo. Section V assesses the influence of sales territory management on distribution performance.

A self-administered questionnaire was used to gather information from sales territory representatives through drop-and-collect technique. This involves leaving a questionnaire with a respondent and going back to pick it up. This was used due to educational level of the sales territory representatives as they have the knowledge and ability to fill the questionnaire. The self-administered questionnaire helps to avoid the interviewer bias and moreover gives the study the opportunity to ask a bit more complex questions. Another advantage is that it gives the respondents plenty time to consider their answers compare this with the interviewing technique where the interviewee requires an immediate response. The limitation is the study has no control over how respondents interpret the questions. With the retailers the questionnaire was personal, face-to-face interviews. This help if any of the respondents do not understand a question, as the face-to-face can help complete the questionnaire. A downside is the intrusive and reactive nature of this approach.

3.3.2. Interview Guide

Interviews hold a prominent place among research methods in the social and behavioural sciences. The purpose of the interview is to collect detailed information and provide inputs into the design and content of the questionnaire. According to Tracy (2013), interview represents a connection between two people examining a topic important to them. Holloway (2005) showed that the interview gives the interviewee the chance to portray experiences in great detail and to give their viewpoints and interpretations of these encounters. The reason for utilizing the interview, and not other research methods, is that it acquires interesting data or elucidation held by the individual who participates in the interview. Getting some answers concerning “a thing” that the researchers are not able watch themselves (Stake, 2010).

Seidman (2006) demonstrated that for the questioner, there is always a component of being there with the interviewee who can manage the opportunity for an overall observation of what the interview itself is intended to do. He went ahead to state that since the interview is an experience and interaction amongst the questioner and interviewee, the questioner can draw on observational information from the communications to better comprehend the reactions and responses. Subsequently, information were gathered by means of a semi organized interview with the Regional Sales Manager on the sales territory management and distribution activities.

3.4. Data Analysis

3.4.1. Quantitative Analysis

Descriptive statistics such as mean, standard deviation, minimum and maximum were used. The Mean was use as a measure of central tendency while the Standard Deviation as a measure of dispersion. The high mean value corresponds to “agree” in their responses, while a low standard deviation explains the degree of consensus to the factors outlined. Data reliability which is a measure of internal consistency and average correlation was measured using Cronbach’s Alpha Coefficient, which ranges from 0 to 1 (Kimberlin and Winterstein, 2008). A higher alpha coefficient value means there is consistency among the items in measuring the concept of interest. Correlation analysis was used to find the strength of the association between the variables involved. Inter-correlations coefficients (r) were calculated by using the Pearson Correlations. According to Warokka et al., (2012), the correlation coefficient (r) ranging from (0.10-0.29, 0.30-0.49 and 0.50-1.00) may be regarded as indicating low degree, moderate degree and high degree of correlation respectively. Field (2005) affirmed that values +1, -1 and 0 respectively show, a perfect positive relationship, perfect negative relationship and no linear relation that explains the relation between the variables in correlation analysis.

Inferential statistics for comparing means in the type of One Sample t-Test was used. The test statistic for a One Sample (t) analysis was used on the respondents view on sales territory practices whiles Kendall’s coefficient of concordance (W) analysis was used to rank the items identified as staff competence.

3.4.2. Qualitative Analysis

The interview examination adopted by Wolcott (1994) proposes three dimensions of qualitative research approach, which are description, analysis and interpretation, as referred to by Brinkmann (2013). The portrayal addresses what the researchers want readers to fully comprehend what the analyst saw, while the investigation looked at what the researchers want readers to know what the researchers know. The interpretation, which is the last stage, considers what the researchers want readers to understand what the researchers have understood.

4. Results and Discussion

4.1. Sales Territory Management Practices of Vodafone in Sunyani

From Table 2, it can be observed that, the high mean value of 4.86 indicates that the respondents agree that sales managers give regular feedback on their performance and by extension agree that it really improves the management of their sales territories. More so, they also agreed that, management demarcates the sales territory in line with the sales potentials and affirmed the Sunyani Municipal has been divided in line with the number of calls and frequency of calls by each distributor with a mean value of (4.43). This implies that, the establishment of the demarcation will make it easier to assess the performance of the sales territory representatives, the key distributor and the brand performance of the SKU's. This will improve the smooth operational activities of the sales territory and its work area. This result aligns with Zoltners et al., (2009), indicating that a well-design sales territory must be able to serve both the existing and the potential customers.

Table 2. Coefficient of Concordance (*W*), mean and standard deviation on sales territory management practices

Sales territory management practices	Mean	Standard deviation	Ranking
Sunyani Metropolitan is divided into approximately equal segments based on sales potentials for sales territory demarcation	4.43	.535	3 rd
Sunyani Metropolitan was divided based on the number of calls and the frequency of calls each distributor makes	4.43	.535	3 rd
The management has set a fixed route for field retailers to use in marketing products to customers at sales zones	4.29	.488	4 th
The management has not set any fixed route for field retailers to use in marketing products to customers at sales zones	2.43	1.813	7 th
The sales management give you feedback regularly on your performance	4.86	.378	1 st
The sales management motivate well-performing distributor every month	4.14	1.069	5 th
Distributors are assigned to a territory based on the product they market and the potential customers within the territory	4.29	1.113	2 nd
During territory assignment, distributors are assigned to specific class or group of customers (accounts) having their numbers and addresses	3.00	1.633	6 th

Source: Field Survey, 2016

Notes: Coefficient of concordance (*W*) = 0.655 (65.5%), Cronbach's Alpha = 0.904, number of items=8.

On the other hand, the low mean value of 2.43 is an indication that, the respondents disagree that management has not set any fixed route for sales agents to use in marketing products to customers at sales zones. This shows that there is an agreement that there is some form of demarcation for the sales agents. The mean value of (3.00) was the second least of the eight items, though above the total mean of (2.50) also indicates that the respondents agree that during territory assignment, distributors are assigned to specific class or group of customers (accounts) having their numbers and addresses to be served with the company products and services. The finding is in agreement with Jobber and Lancaster (2009) suggesting than distributors must receive a geographical area to work in and make sure it is resourced to do the right thing. Viardot (2004) advised that feedback from sales managers to salesmen help to shape their behavioural attitude on the job. The result confirmed the study of Viardot (2004).

The study identified eight main issues on sales territory management practices as shown in Table 2. The respondents were asked to rank these issues on their territory organisation and performance and the result of the ranking is presented in Table 2. The *F* tests for degree of agreement or concordance (*W*) between the rankings of the effects with regards to sales territory management practices by the respondents is (65.5%) which is above the average. The results show that the existence of managers giving regular feedback on sales territory representatives performance has enhance best practice of the organization of the sales operations as it was ranked first. Moreover, assigning a distributor to a territory based on the product they market and the potential customers within the territory was ranked second by the respondents as it makes route to the market shorter which has the potential to ensure visibility and availability of products and services. Those that were important, but did not exhibit aid to effective sales management practices, were territory assignment, where distributors are assigned to specific class or group of customers (accounts) having their numbers and addresses during territory assignments and management has not set any fixed route for field retailers to use in marketing products to customers at sales zones, were ranked sixth and seventh, respectively.

4.2 The Competencies of Staff in Applying Vodafone Territory Management Practices in Sunyani

Table 3. One Sample Statistics

Aspects on Staff competence	N	Mean	SD	Std. Error Mean
Competent in demarcating sales territories and assigning distributors	7	4.43	.535	.202
Supervision of sales force is effective	7	4.71	.488	.184
Supervisors and/or sales managers are quick at identifying new product and market opportunities	7	4.71	.488	.184
Sales managers react promptly to threats or opportunities from competitors	7	4.00	1.414	.535
The pricing of products are affordable	7	4.43	.787	.297
Sales expectations and monitoring of your performance with feedback are given by managers	7	4.43	.535	.202
Formal educational qualification makes you more competent to deal with territory issues	7	4.43	.535	.202
Professional qualification enhances competency and improves territory performance	7	4.00	1.414	.535

Source: Fieldwork data, 2016, Cronbach's Alpha = .908

As indicated in Table 3, two of the factors had mean agreement scores that were significantly different from the point of indifference, the agreement of the two factors were critical in the staff competence in managing the sales territory. These included the effectiveness of supervision of sales force (mean = 4.71) (SD = .488) and managers ability to spot market opportunities (mean = 4.71) (SD = .488). By implication, this finding as shown in the results suggests that supervision of the sales force within the territories are more important than the knowledge alone, supervision indeed put the sales territory representatives on their toes to deliver and also helps to identifying issues early within the specific sales territory. This seems to agree with postulations of Jobber and Lancaster (2009) that there should be some level of control mechanism to monitor field work activities of salesmen.

The least significant were acquiring professional qualification and sales managers reacting promptly to threat or opportunities from competitors, respectively, with mean = 4.00 and SD = 1.414. On the basis of the field data, having a professional qualification is an added advantage but not a requirement to be competent in managing a sales territory. The professionalism brings to bear especially on ethical issues where the knowledge level and appreciation of ethical selling will be paramount. Though the sales manager's ability to react promptly to competitors is encouraging, it will also be important for the company to be more proactive as it makes good use of resources wisely and timely, rather than reactively. This is in line with Piercy and Lane (2009) who emphasize on the need of effective customer service skills and customer relationships with both distributors and retailers. This means the competencies of the sales territory representatives must be brought up in the field.

Table 4. One Sample Test

Test Value = 0						
Aspects on Staff competence	t	df	Sig (2-tailed)	Mean Difference	95% confidence interval of the difference	
					Lower	Upper
Competent in demarcating sales territories and assigning distributors	21.920	6	0.000	4.429	3.93	4.92
Supervision of sales force is effective	25.562	6	0.000	4.714	4.26	5.17
Supervisors and/or sales managers are quick at identifying new product and market opportunities.	25.562	6	0.000	4.714	4.26	5.17
Sales managers react promptly to threats or opportunities from competitors	7.483	6	0.000	4.000	2.69	5.31
The pricing of products are affordable	14.892	6	0.000	4.429	3.70	5.16
Sales expectations and monitoring of your performance with feedback are given by managers	21.920	6	0.000	4.429	3.93	4.92
Formal educational qualification makes you more competent to deal with territory issues	21.920	6	0.000	4.429	3.93	4.92
Professional qualification enhances competency and improves territory performance	7.483	6	0.000	4.000	2.69	5.31

Source: Fieldwork, 2016

The study identified seven factors under the aspects attached to staff competence as presented in Table 4, using One Sample t-Test to analyse them. The positive t value of all the factors (21.920, 25.562, 25.562, 7.483, 14.892, 21.920 and 7.483) respectively for demarcating sales territory, supervision of sales men, managers reaction to competition, pricing of products, monitoring of performance, formal education and professional qualification. The p -value from this statistic is 0.000 and that is less than 0.05 (the level of significance for the test). Since $p < 0.05$, the result rejects the null hypothesis that the sample mean is equal to the hypothesis population mean and conclude that all the seven factors are statistically significantly different than the average. Based on the result it can be said that aspects of staff competence in managing sales territories of Vodafone is crucial in improving and effectively help the territory performance in the area.

4.3. The Distribution Performance of Vodafone in Sunyani

In this section, we explore excerpts from the interview with the Regional Sales Manager (RSM).

When asked about the main responsibilities of the distributor, the RSM said that: *"The Key Distributor is responsible for the: achievement of the regional airtime and revenue target, Sim Cards target for the region, Distributors Key Performance Indicators (KPI's) are coverage, availability of airtime and Sim cards; and achievement of distribution logistics target like required number of motor bikes, DSA, Distribution management system, phones, required number of shops in the region.* Appointing a distributor means that a company is delegating its business and commitment to customers in the delivery of good services in the hands of the distributor, hence good service to the customers is a plus, but the consequences are also possible if the distributor fall short of the requirements. It is imperative that Vodafone make the responsibilities of the distributors clearer in both quantitative and qualitative to them for its achievement. This is in support of the Regional Sales Manager response to the question. According to Farris et al. (2006), performance standards can be done in two forms as quantitative and qualitative. They went on to say that this will serve as an indicator for the distributors as it is aligned to the responsibilities of the distributors as part of best practices, to make sure the right thing is done.

In response to the question "Does Vodafone give specific areas to key distributors within which to operate?", the RSM indicated with an emphatic 'yes' that *"each distributor is assigned to a region or part of a region"*. Assigning a distributor to a specific sales area makes it easier for a company to monitor performance related issues, via the distributor targets in alignment with the potential of the sales territory. Moreover, it improves communication and coordination whenever there is an issue in the territory. It is not enough to select a distributor and assign him/her a sales territory area, more importantly it is the duty of the Regional Sales Manager on behalf of the company in question to check if the distributor(s) have the logistics and the knowledge necessary to manage the territory. Zoltners et al. (2004) indicated the need to demarcate a territory for the distributor, but also advised that the company in question must make sure that it does not lose control of the field activities.

In response to setting sales targets in relation to the potential of the sales area this is what RSM has to say: *"Yes. Key distributor target are based on the potential of the area"*. The sales target of the distributor is very critical and must be set right, if it is more than the potential of the area due to certain challenges and this becomes a disincentive to the distributor as achieving the target might be unrealistic, and on the other hand if it is below the territory potential it means the company might be losing out in terms of sales volumes and values which directly will affects the revenue generation and the sad thing is that competitors can take advantages of this. If the company has one regional distributor then his/her target is the same as the RSM's target, on the other hand if it has several distributors, then the combinations of the distributors are same as the RSM's target. The RSM response supports what the literature states about sales targets, several authors such as Rogers (2007), Simpkins (2004), Kotler and Keller (2012), Donaldson (2007) and Blythe (2005) have mentioned the importance of setting sales targets and their achievements.

On the assessment of the distributor performance the RSM said that *"Vodafone uses actual purchases of the distributor against revenue of the area, trade audit and the utilization of the Distribution Management System"*. One of the ways to assess distributor performance in relation to target(s) is in the form of sales volume or value, and in some cases profit contribution to the business. Sales volume or value and maybe both are normally used to set sales targets for individual salesperson or distributor(s) according to Farris et al. (2006). This is in alignment with RSM's response to the question on assessing the performance of distributors where it was recorded that they use trade audits and distributor offtake(s) against achievement. Jobber and Lancaster (2009) emphasize that a high level of understanding of the process of sales forecasting and the techniques used to assesses distributors must be acquired and used effectively to function as a modern sales manager.

The RSM indicated when asked about Vodafone support for Key distributors to improve performance, *"Vodafone supports the distributor by providing some of the logistics needed such as motor bicycles for their*

sales representatives". Appointing a distributor may relieve an organization from certain responsibilities but not all of them. It is the responsibility of Vodafone to see their key distributor(s) as partners and support them with tangible and non-tangible assets. Logistics is critical in the effective distribution to reach the final consumer with goods/services. It is refreshing from the response of the Regional Sales Manager the support to distributors such as motor bicycles; Vodafone must do more than to train the distributor's sales representatives on selling skills and any new developments in the trade.

On the impact of sales territory management on distribution performance, this is what the RSM responded: *"A good territory management ensures availability of stocks everywhere thereby avoiding out of stock situations"*. Territory design is one of the important organisational issues in sales management. It is a major determinant of sales people's opportunity to perform well. One of the essences of good territory management is about availability and visibility of products and its closeness to the market. This result aligned with Zoltners et al. (2004) on the relevancy of the sales territory as a marketing platform, rather than a geographical area.

When asked about how to assess what is happening in the sales territories, this is what the RSM has to say: *"What happens in the territory is assessed by trade visit and the use of the Distribution Management Systems (DMS) to know the Direct Sales Agents (DSAs) retail coverage and sales calls"*. In practice, assessing sales territory management is difficult but most organisations have their own way of assessing the territory issues. The trade visit by the Regional Sales Manager is a major indicator in knowing more insight in the sales territory. The trade visit can be in a form of interviewing the retailers on issues in trade and their responses can give insight on the performance of the company and if possible some insight from competitor(s) activities. The trade visit can also be accompanied by the Regional Sales Manager with the Sales Territory Representatives to find out what they do on the field. Moreover, the Sales Territory Representatives also write weekly and monthly reports on the activities of the territory to the Regional Sales Manager. If the report is good it can be a market intelligence used to inform major operational decisions in specific sales territories.

4.4. Retailers Views on the Distribution Performance of Vodafone in Sunyani

This section considers the input from the trade on the perspectives of the retailers on how they see and assess the distribution performance of Vodafone in the Sunyani Metropolitan.

4.4.1. Sales of Vodafone Products

On the profitability of the retailer's selling Vodafone products and services, 98% of the outlets said that it is profitable, while the other 2% said that it is not a good business. One hundred and ninety-nine (199) outlets (81%) indicated they will recommend the business to a friend, while forty-six (46) outlets (19%) said they are not sure if they will recommend the business to friends and relatives. Outlet owners were asked whether they were happy with the service being delivered by the Key Distributor and the responses were as follows. 197 outlets, representing 80%, answered 'yes', while 48 outlets, representing 20%, said 'no'.

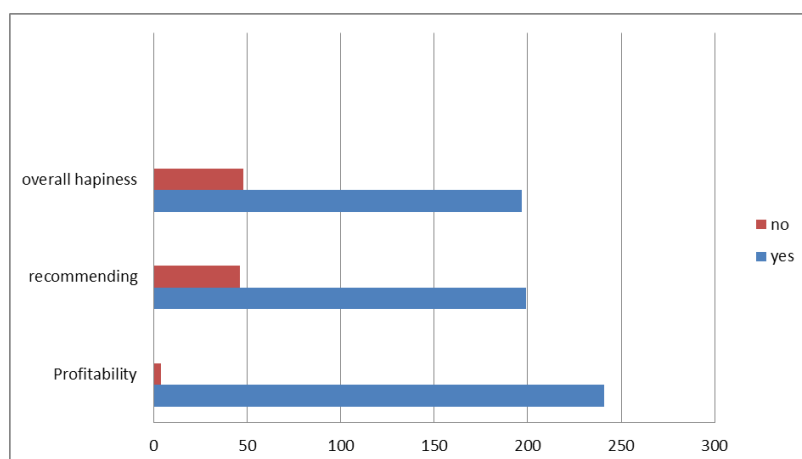


Figure 1. Selling Vodafone products

Source: Fieldwork, 2016

It was encouraging to know that a greater majority of the retailers are happy to sell Vodafone products/services. Recommendation in any form of business to another person is a form of prospecting for the company. The company must deepen the already commitment and relationships with the trade by supporting the retailers with trade promotions to consolidate the advantage and ward off competitors.

4.4.2. Distribution of Vodafone Products

The outlet owners indicated that they get all the Vodafone products they need to sell from the Key Distributor, 194 of the outlets responded “yes” (or 79%), while 51 of the outlets said “no” (or 21%). It was further asked on the questionnaire if the outlet owners ever walked into the Key Distributor’s shop and if there have ever been told that there are no stocks available, 105 outlets responded “no”, while 140 outlets said “yes”.

The out of stock situation can be inferred when the outlet owners do not have all the range of the top-up cards. At times the market demand influences the stocking of the top-up cards. The implication is that the customer might not come there to buy thereby affecting the outlet sales which might lead to the outlet stocking more of competitors’ products since they are businessmen/women and the long term effect is that the subscriber can switch to a new brand, which is now easier to do.

The information provided by outlet owners on knowing the key distributor for the area were 224 outlets (or 91%) said “yes”, while the other 9% accounted for 21 outlets and said “no”. It is interesting that all 91% who said “yes” could also mention the name of the business. Some of them also buy from the Key Distributor Sales Agents; and all of them were able to mention the names of the Sales Agents who sell to them. It was insightful to find out the distribution penetration and religiously servicing the sales area. In terms of visibility it is good to know the distributor which can serve as a barrier to another Vodafone distributor who wants to cross sales territories.

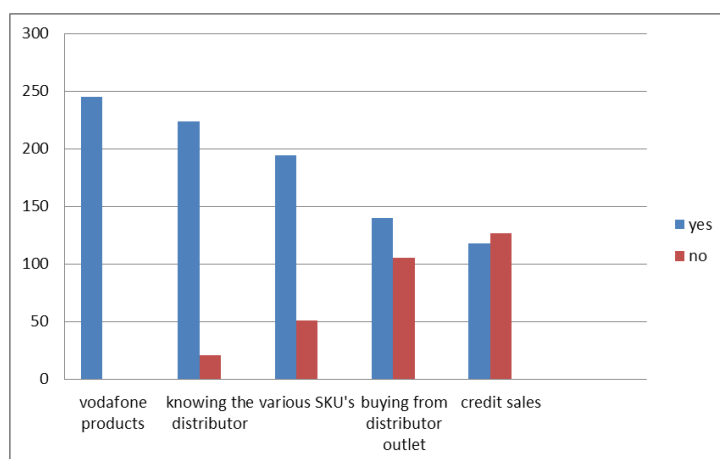


Figure 2. Distribution of Vodafone Products
Source: Fieldwork, 2016

The sales territory representatives indicated that it is company policy not to sell on credit but to achieve sales target for the area as times the key distributor risk by giving credit sales. The risky nature of the credit sales is based on high probability of defaulting in payment since these outlets do not operate from permanent structures. The information from the retailers suggests that 118 outlets (or 48%) answered ‘yes’ that is the outlet benefits from credit sales, while 127 outlets (or 52%) said ‘no’, as shown in Figure 2.

4.4.3. Assessing the Distributor

Figure 3 presents information on how respondents assessed their supplies by rating in line with very good, good, average, poor and very poor. 22 outlets (or 9%) indicated that it was very good while 73 outlets (or 30%) said it was good. However, 139 outlets accounting for 57% said the services were average. 11 outlets, representing 4% of all observations, indicated that the distributor service was poor, as shown in figure 3 below.

The response by the outlet owners can influence their assessment if the outlet has a good relationship with the distributor. Consideration was based on certain factors like “do they come on time to give you the order”, “do you normally get the quantity you asked for among others”. This insight might give the distributor and its sales agent the clue to appreciate the concerns of the retailers as it can help them to come up with a standardized, flexible and consistent delivery of offering considering the characteristics of services. Dent (2008) affirmed that though it can be biased, one of the best ways to qualitatively assess distributor’s performance can be feedback from the traders, such as the retailers and the final consumers/users.

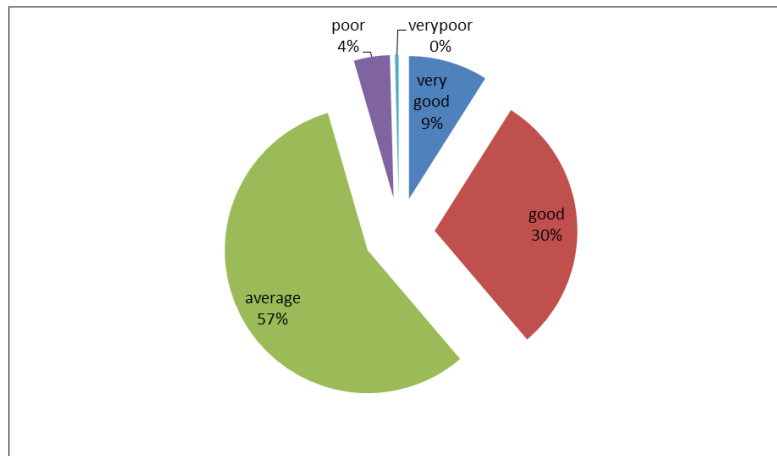


Figure 3. Assessing the Distributor

Source: Fieldwork, 2016

4.4.4. Results of the Pearson Correlation Matrix on Distribution Performance

Table 5 displays the Pearson Correlation Matrices employed to measure the relationship between the variables. The table records high correlations of 1.000** while the minimum value is 0.255. 'Aware of the need for customers' had a strong positive and significant relationship with 'meet daily sales quota' with a $R = 0.849$, $p < 0.001$, at 0.05 significance level.

Moreover, 'report to office first, then territory' had a strong positive and significant relationship with 'meeting daily sales quota' with $r = 1.000$, $p < 0.001$, at 0.05 significance level. 'Report to office first then to territory' also had a strong positive and significant relations with 'aware of the needs of customers' with $r = .882$ ($p < 0.001$) at 0.05 significance level. 'Report earlier than the usual time' had a strong and positive relationship with 'meet daily sales quota', with 'aware of the needs of customers', with 'report to office first then territory' registering scores of $r = .926$ ($p < 0.001$), $r = .910$ ($p < 0.001$), $r = .926$ ($p < 0.001$), at 0.05 significance level, respectively. 'Relate well with co-workers' had a strong and positive relationship with 'meet daily sales quota', with 'aware of the needs of customers', with 'product focus' registering scores of $r = .822$ ($p < 0.001$), $r = 1.000$ ($p < 0.001$), $r = .986$ ($p < 0.001$), at 0.05 significance level, respectively. 'Report to office first then to territory' also had a strong positive and significant relations with 'aware of the needs of customers' and with 'report earlier than the usual time' registering scores of $r = .882$ ($p < 0.001$), $r = .910$ ($p < 0.001$), at 0.05 significance level, respectively.

It can be concluded that sale territory representatives' reporting first at office before going to field play a major part of distribution performance in the sense that there might be an important market intelligence that needs to be followed up or the distributor might have neglected certain areas or not stocking certain SKU's which can be discussed when the sales territory representative visit the distributor. Moreover, the sales territory representative can also follow up on the distributor's orders with the sales office. No wonder it is important and significant to start with.

Table 5. Results of the Pearson Correlation Matrix on Distribution Performance

Theme	1	2	3	4	5	6	7	8	9
1. Meet daily sales quota	1								
2. prepares for customer concerns	.624	1							
3. follow up on customer leads	.683	.730	1						
4. aware of the needs of customers	.882**	.354	.258	1					
5. product focus	0.674	.720	.986**	.255	1				
6. report to office first then territory	1.000**	.624	.683	.882**	.674	1			
7. report earlier than the usual time	.926**	.495	.488	.910**	.535	.926**	1		
8. cover more areas than I am expected	.847*	.679	.496	.801*	.489	.847*	.807*	1	
9. relate well with co-workers	.822**	.354	.258	1.000**	.255	.882**	.910**	.801*	1
Mean	4.00	4.43	4.29	4.86	2.00	4.00	3.86	4.43	4.86
Standard deviation	1.000	.535	.488	.378	1.732	1.000	.900	.787	.378

Source: Fieldwork data, 2016

Note: * $P < 0.05$ and ** $P < 0.01$ level respectively. Cronbach's Alpha = .892 or 89.2%

Awareness of the needs of customers be it the retailers or the subscribers are an important consideration to improve distribution hence can lead to better sales. Building a relationship with the trade can help an organization to get retailers to stock a product even if the profit margin is not as good as that of the competition. One of the areas to assess the competencies of a sales territory representative is achievement of sale target, hence effective distribution of products which enhances visibility and availability can be a good indicator of achieving sales quota, not surprising that sales territory representatives will push their distributors to achieve their targets which indirectly also achieve their targets.

The result sums up the need and call by many authors such as Ezekiel (2012) and Rogers (2007) about sales preparations being everything as it makes the salesmen more organize and focused for the sales calls.

4.4.5. Reliability Analysis

The Reliability quality alludes to the degree to which a scale produces predictable results if the estimations are repeated various times. Almost eighty percent of the questionnaire employed for the research was a 5-point Likert scale. Coefficient alpha scores obtained for each theme are reported in Table 6.

Table 6. Scale Reliability

Theme	No. of items	Cronbach Alpha
Sales territory management practices	8	0.904
Aspects of staff competence	7	0.908
Sales territory management and distributor performance	17	0.966
Distribution performance	9	0.892
Total number of items	41	

Reliability analysis as showed by Kimberlin and Winterstein (2008) is the assurance of getting the extent of systematic variation in a scale, which should be possible by determining the relationship between the scores acquired from various administrations of the scale. In this manner, if the relationship in the reliability analysis is high, the scale yields predictable results and thus it is reliable. All values are within the acceptable range and greater than the cut-off point of 0.70 suggested by many researchers. This shows the reliability of the scale for internal consistency of this study.

5. Conclusion, Recommendation and Prescription for Companies

The route to the market is a collaborative effort between all the channel members if the desired objective of availability and visibility is to be achieved. A company can get a competitive advantage through effective and efficient distribution strategies if it is well executed well over its direct and indirect competitors. However, it will have its own challenges of meeting the needs and wants of channel members. If not managed well, it will lead to loss of revenue and eventually to the collapse of a business.

Adherence to best practices under the sales territory management will ensure that performance feedback is regularly communicated to both the distributors and the sales territory representatives. Moreover, demarcation of sales territories done in consultation with the field salesmen will ensure that the latter category buys into it to support the commitment to deliver. Professionalism of selling is possible considering the level of education and experience of the sales territory representatives in managing their various sales territories. Distributor's continuous dealership hinges on how the business is resourced, whether there is an adherence to the dealerships contract and sales performance.

Using key distributors and assigning them with a sales territory helps to deliver a good service if they are appropriately resourced and provided with uncompromised supervision to play the role of a partner to Vodafone rather than to be happy with the distributor's status. Though there were some gaps in the distribution activities of Vodafone in Sunyani and its environs to a large extent it can be concluded that their salesmen on the ground and the distributor have fairly ensured an effective and efficient distribution activity to serve the intended market.

The paper recommends the restructuring of the distribution strategy of the key distributor's for better market penetration to improve availability and visibility of products/services to get closer to subscribers. There is the need for intensive sales and product communication training for sales territory representatives to handle sales objections and better customer services for both subscribers and management of distributors. Finally, Vodafone must resource the key distributor's logistically.

The limitation of the study was not getting the opportunity to listen the distributors' view on their operations within the sales territory area and their challenges, as the scope was on getting the views of the

subscribers. This study offers future research suggestions namely subsequent studies could look at individual sales territory performance on the sales territory representatives and the distributors based on key performance indicators.

For products or services to be successful in the marketplace, they must be available where customers want to buy them and how customers want to use them. Channel management has become one of the most important components of a firm's competitive strategy, with mistakes often costing companies millions and channel managers their careers. Using distributors as a route to the market has been in the surge for many companies that producers good and services. Care must be taken to get the best out of distributors that will not dilute the distribution strategy. Understanding the existing channels structures and performance is the first step in improving its effectiveness. The study prescribes generic practices that will aid better relationships and integration of mutual benefits between companies and their distributors:

- There is the need for a very clear understanding of the roles, responsibilities and clearer key performance indicators on how and when they will be measured for the distributor and the company.
- A more productive partnership between the distributor and the company requires an effective communication on regular basis. Moreover, companies must see their distributors as partners in the achievement of their business goals such as market coverage and sales.
- Distributor's incentives must be planned and structured and tied-in to how much of the different ranges of specific SKUs (Stock Keeping Units) are sold within a determined time frame.
- The staff who are involved in the distribution activities must be trained on the requirement of good distribution practices to acquire the appropriate competence and experience prior to commencing their task.
- Monitoring and review of the performance of the key distributors and the identification and implementation of any required improvements on a regular basis.

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Business in the Hands of Consumers: A Scale for Measuring Online Resale Motivations

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The web channel is increasingly a central aspect of the second-hand economy and, as such, favours also more sustainable post-consumption processes. This is why the field of online reselling appears increasingly important. Besides, the ever broadening scope of online reselling is key to the success of new online intermediaries that position themselves in the broader movement of collaborative consumption. While, consumers' attachment for second-hand exchanges is not new, they have largely embraced its online declination. In response to these evolutions in the online retail environment, traditional retail companies have therefore started to create online consumer marketplaces in which consumers exchange goods by themselves. In order to best adapt such online marketplaces to consumers, it is therefore critically important to gain a better understanding of the driving forces behind online reselling. At present, knowledge about what motivates consumers to resell products online is limited. This article outlines the development and validation process of an online resale motivation (ORM) scale via three studies involving 1,119 respondents. Study 1 presents the ORM scale development process and resulting multi-dimensional construct, including protester, economic, generative, recreational, practical and social facets. Study 2 replicates the scale and investigates its predictive capabilities. More specifically, the ORM scale predicts successfully online resale frequency. Consumers who are more highly motivated to resell online, will indeed resell more often online. Study 3 examines the mediating role of ORM on the relationship between planned resale intentions (PRI) and online resale behaviour. The fact that consumers plan to resell a product prior to its purchase, will not directly lead them to increase the frequency at which they resell online. Rather, it is because they perceive positive economic, practical and recreational outcomes associated with online reselling that they resell more frequently online the goods which they intended to resell prior to their purchase.

Keywords: online resale, online reselling motivations, measurement scale, planned resale intentions, online resale frequency

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1. Introduction

The literature has emphasized the growth of the broad web-fueled movement of collaborative consumption which on the one hand increases consumers' capability to access or share resources instead of merely possessing them (McArthur, 2015; Matzler, Veider and Kathan, 2015; Ozanne and Ballantine, 2015; Watkins, Denegri-Knott and Molesworth, 2016) and, on the other, democratizes the ownership of any type of good through alternative consumption marketplaces such as secondhand ones (Botsman and Rogers, 2010; Belk, 2014). Within that bigger technology-enabled consumption phenomenon, there appears therefore to be a growing popularity of online reselling (e.g. online auctions) (Korgaonkar et al., 2014; Kijiji, 2015, 2016). According to the American National Retail Federation, for example, a website such as Amazon, which allows resales, had a 22.6% sales growth from 2013 to 2014, which surpasses by far flourishing retailers such as Kroger (10.1%), Costco (6.6%), The Home Depot (3.6%), Apple Store/iTunes (6.5%) and less successful ones such as Sears (-11.8%) or Safeway (-2.1%) (Top 100 Retailers chart, 2015). Besides, some companies have already engaged efforts to incorporate this new form of marketing system, driven by consumers and nurtured by online platforms, into their business models. Patagonia, for example, has created a customer marketplace by partnering with eBay to encourage consumers to buy and sell their pre-owned goods (Vision Critical and Crowd Companies, 2014, p.10).

However, while much is presently known about second-hand purchases, little work has been undertaken in order to understand reselling. Online resale is even less covered in the literature. This contrasts sharply with the thorough coverage of conventional online retail in the literature that has been taking place for the last 15 years (Insley and Nunan, 2014; Nicholson, Clarke and Blackmore, 2002; Cases, 2002). Given that the web channel is now a central aspect of the second-hand economy, the field of online reselling is of increasing importance. This ever broadening scope of online reselling is key to the success of new online intermediaries that position themselves as facilitators instead of retailers. Traditional retailing companies view therefore the second-hand market as a threat to their business given its potential to curtail the sale of new goods. Thus, it is critically important to gain a better understanding of the driving forces behind online reselling.

The coverage of online resale motivations is however barely emerging in the literature. First, much of the emerging research in C2C marketing systems examines their structures and consumer profiles (Zhang, 2015; Azad, Islam and Hoque, 2014). Yet, the evolution of markets, including C2C markets, requires not only buyers but also sellers (Agarwal and Gort, 1996). It is therefore equally important to clarify the complex motives that explain why people might resell online in addition to purchasing online. Second, the study on online reselling remains confined to the Asian context (e.g. Azad, Islam and Hoque, 2014; Zhang, 2015; Chu and Liao, 2007). Third, studies devoted to identify the antecedents to online study focus on utilitarian aspects such as pricing and value recovering considerations (Chu and Liao, 2010; Chu, 2013; Liao and Chu, 2013; Murphy and Liao, 2013), although recent works pinpointed hedonic and even ideological aspects related to such a practice (Zhang, 2015).

In an attempt to reconcile these various gaps in the literature, our findings expand exploratory conclusions about offline resale motivations, in an online context. It appears that in addition to the protester, economic, generative and recreational factors identified as motivations for offline reselling (e.g. Gregson et al., 2007; Hanson, 1980; Lemaitre and de Barnier, 2015), online reselling is also prompted by practical and social motivations. Third, although having been related to mental accounting theory (Chu and Liao, 2010; Liao and Chu, 2013), no research has investigated the extent to which planned resale intentions modulate the relationship between online resale motivations and online resale intensity. By investigating the role of online resale motivations, we help clarify the conditions under which the links between planned resale intentions and online resale frequency might be enhanced.

2. Conceptual Background

2.1. Online Resale

Originally, online reselling was examined through the lenses of auctions studies (e.g. eBay) (Korgaonkar et al., 2014). Online reselling is however increasingly popular on C2C classified ads websites (e.g. Kijiji, Craigslist, Amazon). What was once a marginal form of disposition, comprising flea markets (Sherry, 1990), garage sales (Soiffer and Herrmann, 1987), car boot sales (Stone et al., 1996) or swap meets (Belk et al., 1988), has become, in both Europe, and North America, a booming trend thanks to the rise of Web 2.0 and social media (Lemaitre and de Barnier, 2015; Belk, 2014). Online reselling is the transposition of previously marginal markets on the world wide web. It is also relevant to retail, in general, and online retail,

in particular, since it is web-mediated – a technological dimension –, enables other consumers not buying new, but used or pre-owned products – a product dimension –, and represents a channels with distinctive characteristics – a sales dimension.

Therefore, we define Online Resale (OR) as a disposal option which enables consumers to dispose of an item permanently by using the Internet to resell it directly to other consumers. We do not consider both online and offline channels interchangeably, rather we investigate the specificities of online resale.

2.2. Online Resale Motivations

According to expectancy theory, people are driven by expectations – positive incentives – as opposed to being merely pushed from within (Porter and Lawler, 1968; Vroom, 1964). Also, the effects of outcome expectancies are partly governed by self-beliefs of efficacy (i.e. agency) (Bandura, 1977, 1989). Porter and Lawler (1968), refined that theory by stating that the expenditure of an individual's effort will be determined by expectations of desirable outcomes for that individual. Hence, the motivation of the behaviour choice is determined by the desirability of the outcome (Porter and Lawler, 1968). It then follows that resellers choose (i.e. have the desire to expend energy and effort) in online resale given that they expect that choice to result in a more positive outcome for them. Such prospects raise consumers' propensity to favour online reselling. It then appears of interest to uncover the dimensionality of those positive outcomes that are sought by consumers through online reselling since they condition the process of energy and effort being mobilized.

For the purpose of this research, we define Online Resale Motivations (ORM) as the positive outcomes that lead a consumer to mobilize efforts to move from a state of product ownership to a state of product 'dis-ownership' through the online resale of that product. We attempt to develop and validate a measurement scale of the motivations for online resale. This scale comprises dimensions of positive outcomes that consumers may perceive to be related to OR and which lead them to expend energy and effort to engage in OR, in order to get rid of their unwanted or unneeded products.

3. Study 1: Scale Development

Study 1 entailed the development of an online resale motivation scale based on the procedure recommended by Churchill (1979) as well as Gerbing and Anderson (1988).

3.1. Methodology

Construct domain and item generation. A two-stage qualitative study of a focus group and 15 in-depth interviews were conducted among Canadian online resellers. The interviews were recorded and transcribed. This procedure respects the information saturation principle (Glaser and Strauss, 1967). That is, the interviews did not yield additional or new information or insight to enrich previous findings. Sequential coding was then performed to organize raw qualitative data into conceptual categories also called codes (Miles and Huberman, 1994), which brought out certain themes. Those themes guided our choice of subsequent respondents in the following interviews (Strauss and Corbin, 1990). A convenience sampling procedure was conducted to recruit online resellers.

The exploratory process resulted in the identification of six main motivation areas: (1) economic: the collection of money in exchange of the product; (2) protester: enabling others to circumvent conventional marketing systems and to avoid new purchases; (3) generative: extending the lifecycle of the product by making it available for others; (4) recreational: the inherent pleasure of engaging in an informal commercial exchange; (5) practical: getting rid easily of unwanted products; and (6) social: the prospect of interacting with others. Those six motivation areas resulted in the generation of 30 items.

Content-validity judging. Five consumer behaviour faculty members (full professors), specialized in marketing, evaluated the items for content and face validity. They were given the conceptual definitions of the motivations, along with illustrative quotes from the qualitative data, and were instructed to rate items as "not at all representative" "rather representative" or "very representative". This process resulted in the deletion of seven ambiguous or irrelevant items.

Substantive validity. A group of three other marketing academics were provided with the refined 23-item scale and asked to assign each item to the construct that they thought, the item best reflected. The proportion of substantive agreement which refers to the ratio of the number of participants assigning an item to its intended construct on the total number of participants (Anderson and Gerbing, 1991), averaged .61, which is nearer to 1 than to 0, providing preliminary evidence of substantive validity. Secondly, the substantive-validity coefficient, which refers to the extent to which participants are more likely to assign an item to its intended construct rather than to any other construct (Anderson and Gerbing, 1991), averaged .57, which is above the recommended threshold value of 0.5. Thus, both indices provide evidence for substantive validity.

Data collection. Exploratory data was gathered to test the initial proposed structure. Members ($n = 1,100$) of a Canadian online consumer panel were contacted and 477 answered the survey (43% response rate). Only respondents who indicated that they had sold second-hand items online in the past twelve months were eligible. We investigated online reselling behaviour for the period of twelve months prior to the conduct of the survey. According to the ‘recency principle’ (d’Astous et al., 2010, p. 78), twelve months is deemed a reasonable timeframe for consumers to recall the specifics of resale transactions. The same sampling approach was used in studies 2 and 3. The description of the sample is as follow: 49% male, 4% were 15–24 years old, 39% were 25–44, 41% were 45–64, and 16% were 65 and over; 58% had at least a college or university degree. We measured the 23 items of the online resale motivation scale on a ten-point scale (1 = ‘Totally disagree’ and 10 = ‘Totally agree’). The same measure was used in studies 2 and 3.

3.2. Analysis and Results

Exploratory factor analysis. An exploratory factor analysis (EFA) (SPSS 23.0) confirmed the six-factor model for ORM. About 81% of total variance was explained and no item cross-loaded on several factors. The appropriateness of a six-factor structure is ensured since all factors have Eigenvalues above 1.0, and the Cattell test, which indicates graphically the appropriate number of factors before the curve marks an elbow (Hair et al., 2006), started at seven, which indicates that the six-factor solution is the most adequate. Further criteria for scale development were met since all items exhibited item-to-total-correlations and communalities higher than .5, and the Cronbach’s alpha for the 23-item scale was .946 (Nunnally and Bernstein, 1994).

Confirmatory factor analysis. A confirmatory factor analysis (CFA) (LISREL 8.8) was used to refine the scale and assess dimensionality (Gerbing and Anderson, 1988). Items were eliminated if their standardized factor loadings were lower than 0.70 (Shimp and Sharma, 1987), which resulted in the removal of three items. In the final 20-item model, each factor includes 3 or 4 items which ensures that the model is specified (Bollen, 1989). The proposed scale (see Table 1, column 2) explains 86% of the variance with excellent fit to the data (χ^2 (155) = 294.16, $p < .001$, NFI = .98, NNFI = .99, CFI = .99; IFI = .99; RFI = .98; GFI = .94; AGFI = .92). Residuals are low, with an RMSEA of .044, below the .5 threshold indicating ‘excellent’ fit (Browne and Cudek, 1992) and an SRMR of .042, well below the cut-off level of .10 (Hong and Thong, 2013).

Table 1. Model item loadings of ORM and alpha coefficients for the three studies

	CFA (n=477) Study 1		CFA (n=437) Study 2		CFA (n=205) Study 3	
	Loading ^a	α	Loading ^a	α	Loading ^a	α
Protester factor (7% of variance explained in Study 1)	AVE ^b = .753 CR ^c = .90		AVE ^b = .741 CR ^c = .90		AVE = .805 CR = .93	
It enables me to circumvent the new goods market	.85	.90	.84	.89	.88	.92
It enables me to compete with larger companies	.83		.83		.87	
It enables me to protest against high prices in the new goods market	.92		.91		.93	
It enables me to limit the overconsumption of new items						
Economic factor (5% of variance explained in Study 1)	AVE = .684 CR = .87		AVE = .670 CR = .86		AVE = .663 CR = .85	
It enables me to earn easy money	.84	.86	.84	.85	.81	.84
It enables me to make ends meet	.72		.69		.67	
It provides me with added income	.91		.91		.94	
Generative factor (5% of variance explained in Study 1)	AVE = .787 CR = .92		AVE = .783 CR = .92		AVE = .801 CR = .92	
It enables me to extend product lifespan	.94	.91	.94	.91	.96	.91
It enables me to avoid an item being set aside and forgotten	.77		.75		.76	
It enables me to lend new life to an item	.94		.95		.95	
Recreational factor (14% of variance explained in Study 1)	AVE = .878 CR = .96		AVE = .834 CR = .95		AVE = .835 CR = .95	
It enables me to come into contact with other individuals	.94	.95	.94	.95	.96	.95
I like the warm, people-friendly ambience of selling items to other individuals	.90		.89		.89	
I enjoy selling items on the web						
It provides me with an opportunity to chat with other individuals	.97		.96		.95	
It is a pleasant way of passing my time	.86		.86		.85	

Practical factor (9% of variance explained in Study 1)	AVE=.847 CR=.94		AVE = .835 CR = .94		AVE = .853 CR = .95	
Helps me keep things tidy at home	.95	.94	.94	.94	.94	.95
Helps me declutter	.90		.90		.93	
Helps me sort things out on the home front	.91		.90		.90	
Helps me effect change						
Social factor (46% of variance explained in Study 1)	AVE=.838 CR=.95		AVE = .834 CR = .95		AVE = .798 CR = .94	
It enables me to help out individuals less fortunate than myself	.87	.96	.86	.95	.85	.94
It gives me the impression of helping my fellow citizens	.92		.92		.87	
It gives me the impression of doing something good for society	.94		.94		.92	
It gives me the impression of doing something good for the community	.93		.93		.93	

Note : ^aAll factor loadings are significant at $p < .001$ (p-values are higher than 2.58 in absolute value); ^bAVE : Average Variance Extracted (Rho vc); ^cCR : Composite Reliability (Joreskog rho).

Reliability and validity. The final scale of 6 dimensions and 20 items displayed satisfactory reliability scores, above 0.70, and each item having an item-to-total correlation above .5, indicating high internal consistency (Nunnally and Bernstein, 1994). The three conditions for convergent validity were all fulfilled, since each item lambda coefficient was above 0.7, significant at the .001 level, and was greater than twice its standard error (Gerbing and Anderson, 1988). Discriminant validity (i.e. the degree to which measures of two constructs are empirically distinct) (Nunnally and Bernstein 1994) was demonstrated, since the average variance extracted for each construct, was greater than the squared correlation between that construct and any other construct (Fornell and Larcker, 1981).

Nomological validity. Nomological validity refers to the degree to which a construct behaves as expected within a system of related constructs (Shimp and Sharma, 1987). Since motivations are positive antecedents, we expect them to be negatively correlated with impediments which are negative antecedents. We therefore correlated the ORM dimensions to ‘product attachment’ which we measured by adapting Guillard and Pinson’s (2012) Tendency to Keep Everything measurement scale; as well as ‘perceived risk associated with online resale website’ and ‘financial risk’, by developing items based on Manchanda and Chu’s (2013) and Xinyan and Xingjing’s (2010) studies on online resale impediments. These items were measured on 10-point Likert scales. The correlations between motivations and impediments ranged between -0.453 and .055. Besides, fourteen correlations were significantly negative and four were non-significant, which provides preliminary evidence for the nomological validity of the ORM scale. Studies 2 and 3 provide further support for nomological validity.

3.3. Discussion

Through Study 1, a scale for measuring motivations to resell products online was developed and showed robust psychometric properties. Six motivational dimensions were identified, namely protester, economic, generative, recreational, practical and social.

While previous literature mostly emphasized the online channel as being used for economic and generative purposes (e.g. Chu and Liao, 2007, 2010; Murphy and Liao, 2013), some more counter-intuitive motivations i.e. social, recreational come also into play. This is an interesting finding especially given that most literature on computer-mediated channels and communications was originally depicted as lacking social interaction, reciprocity, pleasurable experiences and interactivity (Barlow et al., 2004). While this certainly holds true in a non-interactive setting such as the pre-Web 2.0 era studied by Barlow et al. (2004), Web 2.0 and social media upon which second-hand websites capitalize, clearly change that, notably by introducing interactivity and gamification (Insley and Nunan, 2014). Furthermore, the finding of a recreational motive to online resale prompts the potential role of the flow and play constructs.

4. Study 2: Scale Validation

4.1. Conceptual Framework

Perugini and Bagozzi’s (2001) model of goal-directed behaviour (MGB) emphasized a volitional link between motivations and behaviours. Actually, motivations are pertinent precursors to behaviour (Shaw et al., 2007). Indeed, motivations constitute the completion of the process which translates expected outcomes into

fulfilled outcomes by directing the fulfilment of the outcome to specific actions (Shaw et al., 2007). This process gives way to the realization of the behaviour on a conative level (Bagozzi and Warshaw, 1990; Bagozzi, 1992). In accordance with our expectancy theory framework for motivations, when the need to dispose of a product emerges, the consumer evaluates perceived outcomes of various disposition channels - including online resale - and then emits the desire to expend energy and efforts (motivations) to fulfill the disposition action that maximizes expected outcomes. The greater the expectations of desirable outcomes related to online resale compared to other disposition channels, the greater the motivation to do so, and the greater the likelihood of online reselling occurring at more frequent intervals. Thus:

H1: The online resale motivation scale positively relates to online resale frequency

4.2. Methodology

Design and procedures. Members (n = 1,119) of a Canadian online consumer panel were contacted and 437 answered the survey, representing a 43% response rate. Women made up 38% of the sample and the average age was 46 years; 5% were 15–24 years old, 43% were 25–44, 43% were 45–64, and 9% were 65 and over; 62% had a college or university degree.

Measures. The dependent variable was online resale frequency. Participants were asked a question about the frequency at which they sold second-hand items online (over the past twelve months), on a ten-point scale where 1 = ‘Never’ and 10 = ‘Very often’. The same measure was used in study 3. Gender and age were added as control variables because, younger consumers and males were more likely to use new technologies (Venkatesh et al., 2012). Age is a ratio-scaled variable, which has a real zero value. It is therefore of interest to verify whether these patterns hold in the case of resale website use.

Fit, validity and reliability. An EFA confirmed the six-factor model for ORM. A CFA confirmed good fit (χ^2 (155) = 296.39, p = 0.00, NFI = .98; NNFI = .99; CFI = .99; IFI = .99; RFI = .98; RMSEA = 0.046; RMSR = .044, GFI = .94; AGFI = .91). Table 1 reports the results of the CFA (column 3). All factor loadings were highly significant (p < .001), demonstrating dimensionality (Gerbing and Anderson, 1988). All items loaded significantly on their corresponding latent factor and all AVEs were above .50, supporting convergent validity (Fornell and Larcker, 1981). High Cronbach’s alphas and construct reliabilities demonstrated internal consistency. The average variance extracted (AVE) for each construct is greater than the squared correlation between that construct and any other construct (Fornell and Larcker, 1981). This was the case for all constructs, therefore discriminant validity is established. (see Table 2). We re-tested the correlation between ORM and the same impediments with the same measurement properties, as in study 1. ORM dimensions displayed fifteen significantly negative and three non-significant relationships with impediments. Correlations ranged from -.468 to .038, providing further evidence of nomological validity.

Table 2. Correlation and descriptive statistics - Study 2 (n = 437)

	1	2	3	4	5	6
1. Protester	1.00					
2. Economic	.41	1.00				
3. Generative	.40	.33	1.00			
4. Recreational	.53	.42	.29	1.00		
5. Practical	.28	.38	.57	.23	1.00	
6. Social	.59	.35	.61	.55	.45	1.00
Mean	4.72	5.37	7.07	4.10	7.39	5.84
Standard deviation	2.79	2.72	2.47	2.70	2.40	2.66
Average variance extracted (AVE)	.74	.67	.78	.83	.84	.83
Highest shared variance	.35	.18	.37	.30	.32	.37

4.3. Analysis and Results

A regression analysis showed that ORM positively and significantly impact online resale frequency (β = .333, t = 7.358, p < .001), which validates H1. A hierarchical regression analysis was conducted to test the detailed impact of each ORM dimensions on online resale frequency. Table 3 shows the findings of the regression analysis. There is no interaction effect between age and gender but males and younger consumers are more likely to resell frequently online.

Table 3. Hierarchical Regression Analysis (Dependent variable: Online Resale Frequency Index) (n=437)

Variables	Step 1			Step 2		
	β^a	t-value	p-value	β^a	t-value	p-value
Controls						
Age	-.253	-5.406***	.000	-.239	-5.427***	.000
Sex	-.095	-2.022*	.044	-.125	-2.807**	.005
Age * Sex	.041	.022	.826	.041	.234	.815
Main Effects						
Protester				.175	4.057***	.000
Economic				.159	3.635***	.000
Generative				.107	2.466*	.014
Recreational				.200	4.618***	.000
Practical				.138	3.184**	.002
Social				.125	2.892**	.004
R ²	.066			.207		
F	13.938***			15.392***		
ΔR^2				.141		
ΔF				12.7***		

Note: ^a Standardized coefficients. * $p < .05$; ** $p < .01$; *** $p < .001$.

Further, the protester, economic, generative, recreational, practical and social motivations all positively and significantly related to online resale frequency. These results further validate H1. A structural equation model supported those findings exhibiting excellent fit ($\chi^2_{(169)} = 303.090$, NFI = .964, NNFI = .980, CFI = .984, IFI = .984, SRMR = .042, RMSEA = .043 (Confidence Interval: .035; .050)), as well as directional and significant paths at the scale-level ($b = .228$ $p < .001$), and on the dimension-level. Interestingly, when inserting the impediments measurement scale in the model, the direct effect of ORM on Online Resale Frequency increases strongly ($\beta = .839$, $t = 5.501$, $p < .001$) and there is a significantly negative interaction between ORM and online resale impediments, so that the latter dampens the positive relationship between ORM and online resale frequency ($\beta = -.555$, $t = -3.394$, $p < .001$). In accordance with the valence framework (Peter and Tarpey, 1975; Bilkey, 1953), this suggests that consumers perceive both positive and negative attributes to online resale and, accordingly, make decisions to maximize the net valence resulting from positive and negative antecedents of the decision (Kim et al., 2008). For consumers to actually enact the online resale behavior, motivations need therefore to be higher in order to overcome the inhibitory effect of impediments.

Table 4. Main effects of dimensions (standardized beta values) (n = 437)

	<i>Estimate</i>
Protester → ORF	.176***
Economic → ORF	.184***
Generative → ORF	.098***
Recreational → ORF	.206***
Practical → ORF	.118***
Social → ORF	.115***

Note: *** $p < .001$, ORF: Online Resale Frequency.

4.4. Online Reseller Segments

To evaluate the practical use of the proposed ORM scale, a two-stage Classification procedure was undertaken, using both hierarchical and non-hierarchical cross-validation (Hair et al., 2006; Guiot and Roux (2010)). The first stage subjected the six dimensions of ORM to a Ward's hierarchical classification algorithm and which uses the squared Euclidean distance in order to compute cluster centroids. Several solutions were considered in order to determine the optimal number of clusters (Hair et al., 2006). By examining the outputs, namely the dendrogram, the vertical icicle diagram and the agglomeration schedule, a three-cluster solution was chosen. The second stage involved a K-means dynamic clustering analysis with the cluster centers from the hierarchical classification. Table 5 summarizes the means that correspond to the dimensions of ORM and indicates the final allocation of the subjects to the three clusters (N1=118, N2=189, N3=130). Multiple ANOVA analyses were then subsequently used in order to indicate significant differences across the three clusters. The F -values vary from 98.93 to 262.80. Finally, post hoc Tukey or Dunnet tests confirmed that the mean score differences among the three clusters for all variables are significant.

Table 5. Results of non-hierarchical cluster analysis and validation.

Constructs	Study 1 (n = 437)				Study 2 (n = 205)			
	Cluster 1 Sporadic experiencers	Cluster 2 Pragmatics	Cluster 3 Online aficionados	Value of F (or of Chi ² in italic)	Cluster 1 Sporadic experiencers	Cluster 2 Pragmatics	Cluster 3 Online aficionados	Value of F (or of Chi ² in italic)
<i>Online Resale Motivations</i>								
Protester	2.74 (2.75)	4.58 (4.58)	7.63 (7.63)	201.19***	2.84 (3.05)	4.68 (4.86)	7.61 (7.85)	95.98***
Economic	3.84 (3.84)	4.77 (4.77)	7.69 (7.64)	98.93***	4.26 (4.21)	4.68 (5.36)	7.61 (8.00)	52.34***
Generative	4.25 (4.25)	7.68 (7.69)	8.73 (8.73)	227.50***	4.02 (4.42)	7.37 (7.47)	8.51 (8.69)	104.64***
Recreational	2.56 (2.56)	3.50 (3.50)	6.78 (6.78)	162.84***	3.00 (3.10)	3.76 (4.03)	6.87 (6.93)	69.01***
Pragmatic	4.89 (4.89)	7.57 (7.57)	8.60 (8.60)	126.73***	5.08 (5.22)	7.60 (7.81)	8.71 (8.85)	65.28***
Social	2.99 (3.00)	5.99 (5.99)	8.21 (8.21)	262.80***	3.49 (3.71)	6.14 (6.34)	8.14 (8.35)	107.86***
<i>Descriptive characteristics of clusters</i>								
Size of cluster (N)	118	189	130		48	87	70	
Size as %	27%	43%	30%		23%	42%	34%	
Online Resale Frequency	2.97	3.61	4.93	28.24***	3.18	3.95	5.18	12.63***
Planned Resale Intentions					5.42	5.72	6.20	3.89*
Number of products resold (+ than 10) as a %	8.50	11.1	12.3	13.35*	2.1	13.8	12.9	10.99
Perception of amount of money earned by reselling products online	3.02	4.52	6.07	36.64***	3.23	4.80	6.23	16.24***
Past Resale Experience (online or offline) ^a	2.13	2.18	2.31	6.41**	2.15	2.30	2.70	7.17**
Past second-hand purchase (online or offline) ^a	2.25	2.34	2.64	6.36**	2.15	2.28	2.31	2.24
Amount of money earned by reselling products online (less than CAD 250) as a %	61.4	42.6	53.1	17.19*	65.6	58.4	39.7	16.01*
Amount of money earned by reselling product online (CAD 250 to CAD 750) as a %	31.6	46.3	29.7		28.2	32.5	46.6	
Amount of money earned by reselling product online (CAD 751 to CAD 1000)	7.0	11.1	17.2		6.2	9.1	13.7	
Online reselling of printers as a %	1.7	4.8	7.7	21.35*	4.2	5.7	10.0	26.09*
Online reselling of video cameras as a %	4.2	1.6	6.9	23.00*	7.1	3.4	8.3	18.62
Online reselling of decoration objects as a %	5.1	9.5	13.8	22.41*	8.3	10.3	10.0	19.84

Online reselling of mp3 players as a %	1.6	3.4	5.4	30.97*	3.4	5.7	6.3	24.98*
Online reselling of furniture as a %	16.1	26.5	25.4	26.37*	18.8	27.6	25.7	18.36
Online reselling of sport articles as a %	8.5	9.5	14.6	22.36*	10.4	10.3	17.1	19.62
Online reselling of cars as a %	6.8	6.9	17.7	22.77*	4.2	9.2	21.4	20.64*
Online reselling via websites selling second-hand / auctions websites	2.59	3.42	4.80	13.90***	2.83	3.97	5.00	67.42**
Online reselling via classified ads websites	4.43	5.58	6.62	11.25***	4.60	5.82	6.89	74.61**
<i>Socio-demographic indicators</i>								
Less than CAD20k (%)	15.6	18.6	13.8	4.16	15.7	11.5	16.7	2.32
CAD20k-CAD59k (%)	43.2	43.9	49.2		50.0	44.8	47.9	
CAD60k-CAD99k (%)	24.6	27.0	26.2		21.4	25.3	22.9	
CAD100k + (%)	13.6	15.3	9.2		12.9	18.4	12.5	
No education	5.9	3.7	2.3	10.07	1.4	3.4	10.4	10.76
Primary / Secondary	38.1	28.0	40.8		35.7	28.7	39.6	
Attended university	25.4	33.9	31.5		38.6	32.2	22.9	
University degree	30.5	34.4	25.4		24.3	35.6	27.1	

Note: * Significant at .05; ** Significant at .01; *** Significant at .001. ^a measured on a scale of 1 “never” to 4 “very often”.

As shown in Table 5, the three reseller segments, characterized by their different score levels on the various types of motivations, were labelled “*sporadic experiencers*”, “*pragmatics*”, and “*online aficionados*”. On the basis of these clusters, the typology can predict differences in the number of products resold online, the amount of money earned by reselling products online, and other behaviours linked to online resale.

Sporadic experiencers are characterized as being the least involved in online reselling. They exhibit a weaker proportion of more than 10 products sold online (8.5%) and of amounts of money earned by reselling products online superior to CAD 750 (7.0%). They reveal the lowest scores for the various motivations and are characterized by a weak propensity to resell frequently online. In terms of their experience with the second-hand market either online or offline, they exhibit the lowest levels of past resale experience and past second-hand purchase experience. More or less equally divided among men and women, these *sporadic experiencers* do not exhibit any particular socio-demographic aspect.

Representing 43% of the total sample, the pragmatics score high on the pragmatic and generative dimensions. Characterized by their strong propensity to resell furniture online (26.5%) and to earn medium level of earnings online (46.3% between CAD 250 and CAD 750 versus 35.7% for the whole sample), these consumers reflect moderate scores on almost all variables, appearing therefore as medium online resellers. Basically, they refer to those consumers who mostly perceive the web as a fast and easy way to dispose of goods (Lemaitre and de Barnier, 2015), and who are mostly interested in the pragmatic and generative aspects inherent to online resale. Finally, the online aficionados (30% of total sample) score higher on virtually all dimensions, especially generative, pragmatic, and social. They resell more often online, more and all kinds of products, and earn therefore more money than sporadic experiencers and pragmatics. Basically, they are more likely to be or to become professional resellers (Chu and Liao, 2007) who use the Internet as an outlet to resell recurrently several units of identical products or buy products in order to resell them online.

4.5. Discussion

This study provides additional evidence of the validity of the ORM scale. The study confirms that motivation to perform a behaviour significantly impacts the frequency of such behaviour. Importantly, each type of motive i.e. expected outcome, significantly and directionally increases the frequency at which

consumers resell products online. By considering ORM, three types of online-reseller profiles emerge, namely sporadic experiencers, pragmatics and online aficionados. The reselling behaviour of these reseller segments tends to be relatively well related to their motivational level. The ORM-based typology also appears as a consistent predictor of online resales across many possible combinations of products and across the two main online resale channels i.e. second-hand / auctions websites and classified ads websites.

5. Study 3: Scale Validation

5.1. Conceptual Framework

In topical literature, reselling is generally prompted by a consumer desire to dispose of an unwanted or unneeded product — intended for self-use — after having acquired it but not prior to purchase, which refers to the notion of unplanned resale (Boyd and McConocha, 1996; Hanson, 1980; Harrell and McConocha, 1992; Jacoby et al., 1977; Paden and Stell, 2005). In early resale literature, some resellers were identified as planning item resales prior to purchase (Belk et al., 1988; Prus, 1984; Sherry, 1990). Consumers' planning to resale a product prior to having purchased that product refers to planned resale (Boyd and McConocha, 1996; Harrell and McConocha, 1992; Prus, 1984). Behaviour of this nature was not, however, widespread among consumers. The Web may have increased planned resale tendencies (Chu and Liao, 2007; Murphy and Liao, 2013; Liao and Chu, 2013; Nissanoff, 2006). Chu and Liao (2010) invoked mental accounting theory to explain that reselling may indeed be prompted by consumer acknowledgment – upstream of a new or second-hand purchase – of the possibility or intention of reselling a given product after having owned it for a certain period of time.

Similarly to mental accounting theory, which posits that consumers consider money as a fungible asset (Kahneman et al., 1991; Thaler, 1980), the Internet and C2C outlets have enabled consumers to no longer consider goods as unrecoverable, unmovable or sunk costs, but as liquid assets or alternative cash accounts (Liao and Chu, 2013; Zhang, 2015). Planned resale intentions are therefore defined as “the condition where, prior to purchase, consumers consider that they have the intention to resell the target product after possessing it for a period of time” (Chu and Liao, 2007, p.7). Intentions such as these may relate to one or other of a situation in which the consumer uses the product (e.g. resale after temporary ownership) or does not use the product (e.g. resale of unnecessary purchase) (Chu and Liao, 2007, p. 7).

Although never tested before, PRI may be positively related to ORM. Consumers who purchase goods with the intention of reselling them at a future timeframe may therefore have higher ORM. This is because they deliberately expect positive outcomes from their future online resale (see Figure 1) and therefore:

H2: Planned Resale Intentions positively impacts online resale motivations.

Similarly, since the web has increased the tendency of consumers to develop PRI toward products that they might purchase, it may be reasonably hypothesized that PRI increase the occurrence of online resale. We thus examine the new testing of PRI effect on online resale frequency:

H3: Planned Resale Intentions influence positively online resale frequency.

In addition to a direct effect, we hypothesize that PRI positively influence through the intermediary of ORM. Therefore, we investigate the testing of the mediating role of ORM upon online resale frequency:

H4: Online resale motivations mediate the relationship between planned resale intentions and online resale frequency.

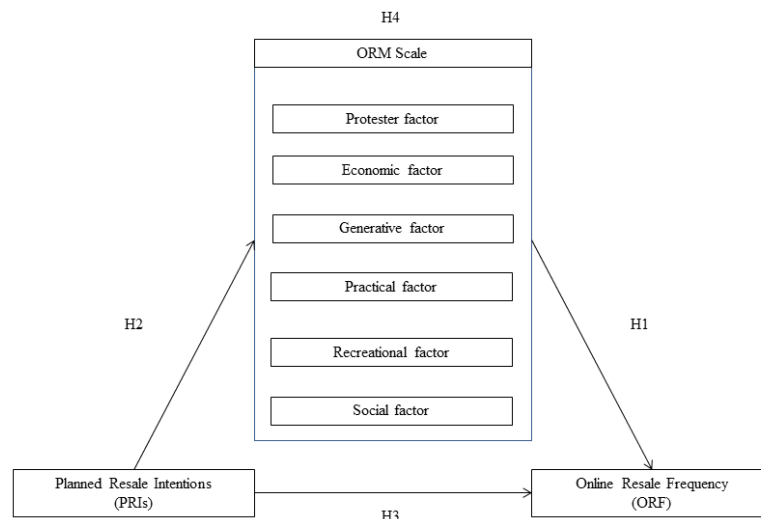


Figure 1. Conceptual model

5.2. Methodology

Design and procedure. Members ($n = 1,001$) of a Canadian online panel were contacted and 205 answered the survey (20% response rate). Women constituted 37% of the sample and the average age was 43 years; 7% were 15–24 years old, 55% were 25–44, 32% were 45–64, and 6% were 65 and over; 70% had a college or university degree.

Measures. To assess PRIs, respondents were asked to indicate whether they had ever held PRI in the past based on a four-point scale (1 = “never”, 2 = “rarely”, 3 = “often” and 4 = “always”). No specific mention was made as to the type of channel on which respondents planned to do their resale. The four points cover the whole spectrum of possible intentions that participants could have had.

Measure validation. An EFA confirmed the six-factor model of ORM. The CFA model yielded good fit ($\chi^2 (155) = 313.39$, $p = 0.00$, $NFI = .96$; $NNFI = .98$; $CFI = .98$; $IFI = .98$; $RFI = .95$; $RMSEA = 0.071$; $RMSR = .060$, $GFI = .93$, $AGFI = .90$), dimensionality, convergent validity, reliability and discriminant validity (Tables 1 and 6). We re-tested the correlation between ORM and online resale impediments with the same measurement properties, as in study 1 and 2. ORM dimensions displayed fourteen significantly negative and four non-significant relationships with impediments with correlations ranging from $-.460$ to $.064$, providing evidence of nomological validity.

Table 6. Correlation and descriptive statistics – Study 3 ($n = 205$)

	1	2	3	4	5	6
1. Protester	1.00					
2. Economic	.42	1.00				
3. Generative	.39	.42	1.00			
4. Recreational	.51	.45	.25	1.00		
5. Practical	.27	.43	.61	.16	1.00	
6. Social	.56	.43	.66	.51	.52	1.00
Mean	4.97	5.84	6.98	4.52	7.56	6.20
Standard deviation	2.75	2.56	2.40	2.65	2.21	2.42
Average Variance Extracted (AVE)	.81	.66	.80	.84	.85	.80
Highest Shared Variance	.31	.20	.44	.26	.37	.44

5.3. Analysis and Results

We conducted a regression-based mediation analysis using bootstrapping on 1000 resamples, at a 95% confidence level (Hayes, 2013). For ease of comparison, we report standardized coefficients. The results obtained replicate those found in study 2. There is a significant and positive relationship between ORM and online resale frequency (see Table 7), lending additional support to H1. When inserting the impediments measurement scale in the model, the direct effect of ORM on Online Resale Frequency increases again strongly ($\beta = .801$, $t = 3.680$, $p < .001$) and there is a significantly negative interaction between ORM and online resale impediments, so that the latter dampens the positive relationship between ORM and online resale frequency ($\beta = -.619$, $t = -2.617$, $p < .001$). This may provide further evidence for the fact that for consumers to actually enact the online resale behavior, motivations need to be higher to overcome the inhibitory effect of impediments.

Furthermore, the effect of PRI on ORM is directional and significant, providing support for H2. Interestingly, the total effect of PRI on online resale frequency, while significant with regards to its total effect ($\beta = .1455$, $t = 2.1228$, $p = .0020$), is not significant in light of its direct effect ($\beta = .0849$, $t = 1.2657$, $p = .2071$), indicating full mediation. It is by means of the significant indirect effect via ORM ($\beta = .0606$), that the effect of PRI on online resale frequency becomes significant.

The bootstrapping method does not provide a p -value in order to assess whether an indirect effect is significant but it computes a bias corrected confidence interval and a percentile confidence interval. An effect is significant when “zero” is not included in either confidence interval (Hayes, 2013). In our case, both the bias corrected confidence interval (LCL: .0211; UCL: .1281) and the percentile confidence interval (LCL: .0175; UCL: .1197) do not comprise zero, which indicates that the indirect effect via ORM is significant.

ORM render the previously non-significant positive relationship between PRI and online resale frequency significant. In other words, consumers’ intentions to resell a product prior to its purchase in a future timeframe, does not lead them to resell online more frequently. But it is through heightened motivations to resell online that they tend to increase the frequency of their online resales. Through the multi-faceted positive outcomes that they perceive when reselling online, consumers tend to opt more often for online resale. Hence, H3 is not supported whereas H4 is supported. Some dimensions contribute more than others to the significance

of this relationship. Using bootstrapping again, a mediation analysis was conducted with each dimension of the ORM scale as the mediator. The findings revealed that the economic, recreational and practical dimensions account for the significance of the mediating role of ORM upon online resale frequency. Conversely, the protester, generative and social dimensions do not contribute to significantly mediate that relationship (Table 7).

Table 7. Bootstrapping Mediation Analysis (Dependent variable: Online Resale Frequency) – Study 3 (n=205)

Variables	β^a	t-value	p-value	Bias corrected Confidence Interval
Overall mediation model				
ORM → ORF (H1)	.3195	4.3693	.0000	
PRI → ORM (H2)	.1896	2.9876	.040	
PRI → ORF (total effect)	.1455	2.1228	.002	
PRI → ORF (direct effect)	.0849	1.2657	.006	
PRI → ORF (indirect effect)	.0606			
R^2			.1468	(.0211; .1281)
Adjusted- R^2			.1254 (p < .001)	
Protester dimension mediated model				
PROTESTER → ORF	.2576	3.6078	.0004	
PRI → PROTESTER	.0996	1.5107	.1324	
PRI → ORF (total effect)	.1455	2.1228	.0350	
PRI → ORF (direct effect)	.1198	1.7901	.0750	
PRI → ORF (indirect effect)	.0256			
R^2			.1224	(-.0082; .0765)
Adjusted- R^2			.1003 (p < .001)	
Economic dimension mediated model				
ECONOMIC → ORF	.2913	3.8236	.0002	
PRI → ECONOMIC	.2007	3.2622	.0013	
PRI → ORF (total effect)	.1455	2.1228	.0350	
PRI → ORF (direct effect)	.0870	1.2783	.2026	
PRI → ORF (indirect effect)	.0585			
R^2			.1290	(.0233; .1140)
Adjusted- R^2			.1071 (p < .001)	
Generative dimension mediated model				
GENERATIVE → ORF	.3018	4.2326	.0000	
PRI → GENERATIVE	.0626	.9591	.3387	
PRI → ORF (total effect)	.1455	2.1228	.0350	
PRI → ORF (direct effect)	.1266	1.9193	.0564	
PRI → ORF (indirect effect)	.0189			
R^2			.1422	(-.0158; .0723)
Adjusted- R^2			.1206 (p < .001)	
Recreational dimension mediated model				
RECREATIONAL → ORF	.2090	2.8553	.0048	
PRI → RECREATIONAL	.1994	3.0649	.0025	
PRI → ORF (total effect)	.1455	2.1228	.0350	
PRI → ORF (direct effect)	.1038	1.5067	.1335	
PRI → ORF (indirect effect)	.0417			
R^2			.1018	(.0080; .1088)
Adjusted- R^2			.0792 (p < .001)	
Practical dimension mediated model				
PRACTICAL → ORF	.2686	3.4328	.0007	
PRI → PRACTICAL	.1594	2.6427	.0089	
PRI → ORF (total effect)	.1455	2.1228	.0350	
PRI → ORF (direct effect)	.1026	1.5116	.1322	
PRI → ORF (indirect effect)	.0428			
R^2			.1172	(.0099; .0881)
Adjusted- R^2			.0951 (p < .001)	

Social dimension mediated model				
SOCIAL → ORF	.2063	2.5967	.0101	
PRI → SOCIAL	.0987	1.6407	.1024	
PRI → ORF (total effect)	.1455	2.1228	.0350	
PRI → ORF (direct effect)	.1251	1.8395	.0673	
PRI → ORF (indirect effect)	.0204			(-.0011; .0625)
R ²		.0956		
Adjusted-R ²		.0729 (p < .01)		

5.4. Online Reseller Segments

We replicate the three-cluster typology obtained in study 2 and each cluster exhibits similar profiles to those obtained in study 2. The examination of PRI tendencies across the three clusters is directional and reinforces the conclusion that the *online aficionados* cluster, is tangential to the professional reseller type identified in the literature (e.g. Chu and Liao, 2008; Chu, 2013). They are the most likely to buy a product while deliberately making the intention to resell it online in a future timeframe. In contrast to previous findings, no specific sociodemographic variable (e.g. age) characterizes any cluster. Absence of significance may owe to the smaller sample size.

5.5. Discussion

The results of Study 3 replicate the main effect of ORM on online resale frequency. It also replicates the piecemeal effect of each dimension of ORM on online resale frequency. Upon addition of the effect of PRI, results proved interesting. PRI were found to not directly impact ORM. The protester, generative and social factors are not significantly related to PRI, while the economic, recreational and practical dimensions are. These results are not so surprising and match previous findings in the literature. In their investigation of the PRI construct, Chu and Liao (2007, 2010) and Liao and Chu (2013) emphasized that it is the prospect of regaining the “net book value” of products (i.e. economic motive), the prediction of ease and efficiency inherent to the web (i.e. practical motive) as well as a sense of satisfaction and amusement (i.e. recreational), which made the online resale setting an especially attractive platform for reselling products intended to be resold at a future timeframe (i.e. products subject to PRI).

Our results also contribute significantly to the literature by showing that the link between PRI and online resale frequency becomes significant when ORM are taken into account. ORM are therefore useful mediators of the PRI-online resale frequency relationship.

Overall, the mere thinking of reselling a product prior to its purchase does not immediately lead consumers to engage in online resale and thus resell more frequently. But it is because consumers hold positive expectations about online resale that their PRI lead them to resell online more frequently. The positive economic, recreational and practical expected outcomes (i.e. motives), account for that relationship.

6. General discussion and contributions of the study

6.1. Theoretical Contributions

The proposed online resale measurement scale captures a variety of motives that underlie a specific form of online exchange that may apply to both the pure players (e.g. eBay), on which the whole resale is carried out online and classified ads websites (e.g. Craigslist), which require both buyers and resellers to meet. Our results enrich previous studies in several respects. First, the proposed scale offers a validated measurement tool for assessing online resellers’ motivations, and classify them as sporadic experiencers, pragmatics or online aficionados resellers, across many possible combinations of products and channels. Hence, the consumer reseller category identified in previous studies (e.g. Chu and Liao, 2008; Liao and Chu, 2013), can therefore be further divided into a categorisation resembling low, medium or heavy resellers, depending on their motivational level toward online resale.

Second, by superimposing the ORM concept to the PRI construct, identified thus far, it appears that consumers may navigate across the three types of online resellers identified in previous studies – consumer, mixed role and professional resellers – (Chu and Liao, 2008; Liao and Chu, 2013). PRI determines the extent to which the professional reselling or, at least, mixed role reselling types prevails over consumer reselling. According to our results, PRI increases across the three ORM-based segments which indicate that online aficionados may in fact be more likely to engage in professional reselling who buy products mainly for resale not for self-use. The fact that sporadic experiencers show at least a moderate degree of PRI instead of none,

weakens a monolithic categorization of online reseller, in which, for example, the consumer reseller segment is thought to resell only self-used products.

Third, the relationship between PRI and online resale behaviour is enlightened by the concept of ORM since the latter is an important mediator between the intention to resell a product and its actual resale online. While holding PRI does not directly lead to increased online resale, it is through the increase in ORM that such a relationship exists. It is actually through the envisioning of desirable economic, recreational and practical outcomes that consumers' PRI translate into heightened online resale.

Interestingly, both the economic and recreational factors were identified in offline resale literature as prompters of resale when individuals hold PRI (Sherry [1990] in flea markets; Belk et al. [1988] in swap meets). However, the practical factor was not particularly emphasized. Stone et al. (1996) underlined that practicality is salient in channels where resellers can access a large crowd of buyers such as in their study of car boot sales. Practicality in offline resale may therefore be a matter of channel type with different channels being inherently more or less practical (Gregson et al., 2007; Paden and Stell, 2005). This may explain the mitigated results found by Lemaitre and de Barnier (2015) in their exploratory study of resale motivations which was conducted regardless of channel type. They ended up by deleting a practical factor that initially emerged from their qualitative analysis.

On the Internet, there are large audiences, quasi-infinite shelf spaces, as well as sophisticated filtering capabilities (Bakos, 1997), which enhance altogether the practical aspect of online resale versus offline resale outlets. The Internet medium increased the connectivity and interactivity between buyers and resellers thus rendering the whole online resale channel more efficient and therefore more attractive for practical purposes. Such effects could not be identified in the 1970s, 1980s or early 1990s when the Internet was not yet widespread and as interactive as it has become today.

6.2. Managerial Implications

Most retail companies now use multichannel strategies to capitalize on both online and offline strengths (Berman and Thelen, 2004; Lapoule and Colla, 2016). They may now also wish to consider participating in the granting of 'multiple lives' to products as an additional angle to generate value. One way for doing that would be to provide an online consumer marketplace (Altimeter, 2013; Critical Vision and Crowd Companies, 2014). There is indeed nothing preventing marketing managers from listing pre-owned goods on their current retail website or perhaps separate sister site. Given ongoing consumer interest in acquiring new goods (Chu and Liao, 2007), marketing managers could institute virtual currencies in the form of vouchers for their own new products in exchange for resales, or also allow consumers to use real currency. Not only would this bolster their presence and control in an area often perceived as overwhelmingly informal, but also an online resale section adjacent to new product sections would elicit PRI, especially for high-tech and fashion goods.

Overall, consumers prefer to have easy access to all the content and functionalities they want to access to from one single location rather than from multiple ones (Lee and Cunningham, 2001). Consumers would naturally favour a Web-based structure with adjoining content sections designed to facilitate browsing (Goldenberg et al., 2012). Likewise, consumers invariably prefer to trade with well established, well known businesses (Aaker, 1992) they can trust. Combining pre-owned and new goods on a single website (e.g., Amazon) would increase consumer traffic, promote cross-selling and upselling (especially through PRIs), provide established businesses with an increased share of the growing second-hand marketplace, and foster consumer perception of durables as "liquid assets" (Chu and Liao, 2007) which are readily recoverable and upgradeable.

6.3. Limitations and Future Research Avenues

This study suggests several research avenues, in conjunction with recent business challenges. Firstly, this study did not examine the predictive character of the economic and practical motivations for online resale in relation to the notion of price sensitivity to products sold in conventional stores. More specifically, the Internet is a safety net in that it enables consumers to get rid easily of products and recover the purchase price of a product. This mechanism may diminish purchase resistance based on price considerations and perhaps increase impulse purchases or even compulsive buying.

Secondly, Chu and Liao (2007) identified "resale after temporary ownership" as a specific type of planned resale. It might be interesting to use ORM in conjunction with other relevant constructs such as consumer hoarding (Guillard and Pinson, 2012) or materialism (Belk, 1985), in order to identify the tipping point or the critical point at which consumers start to consider reselling the product. Since our study established a link between ORM and online frequency it may be theorized that the period of usage of the product is

inversely proportional to the online resale motivational level, but positively proportional to hoarding or materialism scores.

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Branding Strategies for Social Media Marketing

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Companies are increasingly recognizing the value of social media marketing for their implication in developing and increasing the value of a brand in online environments. As a result, companies devote time and effort to engage with current and potential consumers on social media platforms and co-create of value with brand advocates. This study focuses on social media marketing as part of digital inbound marketing, its uses for organizations and its potential for branding in online settings. These brand-related social media tactics and strategies involve initiatives such as ongoing business-to-consumer conversations, content that is created and shared on social media, consumer engagement experiences, and a brand persona that invites consumers to co-create the brand in online settings, it promotes interaction, participation, and collaboration with consumers. This study concludes with some recommendations on future research.

Keywords: social media, branding strategy, digital inbound marketing, brands, content marketing, social media marketing, value co-creation

JEL Classification: M31, O33, M39

1. Introduction

Ha (2008) identified the Internet as the fastest growing advertising medium of this decade. Moreover, the internet represents a pull medium because consumers get the opportunity to choose the content and the brands they follow and interact with. In pull marketing, companies are seeking to capture the interest of customers who are already seeking information, advice, a product or a service (Smith and Chaffey, 2013). As a result, the customer is pulling from branded information available in online settings (Pitta and Fowler, 2005).

Currently, there is general understanding that digital media have affected the way a brand connects with a consumer. Digital media includes all the electronic media that disseminate any form of information in digital formats (Smith, 2011) and the most prominent setting for digital marketing is the internet.

Consequently, digital advertising represents a 'form of promotion that uses the Internet for the express purpose of delivering marketing messages' (Smith, 2011). Recent research papers have focused on the prospective of pull or digital inbound marketing that explores how consumers actively seek out brands that provide engaging and valuable content which is relevant to their needs (Halligan and Shah, 2010).

In a previous academic paper, the term 'Digital Inbound Marketing' (DIM) was defined as a new academic concept in online marketing literature, as 'the process of reaching and converting qualified consumers by creating and pursuing organic tactics in online settings.' (Opreana and Vinerean, 2015). In this paper, DIM was examined according to the three main components and online strategies associated with this

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concept: brand-focused marketing communications, content marketing, social media marketing, and search engine optimization. However, in this research we will focus solely on social media marketing as part of digital inbound marketing, and its potential for branding in online settings.

2. Social Media Marketing Uses and Objectives

2.1. Reasons for Organizations to Use Social Media Marketing

Research demonstrates that the marketing spending coordinated with social media are increasing as brands are focusing on:

- developing a constant social media presence,
- interacting with their current or potential customers,
- helping them enhance their brand experiences,

Gillin (2007) proposed different motives that explain the brands' shift toward social media marketing, namely:

- Declining response rates. Customers tend to overlook traditional digital marketing advertising in its different forms (banners, search ads, emails, etc.) because they find them intrusive or invasive.
- Technology developments. Advancements in technology that help brands to better engage with their consumers or that help them monitor the effectiveness of advertising campaigns have led to an increase in the attractiveness of social media marketing.
- Demographic shifts. Individuals, particularly young people, have transitioned in digital settings, and the utilization of customary media channels has declined, leading again to an inclination toward social media marketing.
- Customer preference. Trust is imperative on the web and individuals believe their friends and other influencers more than organizations.
- Low cost. A viral campaign on any social media platform can create many more engaged and connected customers than a campaign on TV, and on social media the cost is much lower than on mass media traditional channels.

Brands should focus on investing time and effort in social media marketing because of the following specifications:

- Valuable relationships with existing consumers. Using social media, brands can reach their current customers and develop these relationships, by engaging in interactions that strengthen the communications (Bartlett, 2010; Hackworth and Kunz, 2010; Tsimonis and Dimitriadis, 2014)).
- Reaching new customers. Social media helps brands to reach new segments of consumers who could not be reached via traditional marketing channels (Tsimonis and Dimitriadis, 2014). Newman (2003) stated that consumers create a "small-world" network where content is easily distributed to a large number of people.
- Raising brand awareness. As an ever increasing number of people are using multiple social media platforms, a brand's presence on various platforms can help propagate its name among a segment of people who are not familiar with it, thus creating brand awareness (Tsimonis and Dimitriadis, 2014; O'Flynn, 2012).
- Sales boost. Social media relationships can also have a positive effect on the revenue associated with a brand (Tsimonis and Dimitriadis, 2014). O'Flynn (2012) discussed the impact of social media that generated an extra million pounds in sales through Twitter for Sony, and three million dollars increase in sales from their presence on Twitter for Dell.

Social media can also be incorporated with CRM, reinforcing the consumer-centric approach of this digital marketing strategy. As a result, a new concept was proposed by various authors (Trainor et al., 2014; Greenberg, 2010), namely 'Social CRM' which is defined by Greenberg (2010, p.413) as "*a philosophy and a business strategy, supported by a technology platform, business rules, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment.*"

2.2. Social Media Marketing Objectives

Multiple studies have explored the objectives of social media marketing for brands in online settings. Various authors and papers (e.g. Ashley and Tuten, 2014; Bianchi and Andrews, 2015; Schultz and Peltier, 2013; Schweidel and Moe, 2014).) proposed objectives such as:

- brand awareness or reinforcement of the brand among targeted consumers,

- sales growth and stimulation for the brand,
- driving traffic to other online brand-related platforms (such as main website),
- lowering marketing costs,
- lead conversion and nurturing, as well as assessment of customer conversion and analysis of the conversion rate for different social media tactics,
- stimulating consumers to share and post content,
- monitoring customer reviews or questions and offering customer service on social media platforms.

Other social media objectives that could be related to consumer engagement, more specifically, driving consumer engagement and increasing the brand interaction with customers. A 2012 study found that 78% of marketers use social media marketing particularly to develop and enhance customer engagement. Customer engagement is behavior-based, it extends beyond buying, and it is focused on a brand or firm (Doorn et al., 2010).

In social media marketing, it is also very important for brands to create the right premises for user-generated content and then share that content created by brand advocates on social media platforms. Nonetheless, particular objectives related to social media marketing may depend on the industry of the brand (for example, a broad classification of business-to-business brand or a business-to-consumers brand) and the overall strategy of the organization. Considering these patterns, there is a high potential for brands and their social media marketing strategy.

3. Branding Strategies on Social Media

As an interactive and interpersonal marketing tool, social media can serve multiple branding purposes. As such, branded social media activities can be used to *'increase brand awareness and brand liking, promote customer engagement and loyalty, inspire consumer word-of-mouth communication about the brand, and potentially drive traffic to brand locations on and offline'* (Ashley and Tuten, 2014). These branded social tactics and strategies are dependent on social networks and may involve initiatives such as ongoing business-to-consumer conversations, content that is created and shared on social media, consumer engagement experiences, and a brand persona that invites consumers to co-create the brand in online settings, invites interaction, participation, and collaboration with consumers.

3.1. Creative Strategies for Brand Messaging on Social Media

The plans of action for brands in social media frameworks important because they have an important effect on advertising results.

Creative strategies in advertising and social media marketing can enhance the receiver's motivation, opportunity, and/or ability to process information from an ad (MacInnis et al., 1991). Exploring creative strategies helps marketers and academics in identifying the right options that will yield the highest return on investment and effectiveness. Academics have developed typologies for message strategies (Ashley and Tuten, 2014). At the simplest level, creative strategies can be distinguished as primarily emotional/transformational or primarily functional/informational (Aaker and Norris, 1982). Functional messages have a rational basis, whereas transformational messages focus on the psychological and emotional characteristics of the targeted customers.

Other than this differentiation of rational vs. emotional messages, brands can also explore creative strategies focused on messages that highlight their unique selling proposition and how they are distinct from other competitors.

Otherwise, branding messages on social media can also be aimed to consumers' inspirations. In this case, a brand projects a certain image that the targeted consumer aims to achieve. On social media, brands can also apply creative strategies with messages that provide insights into particular experiences. For example, GoPro is a brand mostly known for its action cameras and their social media presence is focused on transposing consumers into an adventure with each video that is filmed with a GoPro camera.

Ashley and Tuten (2014)'s study focused on consumer engagement for brands in social media and their findings highlight that functional messages have the most appeal on social media. Because of the experiential, participatory nature of social media, it is somewhat surprising that functional and resonance appeals were used by more brands than the experiential appeal. One possible explanation the authors offer is that brand marketers do not want alienate consumers, especially consumers who feel they are in relationships with a particular brand. Additionally, several creative strategies were associated with customer engagement, specifically experiential, image, and exclusivity messages.

3.2. Consumer Engagement for Brands in Social Media Marketing

Customer engagement is believed to be directly and positively related to a number of relationship outcomes such as satisfaction, trust, affective commitment, and loyalty (Brodie et al., 2011). Customer engagement has great potential to affect customer behavior and many authors consider it a successful retention and acquisition strategy for establishing and sustaining the competitive benefits for brand in digital marketing (Brodie, Ilic, Juric and Hollebeek, 2013; Hollebeek, Glynn and Brodie, 2014).

Thus, considering also the increasing number of people spending more and more time on social media, it is meaningful to study consumers' engagement in this context (Kaplan and Haenlein, 2010).

Since engagement is a key benefit for a brand's social media presence, organizations should encourage active commentators and "likers" in their pages, in such a way that leads not only to more commenting and liking, but also to purchase behavior (Tsimonis and Dimitriadis, 2014).

Regarding consumer engagement in social media activities, brands encourage consumers to develop branded content on social networks. Otherwise, consumers can experience branded content, a concept known as 'branded entertainment'. Zhang (2010) explored branded entertainment content on Facebook through a exploratory content analysis based on play theory as a theoretical framework. Zhang (2010) discovered that 70% of brands used the social media strategy of branded entertainment on the most popular social media platform to engage with users using traditional play themes in their content strategy.

In another line of research, Jahn and Kunz (2012) based their study on the use and gratification theory proposed by Katz in 1959. Jahn and Kunz (2012)'s study explored consumer participation (a component of consumer engagement) in Facebook brand pages and discovered that functional and hedonic contents were drivers of participation. Katz's (1959) theory of use and gratification explains consumers' need for communication which is oriented on content, relationship and self, more precisely

- content orientation refers to the information provided via social media, which can be either functional or hedonic; Jahn and Kunz (2012) found that brands that added high-quality content regularly on Facebook experienced higher usage of their brand pages.
- Relationship orientation focuses on the social interactions provided by these social networks.
- Self-orientation refers to the specific needs of each individual in their quest to experience social interactions provided by online networking platforms.

Jahn and Kunz (2012)'s study found that the essential motivators for consumer participation on Facebook brand pages are related to entertainment, particularly by focusing on consumers' need for escapism, hedonism, aesthetic enjoyment, and feelings. On the opposite side, demotivators are aspects that consumers find irritating on social media, such as Facebook posts that cause anxiety and things that dilute human experiences.

Similarly, Medury (2011)'s research found that consumers have a higher emotional attachment for brands once they receive more information and knowledge about a brand through social media. Medury (2011) also pointed out that consumer attachment increased regardless of the type of social media content (namely, functional or emotional) the brands developed and shared.

3.3. Creating Brand Advocacy through Content Creation and Brand Co-Creation with Consumers

Social media helps facilitate interactions and collaborations among current or potential customers and brands. Also, technological developments help with the development of new interactive platforms for consumers to share, create and generate new content related to brands in online environments.

Consumers get the opportunity to share their experiences on social media platforms, and develop new meanings for brands (Muniz and O'Guinn, 2000). This connection consumers develop with brands leads them to influence with favorable or unfavorable information other potential consumers, and these potential consumers will receive brand-related content from reliable sources, which will further lead to more personal brand experiences in online and offline settings. Therefore, the use of social media platforms is changing the online branding process due to faster information sharing (Chordes, 2009).

Involvement and participation in social media is a key component of brand advocacy and co-created branding with consumers. As a result of this change in consumer behavior, branding is no longer a firm-based activity, which used to provide products to consumers with minimum levels of feedback, but a value co-creation activity (Merz, He and Vargo, 2009) which involves the participation of firms and their respective stakeholders. In turn, co-creation is a process of engaging customers in creating value (Prahalad and Ramaswamy, 2004), as customers are transformed from passive customers to active players (Vargo and Lusch, 2004). In a brand co-created experience, once online customers' intent to co-brand, they provide details of their

shopping experiences and information on their favorite brands, and encourage others to purchase (Gensler et al., 2013).

In social media branding, co-creation reflects a participation from people who seek the opportunity to get involved in the development of brands, products, services with insights, user-generated content, sharing of company-created content, and active interactions related to the brand in online environments.

In addition, encouraging consumers to share positive user experiences via social media can lead to improved brand reputation and sales increases (e.g., by enticing fickle or indecisive consumers to purchase products or services; Kaplan and Haenlein 2010).

Moreover, sharing and propagating the same message on multiple social media platforms can improve message credibility and confidence in the advertised product (Voorveld, Niejens, and Smit, 2010). De Swaan Arons, van den Driest, and Weed (2014) explain the extremely rapid changes that occur in marketing in this digital age, including the use of social media. They remark that “tools and strategies that were cutting-edge just a few years ago are fast becoming obsolete, and new approaches are appearing every day” (p. 56).

4. Discussion and Conclusion

4.1. Theoretical Contributions

The objective of this paper was to contribute to a better understanding of the way organizations approach their branding strategy on social media. The study provides a vital contribution to digital marketing literature by offering branding strategies for social media marketing, gaining more comprehensions on brand opportunities in online settings.

This research integrates social media marketing into a more strategic marketing and management context. Social media marketing provides firms with an opportunity to use social media to develop and create relationships with customers, employees, communities, and other stakeholders. Moreover, social media plays a major role in facilitating interactions among consumers and brands.

Companies expect a number of specific benefits from their presence on social media. Customer engagement was mentioned as the most important one, and the brand advocacy of consumers in sharing and creating content on social media as another important benefit that helps a brand expand in digital marketing.

These branded social tactics and strategies are dependent on social media platforms and may involve initiatives such as ongoing business-to-consumer conversations, created content that is then propagated on multiple social media platforms, consumer engagement experiences, and a brand persona that invites consumers to co-create the brand in online settings.

4.2. Implications for Managers

In addition to theoretical contributions, this research also presents a series of implications for marketing practitioners. Social media marketing can build brands in four important ways: by reminding, informing, persuading, and entertaining consumers. Companies should consistently generate strong content that can be picked up and dispersed by loyal consumers. Thus, companies have to encourage consumers to share their content.

Most importantly, organizations should provide incentives for consumers to share and propagate brand information among their friends on social networks and further. Organizations also should promote their social presence in as many places as possible and enable all site visitors to share accessed content with their personal networks easily.

Researching how branded social content influences the formation of brand schemas would have valuable implications for social media marketers. On a strategic level, social media marketing covers the decisions the management of an organization needs to establish regarding the scope of social media marketing and outcomes they seek on these online environments. The ultimate goal for every organization is to increase sales, be it through new customer acquisition, increased consumption, or up- or cross-selling, and all of these goals can be incorporated in the social media marketing strategy.

4.3. Limitations and Future Directions for Research

Several limitations to the current research suggest potential avenues for future studies. This study is a preliminary attempt to understand how brands use the available social media channels and how they expect to benefit from them. This theoretical article can be extended to encompass an exploratory investigation of the success and failure of social media marketing use for branding purposes, using examples of social media campaign of well-known brands.

Many firms consider customer engagement as an important benefit arising from their activity in social media. A future empirical measurement of the impact of engagement on the perceptions and attitudes toward the brand will help managers to better design and implement their social media strategies.

Future research should be based on the anticipated social media marketing objectives for branding of different organizations from different sectors. Another potential area for future research can be associated with negative actions of consumers related to brand on social media, namely brand boycott on social platforms.

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