How To Sell A Luxury Brand From A Non-Luxury Store. Essays on Managing a Salesperson's Motivation Towards Selling Luxury Brands From A Non-Luxury Multi-Brand Store

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“Education is not the filling of a pail, but the lighting of a fire.”

- William Butler Yeats

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RÉSUMÉ GÉNÉRAL EN FRANÇAIS

Comment vendre une marque de luxe dans un magasin généraliste ?

A. Aperçu De La Thèse

Cette thèse porte sur le sujet de la motivation de la force de vente dans le domaine des marques de luxe, dans le cas particulier où la force de vente n'est pas sous le contrôle du fabricant de la marque de luxe. L'industrie des biens de luxe personnels opère sur le marché via deux voies: la vente « au détail » (directement contrôlé par le fabricant de la marque de luxe) et la vente « en gros » (hors du contrôle du fabricant de la marque de luxe). Un nombre important de ventes est réalisé par la voie de la vente « en gros », où les marques de luxe existent dans un magasin non spécialisé dans les marques de luxe, et où se côtoient des marques de différents statuts. La thèse s'attache à prédire l'effort alloué par les vendeurs aux marques de luxe dans un environnement de vente « en gros » où des marques de statuts différents coexistent.

Cette thèse a trois objectifs. Le premier est d'examiner les mécanismes qui régissent la motivation du vendeur à allouer un effort de vente pour des marques de luxe dans un environnement de vente « en gros » comportant plusieurs marques. Le niveau de connaissance du vendeur sur les différences de statut existant entre les marques est d'un intérêt majeur pour cette thèse. Un deuxième objectif consiste à examiner la façon dont la formation des vendeurs mise en place par les magasins vendant les marques de luxe a un effet sur la motivation du vendeur à vendre des marques de luxe. Et finalement, le troisième objectif est de déterminer l'influence de la marque et des facteurs environnementaux combinés sur la motivation du vendeur à vendre la marque de luxe.

Ces trois objectifs de recherche sont abordés dans trois essais distincts.

B. Résumé De L'essai – L'allocation De L'effort Du Vendeur À Travers Un Assortiment De Marques Haut De Gamme Et Bas De Gamme

L'industrie de luxe a connu une vague de prospérité au cours des dernières décennies. Dans un rapport du Boston Consulting Group datant de 2013, deux principaux moteurs de croissance ont été cités : l'émergence de la classe moyenne et la croissance du nombre de millionnaires. Pour un fabricant de marques de luxe, bien que la hausse de la demande soit une bénédiction, elle présente aussi un paradoxe que les marques de luxe doivent gérer avec beaucoup de précaution : celui de *maintenir une image de marque de luxe* tout en *augmentant sa couverture de marché* pour servir les nouveaux clients et générer des ventes dans un marché en croissance.

Pour maintenir une image de marque de luxe, la rareté est importante. L'exclusivité est créée non seulement à travers l'histoire et l'héritage de la marque, mais aussi avec l'aide de stratégies telles que les prix élevés (pour attirer les clients à revenu élevé), les canaux de distribution spécialisés comme les boutiques offrant les plus prestigieuses formes d'expérience de marque et aussi, en contrôlant l'inventaire et la couverture médiatique de la marque. En particulier lorsqu'il est question de créer une réelle expérience de marque de luxe, la transmission de l'essence de la marque de luxe se fait avec l'aide de boutiques phares (Dion & Arnould 2011).

En gardant à l'esprit ce besoin de l'exclusivité et au détriment de la dilution de la marque de luxe, les marques de luxe existent encore dans des environnements qui ne sont pas contrôlés par le fabricant. Plus particulièrement, l'industrie des biens de luxe personnels opère sur le marché via deux voies : la vente « au détail » (magasins opérés directement, ex : magasin phare, boutiques, coins micro-boutiques, etc.) et les magasins de vente « en gros » (ex : magasins à rayon, magasins spécialisés vendant plusieurs marques, etc.). Les magasins de vente en gros vendent souvent d'autres marques, dans un éventail de marques pouvant varier des gammes de luxe au bas de gamme. Ces magasins de vente en gros ne sont pas sous le contrôle des fabricants des marques de luxe. Le problème du contrôle présente un défi pour les fabricants de marques de luxe sur la façon de gérer l'image de la marque tout en assurant une plus grande couverture de marché à travers ces magasins de vente en gros.

Ceci met aussi en évidence un enjeu essentiel qui est souvent négligé, le *manque de contrôle* des fabricants de marques de luxe *sur les employés des ventes des magasins de vente en gros.* En particulier, le niveau de contrôle que le fabricant de la marque de luxe a sur les employés des ventes diffère largement selon le type de magasin. Cette mesure de contrôle est très importante, puisqu'elle constitue un facteur déterminant au moment de guider les niveaux de motivation des employés des ventes vers la vente d'une marque de luxe plutôt qu'une autre, particulièrement dans un magasin vendant plusieurs marques. Avec un niveau de contrôle variable, la façon dont un fabricant de marque de luxe peut motiver le vendeur à allouer son énergie à sa marque plutôt qu'à une autre pose question.

L'essai – **L'allocation de l'effort du vendeur à travers un assortiment de marques haut de gamme et bas de gamme** – étudie les mécanismes qui déterminent la direction de l'allocation de l'effort de vente du vendeur. Il introduit le concept de « *perceived fit* » (la correspondance perçue) comme étant le déterminant de l'allocation de l'effort. Le « *perceived fit* » fait référence au degré auquel les consommateurs perçoivent que l'association entre deux entités est appropriée et logique (Arnett, Lavarie et Wilcox 2010). Cette notion s'est étendue à l'environnement de vente du vendeur dans un magasin multimarques pour capturer l'idée de la correspondance entre le luxe et la marque du magasin. L'essai aborde les questions suivantes : comment l'évaluation de la correspondance perçue entre la marque de luxe et la marque du magasin affecte-t-elle l'effort de vente du vendeur envers les marques de luxe? Comment l'identification de la marque à une marque de luxe affecte-t-elle l'allocation de l'effort de vente du vendeur et la performance de marque pour la marque de luxe? Comment l'identification et la correspondance perçue du vendeur peuvent-ils être gérés pour orienter les efforts de vente vers une marque de luxe en particulier? Cet essai montre que les vendeurs tendent à avoir un jugement évaluatif sur la nature de la correspondance entre les marques de luxe et les marques du magasin, qui détermine la direction des efforts envers la marque de luxe. Ceci met en évidence le fait que plus la correspondance perçue entre la marque de luxe et la marque de magasin est importante, plus l'allocation de l'effort du vendeur envers la marque de luxe le sera également. De plus, cet essai introduit un nouveau concept : celui de « la sensibilité du vendeur envers le luxe », et montre la façon dont elle affaiblit l'impact de la correspondance perçue sur l'allocation de l'effort de vente chez le vendeur, alors que l'identification du vendeur à la marque renforce cette relation.

C. Résumé De L'essai – Bâtir L'identification Du Vendeur À La Marque Par La Formation

Les entreprises de marketing traditionnelles sont réputées pour investir de façon importante dans la formation de leurs employés des ventes. L'apport de la formation chez les employés des ventes a toujours été un élément central de la stratégie de toute firme. Plusieurs raisons expliquent cet élan envers la formation : pour atteindre de plus hauts niveaux de compétence chez les vendeurs, pour concentrer l'effort sur la rétention du client en formant le vendeur à fournir un service de qualité supérieure, pour développer l'engagement du vendeur envers l'entreprise et aider à sa rétention, entre autres, dans le but final d'augmenter la rentabilité de l'entreprise dans un contexte de concurrence accrue. Les conglomérats de vente au détail ont aussi rejoint le mouvement de la formation des employés des ventes. Alors que l'essentiel de la longue lignée de recherche sur cette thématique a exploré plusieurs problèmes substantiels tels que l'impact de l'apport de la formation sur l'amélioration des niveaux de compétence et sur l'optimisation du moral des employés de vente de détail (Cannell 1999), l'augmentation de la productivité des employés et la rentabilité organisationnelle en tant que résultat de la formation des ventes de détail (Barcala et al. 1999), ou sur la qualité de l'interaction vendeur-client en tant que résultat de l'apport de la formation (Sharma et Levy 2003), *peu de travail a été effectué dans le domaine du renforcement d'une marque avec le vendeur comme point focal.* Alors que la littérature sur la gestion et le marketing a fourni des preuves que la formation peut être utilisée comme outil compétitif pour bâtir une identification organisationnelle (Wayne, Shore et Liden 1997; Edwards et Peccei 2010) et renforcer les associations de marque (Roper et Davies 2010), peu de travaux ont étudié l'impact de la formation en ventes (fournie par un magasin de vente au détail) sur le développement de l'identification à la marque du magasin chez le personnel des ventes.

L'essai – **Bâtir l'identification du vendeur à la marque par la formation** est fondée sur le fait que les magasins de vente en gros vendant plusieurs marques investissent dans la formation de leurs personnels des ventes. En utilisant une perspective théorique fondée principalement sur la théorie de l'échange social, cet essai met la lumière sur les composantes spécifiques de la formation qui mènent vers l'établissement de l'identification du personnel des ventes à la marque du magasin, et son éventuel impact sur le déploiement de l'effort de vente envers les marques de luxe. En particulier, il aborde les questions suivantes : (1) est-ce que la formation transmise par la marque du magasin de détail a un impact sur le développement de l'identification du personnel des ventes à la marque du magasin, (2) si c'est le cas, quelles sont les composantes spécifiques de la formation qui mènent au développement de l'identification à la marque du magasin, et (3) compte tenu du fait que les marques de luxe constituent le moteur des ventes en général, quelles sont les conséquences de l'identification à la marque du magasin sur le déploiement d'un effort de vente pour les marques de luxe et finalement, (4) quel est l'impact sur les performances de ventes générales du vendeur. Cet essai montre, de manière empirique, que les vendeurs tirent un avantage de l'apport des formations, surtout un *avantage cognitif* retiré de la formation *mène vers le développement de l'identification à la marque offrant la formation.* En outre, il montre que puisque la formation est fournie par la marque du détaillant, le développement de l'identification à la marque qui s'en suit est en fait nuisible au déploiement d'un effort de vente pour les marques de luxe.

D. Résumé De L'essai – L'univers Du Personnel De Vente Dans Un Environnement De Détail Multimarques Avec Des Marques De Statuts Disparates

Au cours des dernières décennies, le pouvoir des fabricants s'est graduellement affaibli en faveur des canaux de distribution qui les conduisent au marché, comme les supermarchés et les magasins à rayon. Les entités de canaux de distribution constituent un déterminant important de l'identité des clients finaux; par exemple, avec la communication en magasin et les activités ayant pour but de promouvoir les « marques de magasin » développées par les canaux de distribution, les clients finaux choisissent souvent le magasin chez lequel ils achèteraient une marque de fabricant ou une offre du magasin sur la marque du magasin. L'industrie des biens de luxe personnels n'est pas exempte de cette influence grandissante des marques de magasins. En fait, selon un report de Brain & Co (mai 2014), le marché des biens de luxe personnels s'élevait à 217 milliards d'Euros en 2013, 69% desquels ont été générés en dehors des magasins contrôlés directement par les fabricants de luxe, malgré le fait que ces magasins ne représentent souvent pas le caractère réel de la marque de luxe. À cause de la nature exceptionnelle du luxe, toutefois, l'équilibre du pouvoir entre les marques de luxe et de magasin s'avère complexe.

En plus de l'existence d'un équilibre délicat entre la marque de luxe et la marque de magasin, les fabricants de marques de luxe doivent aussi garder à l'esprit le rôle important des relations client-marque, qui est souvent oublié dans un environnement de magasin par la voie de la relation client-vendeur (Cervellon et Coudriet 2013). L'objectif d'un vendeur dépasse celui de la vente; il consiste à créer un lien avec le client; avec l'objectif d'un achat à court ou à long terme (Lent et Tour, 2009). L'environnement de vente du vendeur doit tenir compte de l'aspect client de la relation lors de la détermination de l'approche du vendeur qui concerne les marques de luxe. Par conséquent, en plus des deux mécanismes psychologiques étudiés dans les essais précédents – l'identification à la marque et la correspondance perçue, cet essai incorpore l'identification avec le client et la correspondance perçue avec le client, autant pour les marques de luxe que de magasins.

En se concentrant sur le vendeur dans un environnement vendant plusieurs marques, incluant des marques de luxe et des marques de magasin, l'essai – **L'univers du personnel de vente dans un environnement dans un environnement de détail multimarques avec des marques de statuts disparates** – propose un modèle conceptuel complet pour faire la lumière sur les questions de recherche suivantes : (1) comment les différentes formes d'identification perçues par le vendeur affectent-elles l'effort du vendeur qui concerne les marques de luxe, (2) comment les différentes dimensions de la correspondance perçue par le vendeur affectent-elles ce même effort, et (3) comment ces paramètres d'identification et de correspondance perçue fonctionnent ensemble pour déterminer la disposition du vendeur envers les marques de luxe, et finalement la performance des marques de luxe dans le magasin. Bien que cet essai n'atteigne pas la validité statistique, il sert néanmoins de base pour des recherches futures.

E. Contributions De Cette Dissertation

Le but de cette dissertation est d'examiner l'environnement de vente d'un vendeur et d'identifier les facteurs qui gouvernent l'allocation de l'effort du vendeur. Dans cette enquête, deux principaux aspects de la situation de vente du vendeur sont étudiés : la dimension cognitive et son impact sur l'allocation de l'effort du vendeur envers les marques de luxe; et la réaction du vendeur en termes d'allocation d'effort les marques de luxe comme résultat de l'apport de la formation fournie par le magasin de vente en gros.

Cette dissertation contribue au corpus des connaissances dans quatre domaines de la littérature académique : premièrement, la littérature sur la motivation du personnel de vente montre que les vendeurs déploient plus d'efforts envers une marque lorsqu'ils s'y identifient (Hughes et Ahearne 2010). La théorie de l'identité sociale nous permet de prédire qu'un vendeur aura davantage tendance s'identifier à une marque haut de gamme (de luxe) qu'à une marque de faible statut (de magasin) (Tajfel et Turner 1086). Dans un magasin de vente « en gros » où plusieurs marques sont présentes, le vendeur peut développer plusieurs identifications aux marques. La littérature a examiné le problème de l'existence simultanée d'identifications, mais par rapport à la situation géographique du vendeur et au travail d'équipe (Wieseke et al. 2012). Aucune recherche n'a exploré à notre connaissance le sujet de l'impact de l'identification à la marque du vendeur, lorsque plusieurs marques de différents statuts se côtoient. Lorsqu'il existe plusieurs marques haut de gamme, la façon dont l'identification à ces différentes marques influence le vendeur à diriger ses efforts de vente dans le magasin pose question. Par conséquent, dans cet environnement de vente « en gros », non seulement le fabricant de marque de luxe ne peut déterminer la direction de la motivation envers le déploiement d'un effort de vente, mais il manque aussi de moyens pour l'influencer.

Deuxièmement, des recherches antérieures sur les gammes renseignent : sur la façon dont le consommateur perçoit la variété (van Herpen et Pieters 2002), sur le choix de magasin du consommateur (Arnold, Aum et Tigert 2983; Briesch, Chintagunta et Fox 2009); et aussi sur différents niveaux de magasins : la rétention des clients (Borle et Al. 2005), les ventes en magasin (Kalyanam, Borle et Boatwright 2007; Sloot, Fok et Verhoef 2006; Boatright et Nunes 2001) et les coûts des détaillant pour vendre la gamme (Baumol et Ide 1956). Toutefois, la littérature n'a pas abordé l'impact potentiel d'un mélange de gammes sur le niveau d'effort en magasin. Cette dissertation examine l'impact de la coexistence de gammes (marques haut de gamme et bas de gamme) au sein d'un même environnement (magasin de vente en gros pour les produits de luxe) sur les efforts de vente du vendeur.

Troisièmement, puisque le problème de l'existence de marques de luxe dans un magasin de vente en gros est un phénomène qui va à l'encontre de la nature des marques de luxe, la littérature sur la « correspondance » entre deux entités en général s'avère particulièrement pertinente pour cette thèse. La correspondance perçue est définie comme étant le degré auquel les consommateurs perçoivent que l'association entre deux entités est appropriée et logique (Arnett, Laverie et Wilcox 2010). Alors qu'il existe de la recherche sur la correspondance perçue et son impact sur l'évaluation des clients face aux extensions de marques (Aaker et Keller 1990; Bousch et Loken 1991; Meyvis, Goldsmith et Dhar 201; Park, Milberg et Lawson 1991), la promotion des produits par les célébrités (Kamins 1990; Misra et Beatty 1990), les associations corporatives (Berens et al. 2005) et aussi sur la performance des magasins (Netemeyer, Heilman et Maxhamm III 2010), il n'y a pas de recherche sur l'impact potentiel de la correspondance perçue des marques de luxe par les vendeurs dans un environnement de marques de magasin. La thèse tente d'explorer ce territoire encore inconnu pour examiner l'évaluation par les vendeurs de cette correspondance et son impact subséquent sur leur motivation et leur performance.

Et quatrièmement, la littérature sur les bienfaits de la formation a fourni des preuves de son utilité en tant qu'outil compétitif pour bâtir l'identification organisationnelle (Wayne, Shore et Liden 1997; Edwards et Peccei 2010) et les associations de marque (Roper et Davies 2010), mais n'a pas évoqué le potentiel de bâtir une identification de marque telle que ressentie par le personnel de vente. Aussi, pour l'évaluation de l'apport de la formation, il existe un domaine de recherche basé sur le travail de Kirkpatrick. Selon le modèle hiérarchique de l'apport de recherche de de ce dernier (1959a, 1959b, 1960a, 1960b, 1967, 1996), la formation peut être évaluée à travers les quatre niveaux : la réaction (à la formation, immédiate), l’apprentissage, le comportement (mesuré en termes de performance individuelle et organisationnelle). Alors que plusieurs recherches ont été menées pour évaluer les résultats de formation à travers ces quatre niveaux, les analyses globales de la satisfaction générale dérivée des avantages de la formation telle qu’expérimentée par les apprentis sont rares (Giangreco, Sebastiano et Peccei 2009; Giangreco et al. 2010).

Des évaluations de la perspective des personnes bénéficiant de formations sont essentielles pour cette étude, puisque la distance perçue du vendeur (comprenant la correspondance perçue et l’identification à la marque) est appréhendée à un niveau individuel. Aussi, puisque la distance perçue est une conséquence de croyances liées à la marque et dépendantes du statut, il est essentiel d’étudier l’impact de la formation dans la façon dont elle interagit avec ces croyances. Pour adopter cette perspective, je propose de conceptualiser l’impact de la formation tel qu’elle est « perçue » par le vendeur en termes de « valeur » créée.

ABSTRACT

How to Sell a Luxury Brand in a Non-Luxury Store

This dissertation explores the sales force motivation issues that exist in management of luxury brands, especially when the sales force is not under the control of the luxury brand manufacturer. The personal luxury goods industry operates via two routes to market – "retail" (directly controlled by luxury brand manufacturer) and "wholesale" (outside of luxury brand manufacturer's control). A significant amount of sales happen via the 'wholesale' route, where luxury brands exist in a non-luxury store often with multiple brands of varying statuses. This dissertation raises the question of how to predict salespeople's effort allocation towards luxury brands in a 'wholesale' multi-brand selling environment where a mix of luxury brands co-exists with non-luxury brands.

The objective of this dissertation is to examine the mechanisms that drive the salesperson's motivation towards effort allocation for luxury brands in a non-luxury 'wholesale' multi-brand environment. Whether the salesperson is cognizant of the status differences that typically exist between a luxury and a non-luxury brand, and its consequences thereof is of key interest to this dissertation. A second objective of this dissertation is to examine how the organizational input of training, imparted by the stores that carry the luxury brands, impacts the salesperson's motivation towards selling the luxury brands.

This dissertation comprises of three standalone essays that address the aforementioned research objectives. Drawing from a vast literature on cognitive dissonance and social identity theory, using multilevel methods, **Chapter 2. Salesperson's Effort Allocation Across an Assortment of High- and Low- Status**

Brands of this dissertation empirically shows that in addition to brand identification, salespeople's effort allocation for a luxury brand are determined by two factors: salespeople's perceived fit between the luxury brand and the store brand and salespeople's sensitivity towards luxury in general. Furthermore, these multi-brand stores often invest in training of their salespeople. Using a theoretical perspective based primarily on social exchange theory, **Chapter 3. Building Salesperson's Brand Identification Via Training** sheds light on the specific components of training that lead to building of salespeople's brand identification towards the store brand, and its further impact on effort allocation towards luxury brands. **Chapter 4. The Universe of Salespeople in a Multi-brand Retail Environment with Status Disparate Brands** is an attempt to exhaustively capture a host of possible psychological factors that could play a role in determining the direction of effort allocation for luxury brands.

This dissertation draws broadly from recent work on brand identification, and goes a step further to address a particularly important issue as faced by a luxury brand manufacturer: *what are the factors that motivate salespeople to sell luxury brands in an environment that is not controlled by the luxury brand manufacturer?* With the help of data collected from multi-brand eyewear stores of the biggest retail eyewear chain in France, this dissertation provides an empirical ground to the existence of the psychological mechanisms that govern the motivation of salespeople in a selling environment with multiple luxury and non-luxury brands.

CHAPTER 1

How to Sell a Luxury Brand in a Non-Luxury Store: An Introduction

A. BACKGROUND TREND: THE LUXURY INDUSTRY AND ITS PARADOX

The luxury industry has seen a tremendous boom over the last decades. In a report by Boston Consulting Group in 2013, two main drivers of growth were cited: emergence of the middle class and the growth in the number of millionaires. As per this report, among the emerging middle class, "the aspirational masses" comprises 330 million consumers and 25-27 percent of the luxury market; and the "rising middle class" has 70 million consumers with a similar share of 25-27 percent. This segment of the emerging middle class is spread across both developed and emerging countries. Another report by Euromonitor in 2011 highlighted the fact that especially between 2005 and 2007, sales of luxury goods grew across both developed and emerging markets; and one of the ways for a luxury brand manufacturer to cope up with this increased demand was to manage its distribution channels across a host of positioning strategies. For a luxury brand manufacturer, while the rising demand is a boon, it also presents a paradox which luxury brands have to manage very carefully: of *maintaining a luxury brand image of exclusivity* while also *increasing its market coverage* to service the new consumers and generate sales in a growing market.

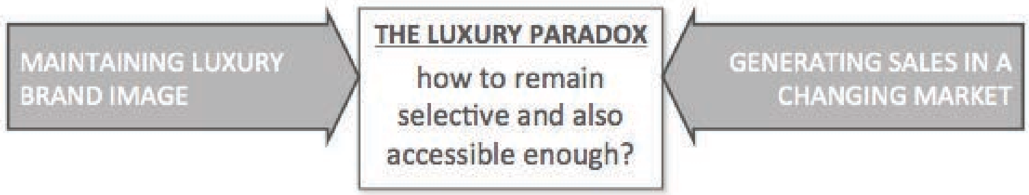
To maintain a luxury brand image, rarity is important. A product's luxury status will be diluted when its penetration rate increases because too many people will own it (Kapferer 2012). This exclusivity, one of the key characteristics that a luxury brand must be able to offer, makes it necessary for the luxury brand not to 'over-expose' itself; and luxury brand manufacturers plan their strategic direction to enable this. For instance, exclusivity is typically created not just with the brand history and legacy, but with the help of inputs like high pricing (to attract the highest income customers), specialized distribution channels like boutique stores which offer the highest form of brand experience and also by controlling inventory and brand exposure. Especially when it comes to the question of creating a true luxury brand experience, the transmission of the essence of the luxury brand takes place with the help of flagship stores (Dion & Arnould 2011).

Keeping in mind this need for exclusivity and at the cost of luxury brand dilution, luxury brands still exist in store environments that are not controlled by them. Particularly, the personal luxury goods industry operates via two routes to the market – ‘retail’ (directly operated stores, e.g. flagship store, boutiques, shop-in-shop corners etc.) and ‘wholesale’ route (e.g. departmental stores, multi-brand specialty stores etc.). The wholesale stores often carries other brands, across a spectrum of high-status luxury brands to lower status mass-market brands. The wholesale stores also often have a wider presence, enabling the luxury brands to have a greater coverage. Furthermore, these wholesale stores do not fall under the control of the luxury brand manufacturers. The issue of control poses a challenge for luxury brand manufacturers on how to manage the luxury brand image while achieving higher coverage via such wholesale stores. Despite this challenge, luxury brand manufacturers continue to exist in a multi-brand wholesale environment due to a number of reasons. First, a wholesale store offers wider and cost-effective market expansion option (as the cost of setting up an independent luxury boutique is very high). Second, for entry-level products of luxury brands, the consumer profile may be more comfortable in a multi-brand environment. Third, to keep the luxury “dream” alive, the end consumers may need the right amount of visibility and reachability, which a wholesale store can offer.

While the wholesale route enables them to harness the sales potential of aspirational consumers and also helps in expanding the consumer base, but luxury brands need to manage this move towards non-exclusivity carefully. Particularly, the luxury brand manufacturers have to ensure that the high-status luxury image of the brand does not get diluted in a store environment that is not controlled by the luxury brand. The luxury brands sold from a wholesale environment may also be subject to unwanted discounting, further diluting the image of the luxury brand. Finally, the luxury brand is also at a risk of over-exposure (and an associated loss of exclusivity), by being present in a wholesale store network which is typically far more widespread than the selected hand-picked destinations for each of the luxury boutique stores.

To sum up, rarity has to be preserved for the luxury brand to be considered truly luxurious; and this feeling of rarity has to be especially preserved when the luxury brand exists outside of its exclusive network. This is where the paradox is. As shown in Figure 1, luxury brand manufacturers deal with managing these oppositional forces:

Figure 1: The Luxury Paradox



This luxury paradox also brings to light a key issue that is often overlooked, the *lack of control* of the luxury brand manufacturers *over the sales employees of the wholesale store*. In particular, the level of control that the luxury brand manufacturer has over the sales employees of a store differs vastly according to the type of stores. As shown in Figure 2, typically, in a luxury flagship store, the sales employees belong to the parent luxury brand manufacturer; and the same is true for all other types of directly operated stores (DOS) – such as independent boutiques stores and shop-in-shop corners. Even within the range of 'wholesale' stores, there exists a huge variation in terms of the level of control available or a luxury brand – at one end exists a departmental store or a multi-brand specialty store that typically has its own formal control systems in place with timely inputs from the luxury brand company, whereas at another extreme end is a licensee agreement with a third-party, wherein the luxury products end up being sold from a set of stores as deemed fit by the licensees that has no direct link with the parent luxury brand company.

Figure 2: Levels of Control Across Type of Stores

Route to Market	Type of Store	Extent of Control Over Salespeople
Retail (Set of Directly Operated Stores)	Flagship Stores	**High** – own sales employees: trained and directed by the parent Luxury Brand Manufacturer
	Boutique Stores	
	Shop-in-shop Corners	
Wholesale	Departmental Stores	**Low** – sales employees of the retail partner organization with timely directional inputs from parent Luxury Brand Manufacturer
	Multi-brand Specialty Stores	
	Licensees	**None** – **sales employees** of the **retail partner** organization

This extent of control is very important, as it is a determinant of guiding salespeople's motivation levels towards selling one luxury brand from the other, especially in a multi-brand store. With this varied level of control, the challenge for a luxury brand manufacturer is to ensure that the salespeople are motivated to sell the luxury brand manufacturer's set of brands amidst the assortment of competing brands, luxury and non-luxury both, typically present in the 'wholesale' store. The salespeople at the wholesale store may not be aligned with the objectives of the luxury brand. In this scenario, it is not clear that how a luxury brand manufacturer may motivate the salesperson to allocate resources towards its brands vis-à-vis other competing brands.

To address the aforementioned issues, this dissertation taps into prior academic literature and proposes additional psychological mechanisms that influence the direction of salespeople's efforts from multi-brand wholesale stores.

B. RESEARCH GAP: DETERMINING SALESPERSON’S MOTIVATIONAL TRIGGERS FOR SELLING LUXURY BRANDS

The aim of this dissertation is to examine the selling environment of a salesperson and to determine what are the factors that govern the effort allocation of the salesperson. In this enquiry, two main aspects of the salesperson’s selling situation was researched – salesperson’s cognitive state of mind and its impact on the effort allocation for luxury brands; and salesperson’s reaction in terms of effort allocation towards luxury as a result of training inputs given by the wholesale store partner. This dissertation adds to the academic literature in four areas: first, prior literature on salespeople’s motivation shows that salespeople exert more efforts towards a brand when they have a sense of identification with it (Hughes and Ahearne 2010). Social identity theory predicts that due to self-enhancement needs, a salesperson may tend to harbor a stronger self-identification with a high-status (luxury) brand as compared to a low-status (non-luxury / store) brand (Tajfel and Turner 1986). Particularly, in the ‘wholesale’ store, the presence of multiple brands may elicit multiple identifications by the salesperson towards the various brands. Literature has examined the issue of simultaneous existence of multiple identifications but with respect to salesperson’s geographical location and the resulting work team vs. organizational identification (Wieseke et. al. 2012). No research has explored the topic of the impact of brand identification of the salesperson, in the presence of multiple status brands. In the presence of multiple high-status luxury brands, how brand identification with these multiple brands influences the salesperson to direct his/her efforts within the store, is not quite clear. Therefore in this ‘wholesale’ store environment, not only is the luxury brand manufacturer unable to ascertain the direction of motivation towards effort allocation, but also at a loss to determine ways on how to influence it.

Second, prior research on assortment documents its impact various consumer level variables - on consumers' perception of variety (van Herpen and Pieters 2002), consumers' choice of the store (Arnold, Aum and Tigert 1983; Briesch, Chintagunta and Fox 2009); and also on store-level variables - customer retention (Borle et. Al 2005), store sales (Kalyanam, Borle and Boatwright 2007; Sloot, Fok and Verhoef 2006; Boatwright and Nunes 2001) and retailer costs of carrying the assortment (Baumol and Ide 1956). However, the literature has been silent on investigating the potential impact of assortment mix on a salesperson's level of effort in the store. Especially in the context of the wholesale store for luxury goods, this dissertation examines the impact of an assortment mix (of high- or low- status brands) on the salesperson's selling efforts.

Third, since the issue of existence of luxury brands in a non-luxury wholesale store is a phenomenon that goes against the nature of luxury brands, the literature on the 'fit' between two entities in general is of interest to this dissertation. Perceived fit is defined as the degree to which consumers perceive that the association between two entities is appropriate and logical (Arnett, Laverie & Wilcox 2010). While there exists prior research on perceived fit and its impact on consumers' evaluation of brand extensions (Aaker and Keller 1990; Bousch and Loken 1991; Meyvis, Goldsmith & Dhar 2012; Park, Milberg and Lawson 1991), celebrity product endorsements (Kamins 1990; Misra and Beatty 1990), corporate associations (Berens et al. 2005) and also on store performance (Netemeyer, Heilman and Maxham III 2012), there is no similar research to investigate the potential impact of salespeople's perceived fit of the luxury brands within the store brand environment. This dissertation forays into this unchartered territory to examine salespeople's assessment of fit and its subsequent impact on their motivation and performance.

And fourth, the literature on the benefits of training has provided evidence for its use as a competitive tool to build organizational identification (Wayne, Shore & Liden 1997; Edwards and Peccei 2010) and brand associations (Roper and Davies 2010), but it has been silent on the subject of the potential of building brand identification as felt by salespeople. Also, for evaluation of training outcomes, there exists a stream of research based on the seminal work of Kirkpatrick. According to Kirkpatrick's (1959a, 1959b, 1960a, 1960b, 1967, 1996) hierarchical model of training outcomes, training can be evaluated across the four levels – reaction (to the training, immediate), learning, behavior (measured as the extent to which the learning result in new behavior at work) and results (measured in terms of individual and organizational performance). While a lot of research has been done to evaluate the training outcomes across these four levels, global analysis of overall satisfaction derived from the training incentives as experienced by the trainees are few (Giangreco, Sebastiano & Peccei 2009; Giangreco et al. 2010). Evaluations from the trainee perspective are essential for this study, as the salesperson's perceived distance (comprising of fit assessment and brand identification) is felt at an individual level. Also, since perceived distance is a consequence of brand-related and status dependent beliefs held by the salesperson, it is essential to study the impact of training in the way it interacts with such beliefs. To adopt this perspective of training, I propose to conceptualize the impact of training as is 'perceived' by the salesperson in terms of the 'value' it creates in their mind.

C. THESIS STRUCTURE

This dissertation is composed of three standalone essays that address the aforementioned research questions. In totality, this dissertation examines salespeople's motivations towards selling luxury brands in a non-luxury wholesale store environment, considering the various internal and external factors associated with this selling situation. While *the first empirical essay investigates salespeople' internal cognitions* related to luxury brands, *the second essay deals with the impact of external factors (specifically training)* on salespeople's motivation and effort allocation towards luxury brands. And finally the third essay assimilates the holistic selling environment of the salesperson to predict the impact on salespeople's performance for luxury brands.

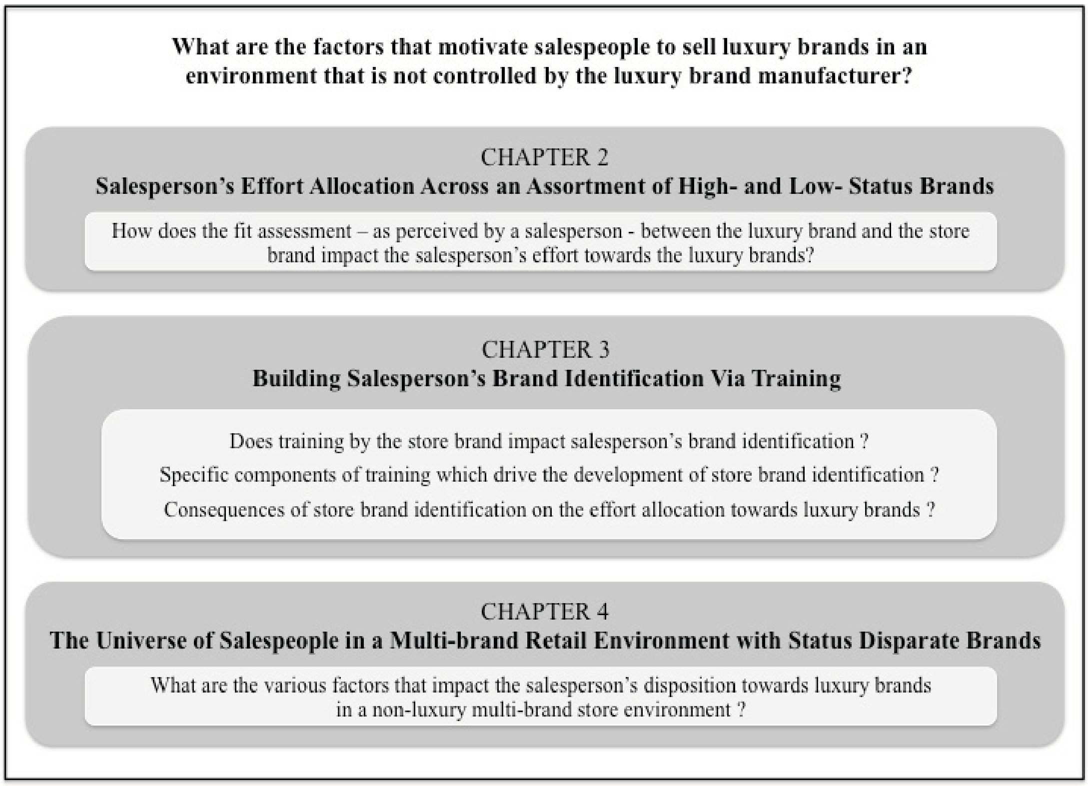
Specifically, **Chapter 2 - Salesperson's Effort Allocation Across an Assortment of High- and Low- Status Brands -** of this dissertation addresses the questions: how does the fit assessment between the luxury brand and the store brand impact the salesperson's effort towards the luxury brands? How does brand identification with the luxury brand impact the salesperson's effort allocation and brand performance for the luxury brand? How can the salesperson's identification and fit be managed, to direct the selling efforts towards a focal luxury brand? This chapter empirically shows that salespeople's tend to have evaluative judgment about the nature of the fit between the luxury brands and the store brands, which determine the direction of effort towards the luxury brand. This chapter highlights the fact that higher the perceived fit between luxury and the store brand, higher is the effort allocation of the salesperson toward the luxury brand. Additionally this chapter introduces a new concept of salesperson's sensitivity towards luxury, and shows how this weakens the impact of salesperson's perceived fit on the salesperson's effort allocation, while salesperson's brand identification strengthens the relationship.

Chapter 3 - Building Salesperson's Brand Identification Via Training builds on the fact that multi-brand wholesale stores often invest in training of their salespeople. Using a theoretical perspective based primarily on social exchange theory, chapter 3 sheds light on the specific components of training that lead to building of salespeople's brand identification towards the store brand, and its further impact on effort allocation towards luxury brands. This chapter empirically shows that salespeople derive value out of the training inputs, and cognitive value derived from the training leads to development of brand identification with the brand imparting the training. Furthermore, this chapter shows that since the training is imparted by the wholesale store brand, the subsequent development of brand identification toward the store brand is in fact detrimental for effort allocation towards the luxury brands.

In **Chapter 4 - The Universe of Salespeople in a Multi-brand Retail Environment with Status Disparate Brands**, I attempt to exhaustively capture a host of possible psychological factors that could play a role in determining the direction of effort allocation for luxury brands. This chapter fails to achieve statistical validity, however this serves as a base for future enquiry.

To sum up, Figure 3 summarizes the overarching structure of the dissertation, before proceeding to the chapters with the empirical essays:

Figure 3: Structure of the Dissertation



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CHAPTER 2

Salesperson’s Effort Allocation Across an Assortment of High- and Low- Status Brands

A. ABSTRACT

While a lot of research has been conducted on assortment and its impact on consumer and store level performance, little is known about how it may impact the salesperson’s effort allocation. An assortment of multiple brands being sold by the salesperson may elicit multiple brand identifications from the salesperson. In the light of recent studies that show that brand identification can increase the salesperson’s effort towards selling the brand, the direction of this effort allocation remains unclear when it comes to selling multiple brands from an assortment. Furthermore, status differences within these brands may bias the salesperson towards putting more efforts for one brand versus the other, especially when the assortment has both high-status luxury brands and low-status brands. Drawing from a vast literature on cognitive dissonance and social identity theory, I propose two critical factors, over and above brand identification, that determine the direction of salesperson’s effort allocation – (A) salesperson’s perceived fit between luxury and store brand and (B) salesperson’s sensitivity towards luxury. By the store brand, I mean the retailer with a strong identity that also produces its own line of products strategically branded to create a competitive advantage. I discuss the results and offer practical insights to luxury brand and retail sales managers. Further, I discuss the limitations of the study and provide directions for future research.

Keywords: salesperson’s perceived fit between luxury and store brand, salesperson effort allocation, salesperson performance, brand identification, status difference

B. INTRODUCTION

The personal luxury goods industry operates via two routes to the market – 'retail' route (directly-owned stores, e.g. flagship store, boutiques, shop-in-shop corners etc.) and 'wholesale' route (e.g. departmental stores, multi-brand specialty stores etc.). While the retail route of distribution is extremely important, not only for sales but also for maintaining the high-status image of the brands, the highest share of sales for personal luxury goods are realized through the wholesale route. As per a report by Bain & Co. (May 2014), the personal luxury goods market amounted to 217 Billion Euros in 2013, out of which 69% was generated through wholesale. Unlike the retail route for luxury brands, the wholesale route often carries multiple brands of various luxury, prestige and sometimes even mass-market brands, in addition to its own home-brand (i.e. the store brand); possibly resulting in some dilution of the luxury brand's high-status image. However, given the high share of sales via the wholesale route, it is imperative for a luxury goods company to continue its presence, and find ways of increasing its own brand sales while existing within such a multi-brand selling environment.

Therefore, the challenge for a luxury brand company is - ensuring the sales of its own brands amidst the assortment of competing brands, luxury and non-luxury both, typically present in the 'wholesale' store. Particularly, the two issues faced by a luxury brand company are (1) the wholesale store's image may not correspond with the luxury image of the brands they carry; the resulting status discrepancy may hurt the luxury brand performance, and (2) the assortment of luxury and non-luxury brands in the wholesale store may influence the salesperson's motivation towards selling the luxury brand.

First, the brand experience offered by a luxury brand differs across the type of stores. Though luxury brands are particular about how the brand is preserved and presented in a ‘retail’ store, a fully-controlled luxury-selling environment cannot be recreated in a ‘wholesale’ store. Within the ‘retail’ set of stores, a luxury brand offers its highest level of brand experience at its flagship store (for example, Dior’s flagship store at Avenue Montaigne, or Louis Vuitton’s flagship store at Champs Elysees), followed by the next level at a boutique store (such as Dior exclusive store at any location in the world) wherein the store is designed to offer a brand experience in line with that of the flagship store. In contrast, when it comes to the question of a ‘wholesale’ (primarily multi-brand environments such as departmental stores, tax-free operators at airports), the brand image of a particular brand gets diluted to a certain extent. The elements of a typical luxury environment especially the aesthetics associated with a luxury ‘retail’ store are often not replicated by a luxury ‘wholesale’ store. The ‘wholesale’ store has its own brand image that often does not meet the high standards of that of a luxury brand. This discrepancy in image is an issue that luxury brand manufacturers face when they enter a multi-brand environment.

Second, a luxury brand company has a complete control over the governance of its own ‘retail’ stores – also known as directly operated stores (DOS). This degree of control by a parent luxury brand company diminishes when it comes to the ‘wholesale’ set of stores. For instance, within the range of ‘wholesale’ stores, there exists a huge variation in terms of the level of control available for the luxury brand company – at one end exists a departmental store that typically has its own formal control systems in place with timely inputs from the luxury brand company, and at another extreme end is a licensee agreement with a third-party, wherein the luxury products end up being sold from a set of stores as deemed appropriate by the licensee that has no direct link with the parent luxury brand company. This issue of diminishing control implies that the sales personnel at the wholesale store may not be aligned with the objectives of the luxury brand. In this scenario, it is not clear that how a luxury brand manufacturer may motivate the salesperson to allocate resources towards its brands vis-à-vis other competing brands.

Resource allocation by salespeople is a critical factor to determine sales; and is typically directed by a combination of control systems. This set of control systems may consist of output or behavioral controls, or often times a combination of both (Anderson and Oliver 1987). In addition to the impact of control systems, recent research has shown that resource allocation, in terms of effort expended, is also largely driven by brand identification of a salesperson towards a focal brand (Hughes and Ahearne 2010). Particularly, a salesperson exerts more effort towards the brand that he / she has higher brand identification with. Therefore the question of resource allocation within a 'wholesale' store is tied with the idea of extent of identification with the multiple brands present in the store.

The propensity of a salesperson to harbor a sense of identification towards a brand has its roots in social identity theory (Tajfel 1978; Van Dick et al. 2004). In accordance with the social identity theory, due to self-enhancement needs, a salesperson may tend to harbor a stronger self-identification with a high-status (luxury) brand as compared to a low-status (non-luxury / store) brand (Tajfel and Turner 1986). In the 'wholesale' store, the presence of multiple brands may elicit multiple identifications by the salesperson towards the various brands. However, in the presence of multiple high-status luxury brands, how brand identification with these multiple brands influences the salesperson to direct his/her efforts within the store, is not quite clear. Therefore in this 'wholesale' store environment, not only is the luxury brand manufacturer unable to ascertain the direction of motivation towards effort allocation, but also at a loss to determine ways on how to influence it.

This study explores an alternative mechanism of influence that governs the effort allocation by the salesperson: perceived fit. The degree to which consumers perceive that the association between two entities is appropriate and logical, is referred to as perceived fit

(Arnett, Laverie and Wilcox 2010). Research on perceived fit documents its impact on consumers’ evaluation of brand extensions (Aaker and Keller 1990; Boush and Loken 1991; Meyvis, Goldsmith and Dhar 2012; Park, Milberg and Lawson 1991), celebrity product endorsements (Kamins 1990; Misra and Beatty 1990), corporate associations (Berens et al. 2005) and also on store performance (Netemeyer, Heilman and Maxham III 2012). Higher level of fit is associated with more favorable evaluations. Furthermore, a retailer often produces its own line of products “store brands”, strategically branded to create a competitive advantage in the market place. However, virtually no research has investigated the potential impact of salesperson’s perceived fit between the store brand and the brands being sold from the store, on the effort allocation and brand performance. Particularly, in the context of ‘wholesale’ stores, the notion of perceived fit of the luxury brand with respect to the store brand becomes paramount to determine the salesperson’s disposition towards selling the luxury brand.

With a focus on exploring the alternate mechanism of perceived fit, in this chapter, I would like to propose a conceptual model to shed light on the following issues: (1) how does the fit assessment between the luxury brand and the store brand impact the salesperson’s effort towards the luxury brand, (2) how does brand identification with the luxury brand impact the salesperson’s effort allocation and brand performance for the luxury brand, and (3) how to manage the salesperson’s identification and fit, to direct the selling efforts towards the focal luxury brand.

The rest of the chapter is organized as follows. Section C discusses the conceptual model, theoretical background and hypotheses. I present the methodology in Section D and discuss the results in Section E. Finally, I conclude in Section F.

C. CONCEPTUAL BACKGROUND AND HYPOTHESES

As shown in Figure 1, I expect that the extent to which a salesperson perceives the luxury brand and store brand to be a fit, i.e. salesperson's perceived fit between luxury and store brand, will determine the salesperson's relative luxury brand effort allocation. I expect that the extent to which a salesperson identifies with the luxury brand, i.e. salesperson's luxury brand identification, will influence the relationship between perceived fit and relative brand effort allocation. I further suggest that a potentially competing influence, the extent of a salesperson's sensitivity towards luxury as a concept, will also influence the relationship between perceived fit and relative brand effort allocation. The relative effort allocation towards the luxury brand will affect the salesperson's brand sales performance. Finally, I suggest that the extent to which the control systems are aligned with the target luxury brand will have an impact on relative brand effort allocation and brand sales performance.

Cognitive Dissonance and Need for Cognitive Consistency (Festinger's Theory of Cognitive Dissonance / Heider's Balance Theory)

In this section, I build on the universality of the need for cognitive consistency to introduce my first construct: salesperson's perceived fit between luxury and store brand. Festinger's (1957) theory of cognitive dissonance has opened up a huge stream of research in the domain of social psychology and other related areas. The primary tenet of his theory is that the presence of inconsistent cognitions elicits an aversive state of arousal of the mind (known as dissonance), which in turn produces a need to reduce the original inconsistency and to maintain a state of consonance. Specifically, it suggests that an individual has cognitive elements ('knowledge') about himself, his past behavior, his beliefs and attitudes and his environment. If one cognitive element follows the other, there is consistency; if not then there is cognitive dissonance that is psychologically uncomfortable. Festinger’s (1957) original definition states that two cognitive elements are inconsistent, if one element follows from the opposite of the other. More formally, this definition can be restated as: “x and y are dissonant if not-x follows from y” (p. 13), with x and y subsuming “any knowledge, opinion, or belief about the environment, about oneself, or about one’s behavior” (p. 3).

On a similar note, Heider (1958) sought to explain a psychological system by which people help themselves understand and manage social relations. The primary idea of Heider’s balance theory states that when faced with non-conforming opinions about a shared stimulus, a state of imbalance is created in the mind of the individual. This state of dissonance is resolved through attitude change either toward the person with whom the stimulus is being shared or toward the shared stimulus. Specifically, Heider’s (1958) balance theory is concerned with the psychological processes that occur when a person P simultaneously experiences cognitions about some entity X (an object, a person, or an idea), and about some other person O, whose cognitions about X are of interest to P. The triad is balanced when all three of the relations P/O, P/X, X/O are positive or when two of the relations are negative and one is positive. Heider’s theory essentially deals with multiple cognitions as experienced by an individual, and the relations within these cognitions so as to achieve a state of balance.

Gawronski in 2012 examines these original concepts and makes a transition towards defining inconsistency not as a result of ‘cognitive elements’, but as a result of multiple ‘propositional beliefs’. He states “*Propositional beliefs can be either general if they refer to categories of objects (e.g., Germans are organized) or specific if they refer to individual objects (e.g., Bertram is disorganized). Thus, counter to Festinger’s (1957) concern with the relation between two cognitive elements, inconsistency is most often the result of more than two propositional beliefs (e.g., Germans are organized; Bertram is disorganized; Bertram is German).*” This new definition does not deviate completely from the original conceptualization by Festinger; rather it makes the interpretation of cognitive consistency in a relatively broad manner, to be able to include a large set of constructs and phenomena.

Festinger (1957) believed that cognitive consistency is paramount and as basic as hunger and thirst; but there have been opposing views to this ideology. On the one hand, against the universality of the 'need for cognitive consistency' are studies that show that the domain of this subject is narrow and directed only to the self. For instance, dissonance-related attitude change was attributed to mechanisms of ego-defense, such as the need to maintain consistent views about the self (Aronson 1968), the need to maintain a positive self-image (Steele and Liu 1983), feelings of personal responsibility for producing aversive consequences (Cooper and Fazio 1984), or the need to maintain self-views that are consistent with one's personal standards (Stone and Cooper 2001). However all of these stem from the assumption that inconsistency is relevant only when it matters to the self. Also, this paradigm of research focuses on the aspect of attitude change primarily instead of the idea of inconsistency resolution (which is a far more inclusive construct for a broad sense of strategies possible to deal with the aspect of resolution). On the other hand, in support of the universality of the 'need for cognitive consistency' Festinger (1957) clearly mentions that cognitive inconsistency can be resolved in many ways *other* than attitude change. Two potential outcomes have been observed when it comes to the question of resolving such a state of cognitive inconsistency – a revision of belief as per the literature on attitude change (Brehm 1956; Festinger and Carlsmith 1959) and deviation from context-appropriate behavior (Quine and Ullian 1978; Harmon-Jones, Amodio, and Harmon-Jones 2009). Furthermore, Quine and Ullian 1978 highlight that a lack of cognitive consistency (i.e. cognitive inconsistency) is an important parameter when it comes to the process of signaling potential errors in one's system of beliefs. They state that the presence of inconsistency is a clear cue for errors in the system of beliefs that require appropriate revisions. Having to deal with errors in a system of beliefs is a fundamental issue of great relevance, which needs active resolution. The central argument of the Gawronski’s 2012 paper also points towards the quintessential nature of the ‘need for cognitive consistency’.

Salesperson’s Perceived Fit Between Luxury and Store Brand

In the context of my study, in a multi-brand store where luxury brands exist, the salesperson deals with high-status luxury brands within a non-luxury store brand environment; and this, I posit, is a source of potential cognitive dissonance. A non-luxury store brand is - retailer with a strong identity that also produces its own line of products strategically branded to create a competitive advantage. Store brands are managed solely by the retailer for sale only within its own chain of stores. The retailer often invests in building of the store brand with traditional brand-building activities, to reinforce the consumer-led loyalty towards the store as a brand. While a luxury brand connotes superlative status and quality, a store brand does not. As has been highlighted before, it is known that, when it comes to the management of multi-brand outlets, luxury brand manufacturers have no control over them. Therefore, even though luxury brands may be present in a multi-brand store environment, the luxury brand manufacturer does not have the power to hold the store brand accountable to ‘match-up’ to the high-status luxury brands that they carry.

While the selection of which type of multi-brand stores to partner with is a key decision for most luxury brand manufactures, even after the best selection process, the luxury brand environment that is created as a part of the brand promise from a typical boutique store (wholly owned by the luxury brand manufacturer) cannot be replicated when it comes to the case of a multi-brand store. This results in creation of a cognitive inconsistency in the following way: as the salesperson is not impervious to the long-term branding activities by the high-status luxury brands, he/she does have cognition of the ‘high’ status of the luxury brands; and is able to perceive the differences between a luxury brand and a non-luxury (store) brand (i.e. a multi-brand wholesale store brand). Factors such as store attributes (physical store appearance, price levels, number of price promotions etc.) influence the overall store brand image (Ailawadi and Keller 2004). Such factors highlight the distinction between the selling environment of luxury brands and that of multi-brand wholesale stores with a mix of high- and low- status brands.

Salespeople from such a multi-brand environment carry the following propositional beliefs: (a) Luxury brands exist in a high-status luxury environment. (b) I sell luxury brands from my store. (c) My store does not have a high-status luxury environment nor is a high-status brand. These set of inconsistent propositional beliefs are the origin of what I call as cognitive dissonance for the salesperson. As one salesperson participating in the pre-study qualitative work stated, "My store carries all the top luxury brands that exist in the market, but it is not the same thing to sell it from here, as compared to selling it from a boutique store in Avenue Montaigne (the luxury street of Paris). And I am not sure if all these brands should even exist here in my store."

Although the idea of perceived fit as felt by the salesperson has not yet been well researched, there is a rich literature on brand extensions from which to draw inferences. Fit assessment has been an important determinant in this literature; as per which the transfer of perceived quality attributes from the old brand to the 'new' brand is enhanced when the two brands (product classes) fit together (Aaker and Keller 1990). Several theoretical perspectives such as cognitive consistency (Heider 1958; Osgood and Tannenbaum 1955), stimulus generalization (Bierley, McSweeney, and Vannieuwkerk 1985; McSweeney and Bierley 1984), affect transfer (Wright 1975), and categorization theory (Cohen and Basu 1987; Fiske 1982; Fiske and Pavelchak 1986; Sujan 1985) also support the notion of fit as a determinant of attributes of the new brand. The brands that are perceived to fit well, gather better consumer evaluations (Aaker and Keller 1990; Boush and Loken 1991; Meyvis, Goldsmith, and Dhar 2012; Park, Milberg, and Lawson 1991). Such a notion of fit is not just restricted to the consumer feedback on brand extensions, but it extends to evaluations of the fit between celebrity and product endorsements (Kamins 1990; Misra and Beatty 1990), and also on store performance (Netemeyer, Heilman and Maxham III 2012). In summary, the vast literature in the domain of brand extension, and other related domains, point to the fact that a higher fit assessment is desirable.

For salespeople who sell luxury from a multi-brand store, the notion of cognitive inconsistency resonates with the idea of perceived fit. A salesperson's assessment of the fit between a luxury brand and a store brand connotes his/her evaluation of the consistency in his/her cognition. Therefore, I define salesperson's perceived fit between luxury and store brand as the assessment of the salesperson with regards to the consistency between the luxury brand and the store brand as per his/her cognition.

Salesperson's Perceived Fit Between Luxury and Store Brand and the Subsequent Relative Effort Allocation for the Luxury Brand (Mandler's Incongruity / Expectancy Theory / Attribution Theory)

The fit assessment of a salesperson regarding the luxury brand and the store brand has two possible implications on the subsequent allocation of effort towards the luxury brand in question. On the one hand, according to prior research (Mandler 1981; Tesser 1978), moderate level of incongruity (or 'misfit') is theorized to evoke a greater arousal level, possibly drawing a salesperson's attention to the focal luxury brand within the mixed assortment with a favorable disposition, on the other hand due to the perception of a 'misfit', the salesperson may try to engage in resolving this with his/her already limited cognitive resources, leading to an unfavorable disposition (Meyers-Levy and Tybout 1989). In support of the latter, there is evidence from expectancy theory (Vroom 1964) and attribution theory

(Weiner and Kukla 1970), suggesting that a salesperson's lower level of perceived fit between luxury and store brand is detrimental for effort allocation for luxury.

Vroom's (1964) expectancy theory states that "the strength of a tendency to act in a certain way depends on the strength of an expectancy that the act will be followed by a given consequence (or outcome) and on the value or attractiveness of that consequence (or outcome) to the actor". Extending this research, Walker, Churchill and Ford (1977) put forward the notion that psychological consequences of a salesperson are a determinant of his/her motivation level. A state of cognitive inconsistency, in the form of level of perceived fit between luxury and store brand, necessitates the salesperson to allocate cognitive resources to resolve this inconsistency, therefore impacting the mental resources available for effort allocation; in this scenario, the motivation of the salesperson to put efforts for the luxury brand is affected. A higher level of cognitive inconsistency (i.e. a lower fit perception) will therefore have a negative impact on the motivation of the salesperson towards effort allocation for the luxury brand and vice versa.

Kelley's (1967) attribution theory of motivation suggests that people search for causes of their successes and failures in order to attain "a cognitive mastery of their environment". Prior research has identified a range of specific attributions such as luck, mood, ability, effort, strategy, and difficulty of the task (Anderson and Jennings 1980; Weiner 1980); which have been also classified as per the three dimensions **-** locus, stability, and controllability (Weiner 1980). In the case that a salesperson's perceived fit of the luxury and the store brand is low, essentially what the salesperson believes in is the fact that "either the luxury brand in question does not belong here" or "the luxury brand in question is not in its 'appropriate' environment" or "the luxury brand is not supposed to be sold from this store brand and its environment". In all these potential cases, the controllability dimension is something that the salesperson does not have. In line with attribution theory, thus, the salesperson might have a predisposition to expend less effort towards selling the luxury brand if he/she perceives a ‘misfit’.

Effort has been defined as “the force, energy, or activity, by which work is accomplished” (Brown and Peterson 1994) and past research in sales management literature has shown that the direction of effort is a major determinant of sales performance (Weitz, Sujan, and Sujan 1986; Brown, Cron, and Slocum 1997). In a multi-brand environment, especially when the customer-seller interaction is rooted in consultation before the final sale, the direction of effort is very crucial. Pertaining to such a multi-brand selling scenario (even though in a B-to-B context), Hughes and Ahearne (2010) define brand effort as “the force, energy, or activity expended against the focal brand relative to that expended against all other brands”. Given a wide assortment of high and low status brands in a wholesale salesperson’s portfolio, the brand effort is realized across two levels - the first is within the two status groups i.e. directing selling efforts towards the high-status brand assortment or towards the low status one, and the second is within the status group towards the focal brand. Salesperson’s relative luxury brand effort, as I conceptualize here is the effort expended on the focal luxury brand relative to all the other brands present in the store.

To sum up, a higher level of salesperson’s perceived fit between luxury and store brand will cause less cognitive inconsistency, in turn cause preservation of cognitive resources that would otherwise be utilized for resolution of the inconsistency; and also give a sense of more controllability to the salesperson, motivating him/her to expend more effort towards selling the focal luxury brand. Thus,

H1 : *The higher the salesperson’s perceived fit between luxury and store brand, the higher is the salesperson’s relative brand effort expended for the luxury brand.*

Salesperson's Luxury Brand Identification

Performance is tied to identification. Social identity theory posits that self-concept of a person is derived in part by the psychological membership in various social groups that he/she belongs to (Tajfel 1978). Social identity theory has been used exhaustively to understand a person's psychological attachment to an organization (Ashforth and Mael 1989; Bhattacharya, Rao, and Glynn 1995; Smidts, Pruyn, and Van Riel 2001). In defining their identities, as derived from the organization, members often get a sense of well-being from their organizational membership, sometimes also 'basking in the reflected glory' of the positive image of their organization (Cialdini et al. 1976). Actual membership is not necessary, as it has been documented that a psychological group is far more than an extension of interpersonal relationships (Turner 1985) and identification can arise even in the absence of interpersonal cohesion, similarity, or interaction and yet have a powerful impact on affect behavior (Ashforth and Mael 1989).

In previous research (Hughes and Ahearne 2010), brand identification has been defined as the degree to which a person defines him- or herself by the same attributes that he or she believes defines a brand. Just as formal membership in a group is not required for identification (Pratt 1998) consumers also prefer brands that elicit associations consistent with self-identities either actual or desired (Sirgy 1982). A higher identification with a brand would lead to a greater willingness to expend effort for the brand (Hughes and Ahearne 2010). However in the case of a salesperson selling high-status luxury brands from a multi-brand wholesale environment, the effects of brand identification on relative effort allocation for the luxury brand are likely more complex. If luxury brand identification is high, the salesperson feels more strongly connected with the brand at a personal level; also when the salesperson has high luxury brand identification, he/she gets invested in the success of the brand. A high perceived fit assessment by the salesperson indicates a better cognitively consistent evaluation. Given a higher fit evaluation, a salesperson is more likely to expend higher efforts for the luxury brand when he/she has a personal connection to the brand. Therefore, salesperson’s luxury brand identification should amplify the positive effects of the salesperson’s perceived fit between luxury and store brand on the amount of effort the salesperson places on the luxury brand. Moreover, since the salesperson is personally motivated towards the luxury brand, higher luxury brand identification by the salesperson would bias the latter towards the luxury brand, also potentially mitigating the impact of a low perceived fit on the effort allocation. Thus,

H2 : *A salesperson’s luxury brand identification strengthens the positive relationship between the perceived fit between luxury and store brand and relative brand effort for luxury*.

Luxury and Salesperson’s Sensitivity Towards Luxury

Little agreement exists in the academic literature on the definition of a luxury brand (Chevalier and Mazzalovo 2008; Vickers and Renand 2003; Nueno and Quelch 1998; Vigneron and Johnson 2004): “Luxury is particularly slippery to define. A strong element of human involvement, very limited supply and the recognition of value by others are key components” (Cornell 2002). The word luxury “defines beauty; it is art applied to functional items. Like light, luxury is enlightening. […] Luxury items provide extra pleasure and flatter all senses at once… Luxury is the appendage of the ruling classes” (Kapferer 1997). Kapferer 1998 also states that the luxury concept is a very subjective one, and also constantly evolving. One of the main differences that exist between luxury and non-luxury brands or counterfeits is the set of psychological benefits that can be derived from the former (Arghavan and Zaichkowsky 2000). Luxury is also seen in terms of the value perceptions with various dimensions such as financial, functional, individual and social (Wiedmann et al 2007). Similarly, the motives for buying luxury are also many – ranging from interpersonal aspects like snobbery and conspicuousness (Leibenstein 1950; Mason 1981), to personal aspects such as hedonist and perfectionist motives (Dubois and Laurent 1994) as well as situational conditions (e.g., economic, societal, and political factors) (Vigneron and Johnson 1999, 2004). Another exhaustive definition of luxury offered by Kapferer and Bastien 2012 states that the concept of luxury encompasses six criteria – a qualitative hedonistic experience or product made to last, offered at a price that far exceeds what their mere functional value would command, tied to a heritage, available in purposefully restricted distribution, offered with a personalized service and representing a social marker.

The subjective nature of luxury is not surprising, as the concept of luxury is closely linked with the notion of 'excess over necessity'. The meaning of luxury changes according to person, place or time (Michman and Mazze 2006). Dubois and Paternault (1995) put forward an understanding of luxury in terms of its "dream value". Such a subjective conceptualization of luxury lends the concept open to various levels of interpretation when it comes to an individual level. Importantly, the value of luxury as a concept in the mind of an individual may be different; i.e. not every individual may have a similar level of interest in the consumption of luxury or 'dream of luxury' in the same way. I suspect that individual differences are bound to exist with regards to a concept as elusive as that of luxury. When it comes to the case of salespeople, they too are participants in the observation/consumption of luxury as a concept – with varying levels of interest that they may attach to it. Anecdotal evidence shows that often times customers of luxury stores felt a certain sense of coldness in the attitude of the salespeople inside the luxury store; as if the customers were subjected to a judgment by the latter. This hints towards the fact that these salespeople were clearly the type of individuals with an extremely high regard for luxury; as much as compelling them to exhibit an in-group vs. out-group behavior. To capture this individual aspect of a salesperson's disposition, I introduce the concept of salesperson's sensitivity towards luxury.

The extent to which a salesperson personally values the concept of luxury is defined as the salesperson’s sensitivity towards luxury. For instance, a salesperson can be considered to be high in sensitivity towards luxury if he/she has an overall high value for luxury for the self – i.e. he/she attaches great importance to the concept of luxury, appreciates the meticulous details associated with the narrative of luxury as a concept and actively dreams about being a part of the luxury world. This construct captures a general trait of the salesperson with respect to luxury as a concept; i.e. it is not brand-specific, but concept-specific.

Salespeople within a multi-brand wholesale environment, who display a high sensitivity towards luxury as a concept, tend to be more defensive about luxury brands in particular. For instance, these salespeople with a high level of sensitivity towards luxury tend to pay more attention to the cues of the luxury brands they interact with; they are more cognizant of what makes these particular luxury brands unique, and especially because they belong to the non-luxury store brand environment, they are more judgmental of the immediate associations with the luxury brands within their control – i.e. more discerning about the customers they are selling these brands to, more conscious of the environment where they are selling these brands from, etc. Owing to such a judgmental disposition, salespeople with a high sensitivity towards luxury as a concept tend to view their own selling activities within the wholesale store with an underlying sense of skepticism.

Salesperson’s perceived fit between luxury and store brand captures one specific evaluation of a target luxury brand with respect to the store brand, whereas the sensitivity towards luxury captures a general predisposition towards luxury as a concept. I posit that despite a high level of perceived fit between the luxury and the store brand, the salesperson with a high sensitivity will inhibit effort allocation towards the luxury brand. The general disposition towards ‘protecting luxury’ will weaken the positive impact of perceived fit. Thus,

H3 : *Higher levels of salesperson’s sensitivity towards luxury weakens a favorable impact of high salesperson’s perceived fit between luxury and store brand on relative brand effort for luxury.*

Salesperson’s Luxury Brand Performance and Control System Alignment for Luxury

While relative brand effort is one of the key outcome variables that I have focused on, I also consider the performance outcome as a result of this effort allocation. Particularly I consider luxury brand sales performance. In line with Hughes and Ahearne 2010, I define salesperson’s luxury brand performance as the proportion of sales the focal luxury brand represents out of the total sales volume achieved by the salesperson. In general, the more relative effort the salesperson puts for a focal luxury brand, the higher is the possibility of achieving sales of the luxury brand. Furthermore, to determine the impact of relative effort on performance, control system alignment for luxury plays a crucial role.

I define control system alignment for luxury as the extent to which the control systems put in place by the store to direct and motivate its sales personnel are aligned with the goals of the focal luxury brand. As the control system alignment increases (in favor of the luxury brand), the salesperson can afford to place more relative effort in favor of the luxury brand; and also strengthen the impact of relative effort on the sales of the luxury brand. Thus,

H4 : *Greater salesperson’s relative effort for the luxury brand results in an increased salesperson’s luxury brand performance.*

H5 : *Control system alignment for luxury (a) increases the salesperson’s relative effort for luxury and (b) strengthens the impact of salesperson’s relative effort for luxury on salesperson’s luxury brand performance.*

D. METHODOLOGY

Sample

Data were collected from a set of multi-brand retail stores of a single chain that sells eyewear across France and dominates the market. The stores are a part of a central cooperative chain with the head office in suburban Paris. The central cooperative group lends its brand name and expertise in this category along with all the marketing support elements for the stores, but the stores are independent. This central group invests a lot in brand-building activities to ensure a clear brand proposition in the market. This group was chosen due to the fact that it is active in creation of its own brand and it does not have a luxury positioning; which is the typical case of most store brands that create a multi-brand environment. The stores within the group are free to choose from a huge spectrum of brands (luxury and non-luxury both) that are made available to them via the central chain; in light of which I added the number of luxury brands present within each store as a covariate in the model. This product category was chosen because it lends itself to a store environment where luxury brand have traditionally co-existed with non-luxury brands. The product category is such that mostly all of the sales takes place as a result of consultations with the end consumer. In line with previous literature in the sales force domain (Brown and Peterson 1994; Wieseke, Homburg, and Lee 2008), the present study was administered in a single company, at the risk of constraining the overall ability to generalize the results. However, the internal validity of the study is enhanced due to a better control over contextual factors that is possible by using data from one company (Jones, Sundaram, and Chin 2002).

The organization of the sales team was consistent across the stores, with several salespeople reporting to one store manager. Surveys were administered to the salespeople and their respective store managers; and objective sales performance data were obtained with the help of daily sales tracking sheets filled up by salespeople who participated in the study.

These daily tracking sheets were filled up for a period of one-month, after which they were returned directly using self-addressed postage-paid envelopes. In total, survey questionnaires were delivered to 138 store managers and 424 salespeople with a response rate of 48% and 45% respectively. Store managers provided the information on the salesperson luxury brand effort, control system alignment for luxury and other store related control variables like number of luxury brands and in-store brand prominence, and salespeople provided all the other latent constructs in the model, along with the tracking sheet for their daily sales. The data collection was done in two phases. In phase 1, survey questionnaires were emailed to store managers and respective salespeople within the stores; and these sales personnel were asked to complete the survey at their leisure. The Internet survey platform 'Qualtrics' was used to collect data during this phase, and responses were monitored on a regular basis. A reminder email to the non-respondents was sent after a period of one month. After a period of four months, phase 2 was initiated, where research assistants collected the data personally at the stores. Combining the responses from the two rounds of data collection, the final data set contained responses from 66 store managers and 186 salespeople. In consultation with the company, four luxury brands were selected to represent the focal brands for my study. Therefore, each salesperson gave responses regarding these focal brands; each salesperson reporting on up to four luxury brands (depending on the presence of the brand in their respective store), generating a data set of 360 possible observations. The average respondent was 32 years of age and had 10.5 years of experience in sales and 8.7 years in his or her company. Sixty-one percent were women, not atypical for this industry as confirmed by the company. Forty-two percent of respondents had a college degree or higher.

Construct Measures

After having reviewed the literature to operationalize the constructs, a combination of new and proven scales was developed, the former of which I developed as per the procedures as outlined by Churchill (1979). For each of the new scales, I developed an initial pool of items using exploratory research, refined them after expert consultations with academic researchers and with the managers of the cooperative group. The pretest of the scales was done with a small subset of store managers and salespeople.

Salesperson’s perceived fit between luxury and store brand is a concept originating from the idea of cognitive consistency. To be able to capture this construct in a succinct yet unambiguous map, the 8-point Venn diagram that is the visual item from Bergami and Bagozzi’s (2000) original scale was used. As shown in the Appendix, a series of Venn diagrams indicating a lesser to a greater degree of overlap between the focal luxury brand and the store brand was provided, and respondents chose the level of overlap that best represented their assessment of perceived fit.

Following the recent work in the sales management domain with respect to brand identification, a two-item scale which captures the visual and verbal representation of perceived overlap (Hughes and Ahearne 2010), was used to measure salesperson’s level of identification with the luxury brand. Originally developed by Bergami and Bagozzi (2000) this scale was to measure the level of organizational identification of employees. This simple scale is based on a cognitive representation process to measure identification. Bergami and Bagozzi (2000) demonstrated that this measure was a better reflection of identification than scales previously used (e.g., Bhattacharya et al. 1995; Mael 1988; Mael and Ashforth 1992).

Salesperson’s sensitivity towards luxury was measured with the help of a new five-point Likert scale (refer to the Appendix). Three statements were given to salespeople - “I love luxury”, “ I am sensitive towards the high quality and attention to detail of luxury goods” and “I'm ready to deprive myself completely to obtain a luxury product”.

Relative luxury brand effort refers to the force or activity expended by the salesperson in favor of the focal luxury brand as against all other brands. The store manager of each salesperson reported this. Unlike, other sales organization scenarios, where the actions of a salesperson is often not directly observable owing to the nature of their work outside on the field, in my case, the actions of a salesperson take place within a retail store environment, hence the assessment of the store manager is a fairly accurate representation of the salesperson’s actual behavior in terms of effort allocation. This assessment was obtained with the help of two questions on a 100-point allocation as shown in the Appendix. A composite measure was created for each of the focal luxury brands by multiplying the effort allocation score for the focal brand with the effort allocation score for luxury brands in general. This two-stage assessment was done in order to facilitate the sales manager’s evaluation process of effort allocation; and was validated as a precise measure during the pretests.

Control system alignment for luxury brand refers to the extent to which the store control systems support the focal luxury brand. To assess this construct, the store managers were asked to report on the various types of control systems present in the store – incentives, special promotions etc., for each of the focal luxury brands and all other brands. A complete list of items is presented in the Appendix.

Salesperson’s luxury brand performance is an objective measure that captures the proportion of salesperson’s volume of sales that is accounted for by the focal luxury brand. I follow the approach of Hughes and Ahearne (2010) wherein a similar proportion was used to capture the focal brand’s share of total sales for each salesperson. It is conceptually similar to the share of wallet, and therefore it is a good indicator of the performance of the focal luxury brand per salesperson.

In order to account for the variations that may be present within each store, the focal luxury brands’ market shares, the total number of luxury brands, the visibility of the focal luxury brands present at each store, and the tenure of the salesperson were added as covariates in the model.

Measurement Model

I conducted an exploratory factor analysis in Stata to evaluate the reflective scales, using principal components analysis and oblique promax rotation. Table 1 displays means, standard deviations, and correlations between all of the items in the study. It also displays Cronbach's alphas for the items based on more than one item. Factor loadings for all constructs ranged from .59 to .94 with no unusually high cross-loadings. I then calculated reliabilities for each scale and found them to be acceptable (all above 0.70; see Table 1). Next, I conducted a confirmatory factor analysis (CFA) to test the discriminant validity of the measures. All factor loadings of the indicators to their respective latent constructs were significant. In addition, all squared correlations between the latent constructs were smaller than the average variance extracted from the respective constructs, in support of the measures' discriminant validity (Fornell and Larcker 1981).

Analytical Approach

The data was comprised of 191 salespeople nested in 66 stores, with repeated measures taken on most of the salespeople for each luxury brand in the store. The multilevel structure of the data introduced dependencies that violated the assumptions of OLS regression, and hence modeling choices appropriate for hierarchical observations were made. The intra-class correlation coefficients (ICC) that measure the proportion of total variance in the dependent variables attributable to the store level showed that a two-level structure was warranted – level 1 is at the salesperson level and level 2 is at the store level. According to the ICC's, 46.4% of total variability in salesperson's luxury brand performance and 41.3% of total variability in salesperson's relative luxury brand effort was due to store-level factors. The analysis therefore used a multilevel structural equation model fit using MPlus 7 and estimated with full information maximum likelihood (Raudenbush and Bryk 2002). Random intercepts were introduced for the two dependent variables to account for the within-store dependencies. All slopes were treated as fixed. The modeled interactions all occur between variables that vary within the store, hence there were no between-level interactions.

As the Figure 1 shows, the outcome variable Luxury Brand Performance (LBP) is a function of the Level 1 variable Relative Brand Effort (RBE), and the Level 2 variable Control System Alignment (CSA). Step 1 regresses luxury brand performance on the level 1 predictor variable relative brand effort:

$$LBP_{ij} = \beta_{0j} + \beta_{1j}(RBE_{ij}) + r_{ij}$$

where LBP_{ij} is salesperson i's luxury brand performance in store j, RBE_{ij} is the relative brand effort for luxury by salesperson i in store j, and r_{ij} is an error term assumed to be distributed $N(0,\sigma^2)$.

In Step 2, the regression parameters (intercept and slope) from Step 1 become the outcome variables and are regressed on the control system alignment variable:

$$\beta_{0j} = \Upsilon_{00} + \Upsilon_{01}(CSA_j) + u_{0j}$$

$$\beta_{1j} = \Upsilon_{10} + \Upsilon_{11}(CSA_j) + u_{1j}$$

where CSA_j is the control system alignment for the luxury brand in store j. The above two equations capture the variation present at Level 2; and combining them gives the following:

$$LBP_{ij} = \Upsilon_{00} + \Upsilon_{01}(CSA_j) + \Upsilon_{10}(RBE_{ij}) + \Upsilon_{11}(CSA_j)(RBE_{ij}) + u_{0j} + u_{1j}(RBE_{ij}) + r_{ij}$$

Thus, the effects of control system alignment for luxury, relative brand effort for luxury, and the cross-level interaction of control system alignment with relative brand effort on luxury brand performance are captured by Υ_{01}, Υ_{10} and Υ_{11}, respectively.

Predicting the relative brand effort for luxury involves a similar hierarchical approach:

$$RBE_{ij} = \beta_{0j} + \beta_{1j}(LBI_{ij}) + \beta_{2j}(STL_{ij}) + r_{ij}$$

$$\beta_{0j} = \Upsilon_{00} + \Upsilon_{01}(CSA_j) + \Upsilon_{02}(SPF_{ij}) + u_{0j}$$

$$\beta_{1j} = \Upsilon_{10} + \Upsilon_{11}(SPF_{ij})$$

$$\beta_{2j} = \Upsilon_{20} + \Upsilon_{21}(SPF_{ij})$$

Thus,

$$RBE_{ij} = \Upsilon_{00} + \Upsilon_{01}(CSA_j) + \Upsilon_{02}(SPF_{ij}) + \Upsilon_{10} (LBI_{ij}) + \Upsilon_{20} (STL_{ij})$$

$$+ \Upsilon_{11}(SPF_{ij}) (LBI_{ij}) + \Upsilon_{21}(SPF_{ij}) (STL_{ij}) + u_{0j} + r_{ij}$$

Thus, the direct effects of control system alignment for luxury, salesperson’s perceived fit between luxury and store brand, salesperson’s luxury brand identification, salesperson’s sensitivity towards luxury on relative brand effort for luxury are captured by Υ_{01}, Υ_{02}, Υ_{10}, and Υ_{20} respectively; and the within-level interaction of perceived fit with luxury brand identification and with sensitivity towards luxury on relative brand effort for luxury are captured by Υ_{11}, and Υ_{21} respectively.

For each one of the salespersons, evaluations were obtained for brands 1-4 across 66 stores; therefore 66 clusters were considered for grouping at the Level 2. However, since the salesperson rated 1-4 brands, a nesting issue exists; for which I created three dummy variables in the analysis that corresponds to the brands. This research follows the methodology of Hughes and Ahearne (2010) in specifying a two-level hierarchical linear model with random effects at the store level and fixed effects (dummy variables) representing the different brands within stores. Alternative modeling options, such as a three-level model or estimation with robust standard errors clustered on the salesperson, were not possible due to the unbalanced nature of the salesperson data (for many salespeople, there was only a single observation).

E. RESULTS

All variables involved in interactions were grand mean centered prior to estimating the model, to assist in interpretation. The advantage of grand-mean-centering is that the variances and slopes have a clear interpretation, i.e. they represent the expected variances for the 'average' respondent (Hox 2002). Relative brand effort for luxury was rescaled to be in thousands of units in order to keep the size of the variance component from being too large for MPlus to print.

The modeling steps followed the approach used in Hughes and Ahearne (2010); since standard fit indexes were not available with MPlus when estimating a multi-level model with cross-level interactions, the model comparisons are made using a likelihood ratio test, Akaike's information criterion (AIC), and the sample-size adjusted Bayesian information criterion (BIC).

First, a model was estimated in which luxury brand performance was the sole dependent variable, with main effects (i.e. no interaction) for relative brand effort for luxury and control system alignment for luxury. Relative brand effort was removed as a mediator. The results showed a significant positive relationship between relative brand effort for luxury and luxury brand performance ($\beta = .083$, $p < .05$), though control system alignment for luxury was not significant.

The next step was to introduce the mediator of relative brand effort for luxury and all non-interaction terms. The results indicate a positive significant relationship between relative brand effort for luxury and luxury brand performance ($\beta = .082$, $p < .05$), in support of the overall framework of the model. Control system alignment for luxury is again non-significant for the performance equation, and it likewise has a non-significant effect on relative brand effort for luxury. Salesperson perceived fit between luxury and store brand has a positive significant effect on relative brand effort for luxury ($\beta = .081$, $p < .01$). The only other significant result is the path from the in-store luxury brand visibility control to relative brand effort for luxury (β = .745, *p < .01*).

The comparative model fit statistics show that this second model is a significant improvement over the second. The AIC has been reduced from 310.362 to 276.493, and the sample-size adjusted BIC has been reduced from 320.28 to 297.116. In addition, the likelihood ratio test rejects the null hypothesis of no model difference ($\chi2(14)$ = 62.27, *p < .01*).

The final model introduces the interactions. Once again, the main effect of salesperson's perceived fit between luxury and store brand on relative brand effort for luxury is significant (β = .077, *p < .01*), in support of H1. Thus, when a salesperson perceives a higher fit between the luxury and the store brand, he or she is more likely to expend efforts against that luxury brand relative to other brands in the portfolio. Furthermore, the relative brand effort for luxury has a positive significant main effect on performance (β = .081, *p < .05*), in support of H4, implying that when a salesperson puts more relative brand effort for the luxury brand, it translates to higher sales performance achieved for the luxury brand. In addition, the two interactions in the relative brand effort for luxury equation are significant. First, the positive effect of salesperson's perceived fit between luxury and store brand is increased as salesperson's luxury brand identification increases (β = .028, *p < .05*), supporting H2; i.e. there is a significant, positive interaction effect between salesperson's perceived fit between luxury and store brand and salesperson's luxury brand identification. Second, the positive effect of salesperson's perceived fit between luxury and store brand on relative effort is pulled downwards as salesperson's sensitivity towards luxury increases (β = -.50, *p < .05*), supporting H3; i.e. there is a significant, negative interaction effect between salesperson's perceived fit between luxury and store brand and salesperson's sensitivity towards luxury. I find no support for H5(a) and (b). The results of these models appear in Table 2.

Graphical Representations of the Interactions

To interpret the findings of the interaction terms, I graphed the interacting relationships by plotting points corresponding to +/- one standard deviation from the means as high and low cases, respectively. Figure 1 shows the nature of the first interaction. The x-axis represents levels of salesperson’s perceived fit between luxury and store brand ranging from one standard deviation below the mean (low perceived fit) to one standard deviation above the mean (high perceived fit). The y-axis represents levels of relative brand effort for luxury. There are no ticks on the axis because the absolute level of relative effort depends on the values of the other predictors. The effect size of the interaction, however, is the same regardless of values on the other independent variables. The solid line shows that the relationship is positive even when luxury brand identification is low (one standard deviation below the mean). However, luxury brand identification reinforces this positive relationship, and the slope becomes steeper as the luxury brand identification moves up to one standard deviation above the mean.

Figure 2 shows the second interaction, where the low and high values again represent one standard deviation below and above the mean, respectively. The figure shows again that salesperson’s perceived fit between luxury and store brand has a positive relationship with relative brand effort for luxury. However, this relationship becomes attenuated as salesperson’s sensitivity towards luxury increases. In other words, salesperson’s perceived fit is a weaker predictor of relative effort when sensitivity to luxury is high.

F. DISCUSSION

Conclusion and Research Implications

One of the main ideas that I propose in this research is the existence of cognitive inconsistency in the mind of a salesperson who deals with a high-status luxury brand in a lower-status store brand environment. The findings support my theoretical predictions, validating the fact that salespeople carry their own assessment of fit between the luxury brand that they sell and the store brand that they sell from; and this perceived fit assessment has an impact on their motivation to sell the luxury brand. This study makes several contributions in this regard. First, to the best of my knowledge, this is the first study to explore the idea of cognitive inconsistency (or dissonance) that exists in the mind of the salesperson. The results of this study establish the fact that not only is the salesperson cognizant of the status differences between brands in the marketplace, but also forms evaluative judgment about the nature of consistency between them in terms of the perceived fit. Moreover, this evaluative judgment by the salesperson has a clear impact on the motivation to expend efforts for the target luxury brand. While the notion of salesperson’s brand identification as a driver of effort allocation has been clearly established in prior research, this study emphasizes the critical nature of the fit assessment as a trigger when high- and low- status brands come together in the selling environment.

Second, to the best of my knowledge, this is also the first study that examines the impact of an assortment mix on salespeople and their behavioral disposition. Research on assortment documents its impact on consumer-level variables like perception of variety, consumers’ choice of the store or store-level outcomes like customer retention, store sales and retailer costs of carrying the assortment. However, virtually no research has investigated the potential impact of assortment mix on a salesperson’s level of effort within the store. My study paves the way for further research in the assortment literature with a focus on one of the key stakeholders in the sales process: the salesperson.

Third, I introduce the notion of salesperson's sensitivity towards luxury as a general construct that has not been explored before. Anecdotal evidence has been around citing instances of salespeople's being affront when it comes to selling luxury brands; however no prior work exists to determine the underlying psychological phenomenon. The fact that this construct influences the behavior of salespeople in a multi-brand environment is an indicator that such a psychological mechanism may play an even larger role in determining sales effort within a pure luxury environment; opening the door for further exploration of this construct and its potential impact. Moreover, in my study, I also find opposing effects of salesperson's luxury brand identification and salesperson's sensitivity towards luxury, delineating these two concepts clearly; salesperson's luxury identification being a luxury-brand specific concept while salesperson's sensitivity towards luxury as a broader concept encompassing the general attitude of the salesperson towards luxury. These different and opposing constructs would be an interesting point of study within a high-status luxury environment of the boutique store.

Managerial Implications

From a managerial perspective, this study seeks to provide a solution of managing the luxury brand's wholesale salespeople motivation issues and answer one of the key questions that haunts luxury brand managers – when is it worthwhile to go deeper in distribution channels. While, common wisdom guides luxury brand managers to carefully partner with their downstream channels, this study highlights the importance of choosing the right fit to be able to mitigate the potential cognitive inconsistency as may be faced by the salespeople within such channels.

From a retail channel management perspective, based on the findings of this study, retail channel managers may also find it useful to take steps towards reorganization of their current sales force. Often times, the salespeople within a multi-brand store environment are made to sell across a spectrum of high- and low- status brands. Knowing individual salespeoples’ disposition towards luxury as a concept and also towards specific luxury brands, it may be beneficial for the store manager to assign different sections of the assortment spread to different salespeople. Overhauling the environment of the store to clearly differentiate between luxury and non-luxury brands may also help to further align the layout of the store with the respective salespeople assigned to manage the portfolio.

Furthermore, while brand-building efforts by the retail channel members are primarily put into place for communicating the brand values to the potential client, this study highlights the importance of such brand-building activities for their own sales personnel too. This study also hints towards the fact that retail channel managers could possibly consider a formal induction or training for its sales personnel to have a forum for reinstating the consistency of the brands that they sell. For instance, retail channels often have sales training programs for their sales employees to train them on selling skills. A module on brand training, especially to enlighten the sales employees on the strength of the store brand may help mitigate some of the potential cognitive inconsistencies that may be present in their minds. A rationale for the existence of high-status luxury brands within the mélange of other non-luxury brands may alleviate some of the barriers towards selling luxury.

Limitations and Further Research

First, this study being cross-sectional is a cause for concern. While I have provided the necessary theoretical justification for the directional relationships proposed in the conceptual model, statistical evidence of causality is something that cannot be provided. As a next step to ascertain causality and add more value to this research, an experimental or longitudinal approach is warranted. Second, as is frequently an issue with survey research, a common method bias is likely. However, my data collection was done from three separate sources: salespeople (for independent measures like perceived fit between luxury and store brand, luxury brand identification and sensitivity towards luxury), store managers (for the dependent measures like salesperson’s relative brand effort for luxury) and sales tracking sheets (as filled by salespeople participating in the study). Great care was taken to conceal the intention of these sales tracking sheets: salespeople were simply asked to record the details of each sales transaction during the period of the study, so they recorded information on all the brands that they sold. Particularly, the questionnaire for these salespeople were sent to them after the sales tracking was done to ensure no potential over-reporting on any of the focal luxury brands. Finally, I conducted this study within one firm, which may impact the generalizability of the findings, but additional studies in similar settings could confirm this.

While I have introduced the notion of salesperson’s perceived fit between luxury and store brand as an important determinant of effort allocation, this study paves the way for additional research. For example, it is worth exploring how this fit evaluation may have an impact on the effort allocation in a competitive scenario wherein the salesperson reports on a comparative evaluation among different luxury brands; i.e. a fit assessment within the assortment of luxury brands. The overall consistency of an assortment of brands as perceived by the salesperson and its impact on the overall sales performance achieved by the salesperson, is something that could be a further area of enquiry.

The non-significance of control systems alignment is a finding that needs to be explored further. In this case, a potential reason why the hypothesized effects of the construct were not supported could be the presence of a large number of brands in the portfolio of the store, thus diminishing the power of the incentives offered for one particular luxury brand in question. Also, considering the fact that brand visibility is significant, it is perhaps an indicator that in case of luxury brands, the consumer-pull due to the immediate visibility in the store may have an overarching impact on the direction of effort allocation and performance by the salesperson, more than the control systems-driven salesperson-push.

The notion of cognitive consistency for the salesperson could be further explored to examine the motivations of a salesperson when he/she transitions across teams that have status differences; how his/her perception of self-identity is affected with respect to the assortment they sell is an interesting perspective to observe. For example, many large manufacturer brands house multiple divisions carrying a host of brands; with these divisions hosting brands of differing status. When salespeople transition across divisions, they face new brand assortments, new clients and an entirely new selling environment. How well they are able to perform in a new environment may be a function of cognitive consistency they feel between the identities they may have created of themselves in their prior roles and the dispositional requirements of the current role.

The opposing nature of salesperson’s luxury brand identification and salesperson’s sensitivity towards luxury also warrants further investigation. In other words, which type of salesperson is the best suited to achieve higher sales performance is a question that could be interesting to explore for the future. On the one hand, a salesperson who is personally connected and has more knowledgeable about the different luxury brands has an advantage, on the other hand a salesperson who is strongly opinionated about the concept of luxury as such in general may be detrimental for performance. From a recruitment perspective, it is essential to spot these inherent traits of haughtiness towards the concept of luxury versus a healthy personal connection with particular luxury brands.

In addition, although this study is focused on the multi-brand environment from where luxury is sold, it might be worthwhile to explore the nature of such interactions within a single luxury brand store. For instance, a salesperson who seems to be more sensitive towards luxury can be possibly redirected to manage the sections of the luxury store wherein he or she deals with the crème-de-la-crème range of luxury products; within this section such a salesperson may be able to translate his or her inherent attention to details about luxury as a concept into more effective communication with the customers. An internal reallocation of salespeople within the store as per their inherent abilities would help the luxury store to achieve the best possible performance outcomes. Further research on this would be extremely beneficial for luxury brand manufactures to have a targeted mix of salespeople within each of their boutique stores for the potential to achieve a maximum performance level.

Table 1

Correlations and Summary Statistics

	1	2	3	4	5	6	7	8	9
1. Brand Performance	1								
2. Relative Brand Effort	0.104	1							
3. Control System Alignment	-0.058	0.163*	1						
4. Number of Luxury Brands	0.290*	0.042	-0.085	1					
5. In-Store Brand Prominence	-0.1	0.162*	0.192*	-0.355*	1				
6. Tenure within Store	0.037	-0.004	0.038	-0.153*	0.119*	1			
7. Salesperson Perceived Fit	-0.031	0.174*	0.089	0.062	-0.025	-0.056	1		
8. Luxury Brand Identification	0.06	0.001	-0.021	0.056	0.034	0.038	-0.047	1	
9. Sensitivity towards Luxury	0.152*	0.04	0.064	0.043	0.012	-0.101*	-0.038	0.41*	1
M	0.253	659.59	0.074	13.24	0.268	3.5	2.122	3.989	2.868
SD	0.184	500.872	0.153	4.576	0.196	1.162	1.224	1.222	0.852
α	-	-	-	-	-	-	-	0.809	0.706

* $p < .05$

Notes: α = Cronbach’s index of internal consistency reliability

Table 2

Model Comparisons and Effects

	Model 1	Model 2	Model3
Relative brand effort --> performance	0.083*	0.082*	0.081*
Control system alignment --> performance	n.s.	n.s.	n.s.
Control system alignment X relative brand effort --> performance			n.s.
Control system alignment --> relative brand effort		n.s.	n.s.
Salesperson perceived fit --> relative brand effort		.081**	.077**
Luxury brand identification --> relative brand effort		n.s.	n.s.
Salesperson perceived fit X luxury brand identification --> relative brand effort			.028*
Sensitivity to luxury --> relative brand effort		n.s.	n.s.
Salesperson perceived fit X sensitivity to luxury --> relative brand effort			-.050*
Covariates			
Luxury brand market share --> performance	n.s.	n.s.	n.s.
Luxury brand market share --> relative brand effort		n.s.	n.s.
Number of luxury brands --> performance		n.s.	n.s.
Number of luxury brands --> relative brand effort		n.s.	n.s.
Brand visibility --> performance		n.s.	n.s.
Brand visibility --> relative brand effort		.745**	.737**
Salesperson tenure --> performance		n.s.	n.s.
Salesperson tenure --> relative brand effort		n.s.	n.s.
Chanel --> performance	n.s.	n.s.	n.s.
Chanel --> relative brand effort		n.s.	n.s.
Prada --> performance	n.s.	n.s.	n.s.
Prada --> relative brand effort		n.s.	n.s.
Gucci --> performance	-0.033*	n.s.	n.s.
Gucci --> relative brand effort	n.s.	n.s.	n.s.
Number of Free Parameters	12	26	29
Log-likelihood	-143.38	-112.25	-109.134
-2LL Change		62.27	6.224
AIC	310.36	276.493	276.269
BIC	320.28	297.116	299.272
N	390	390	390

* $p < .05$, ** $p < .01$

Notes: n.s. = not significant

Figure 1

Hypothesized Model

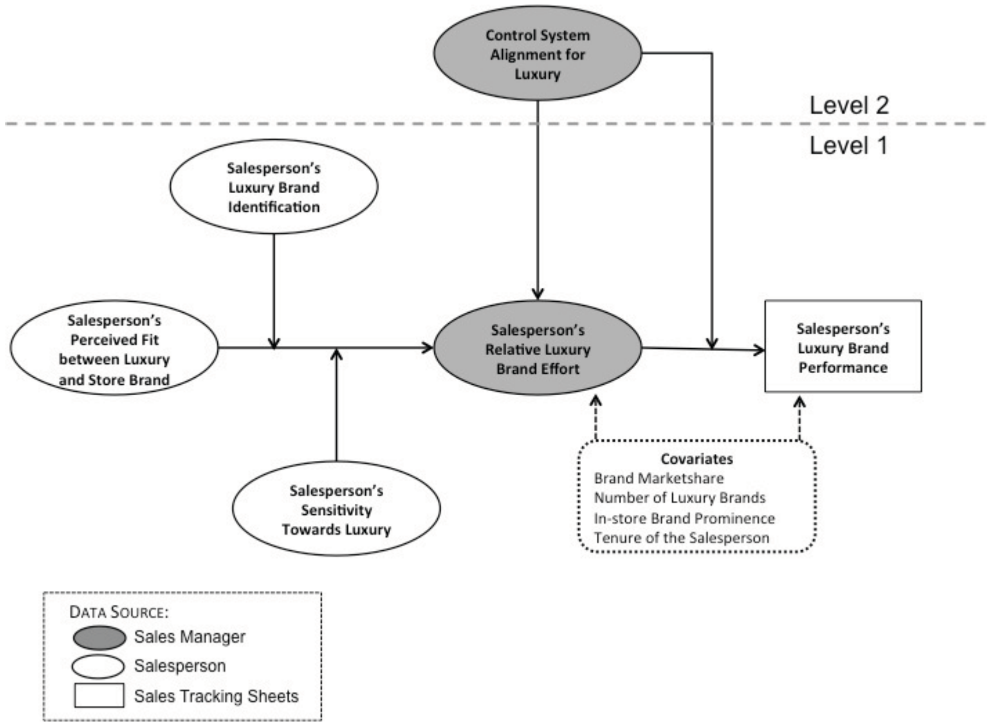
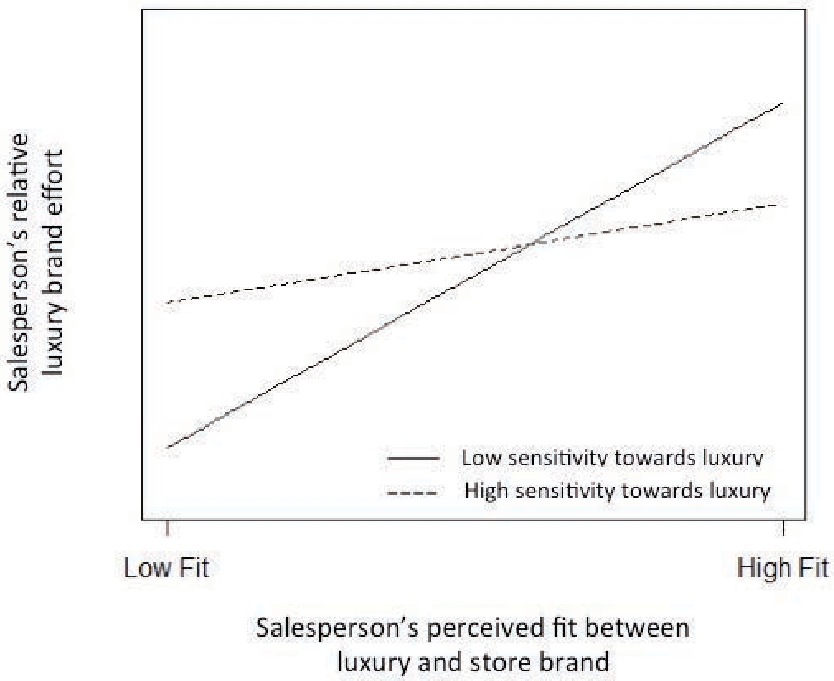


Figure 2

Interactions



APPENDIX

Salesperson's perceived fit between luxury and store brand

(Source: Salesperson Questionnaire)

Imagine that one of the circles represents the personality of the brand as shown and the other represents that of Store brand. Please indicate which case (A, B, ..., or H) shown below best represents the proximity that you perceive between the two brands:

LUXURY BRAND	STORE BRAND	
A		Extremely Far Apart
B		Very Far Apart
C		Far Apart
D		Moderately Close
E		Close
F		Very Close
G		Extremely Close
H		Complete Overlap

Salesperson's sensitivity towards luxury

(Source: Salesperson Questionnaire)

Three items, 5-point Likert scale

a. I love luxury brands.
b. I appreciate the exceptional quality and attention to detail of luxury goods.
c. I'm ready to deprive myself completely to offer myself a beautiful luxury product.

APPENDIX (CONTINUED)

Salesperson's relative effort allocation for luxury brand

(Source: Store Manager Questionnaire)

Composite score obtained from two questions.

In your opinion, during the last month, how did Salesperson X allocate his/her efforts between the following? Please distribute 100 points among the following categories:

Store Brand	All other brands priced equal or above 250 €	All other brands priced below 250 €	Total
			100

In your opinion, during the last month, how did Salesperson X allocate his/her efforts between the following luxury brands? Please distribute 100 points among the following categories:

Dior	Chanel	Prada	Gucci	All other brands priced equal or above 250 €	Total
					100

** Having conducted an exhaustive survey of all the luxury brand price points for eyewear, and in consultation with the company experts and store managers, a base price for luxury brands was set at 250 €: all brands above this base price were classified as 'luxury brands' for the study.*

Control System Alignment for luxury brand

(Source: Store Manager Questionnaire)

During the last month, please indicate which brands were active in your store for each of the following headings:

	Dior	Chanel	Prada	Gucci	Store Brand	All other brands priced equal or above 250 €	All other brands priced below 250 €	N/A
Incentives								
Premiums								
Special Price Promotion								
Special Collection								
Limited Edition								
Insurance Support								

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CHAPTER 3

Building Salesperson’s Brand Identification Via Training

A. ABSTRACT

Since the surge of the retailers in the 80s, the competitive landscape has changed with multi brand retailers introducing their own store brands. These multi brand retailers invest towards building their store brands with traditional brand-building activities. In parallel, following suit with the common industry practice, most of these retailers also invest in training of their sales employees. For the development of the store brand, investments towards building the brand among external and internal stakeholders are a necessity (i.e. among customers and employees), however it is not clear whether training initiatives have any impact on the aspects of brand building among the sales employees.

This chapter explores the components of training inputs to determine which of these components have an impact on building brand identification with the store brand. For this purpose, a theoretical perspective based primarily on social exchange theory (Blau 1964) is presented; and how retailers can leverage training programs to create store brand identification among their salespeople is discussed.

Keywords: salesperson training, salesperson’s store brand identification, salesperson performance

B. INTRODUCTION

Retail has seen an unprecedented growth in the last few decades, accompanied by intense competition. While the supermarkets led the initial momentum of this retail surge in the 1980's, now the competitive scenario has evolved with multi brand retailers creating their 'own brands'. These multi brand retailers are employing traditional branding practices such as the offer of a unique service, a well-planned product assortment, consistent atmospherics, etc. as a differentiation strategy (Ailawadi and Keller 2004). They are no longer seeing themselves merely as a platform for providing a shopping experience for other brands; rather they are working towards creation of their own unique brand identity. This step is in line with the common marketing wisdom that brands indeed are the assets and sources of competitive advantage for both manufacturers and retailers (Barney 1991; Keller and Lehmann 2006; Runyan and Droge 2008).

Past literature has provided evidence in support of the need to develop a retail store brand. For instance, Kapferer (2012) highlighted the shift of the retail stores from being a 'store of others' brands' towards a 'store of their own brand'. Ailawadi and Keller (2004) also discuss at length the concept of retailer branding, on the lines of the traditional branding concepts like that of brand personality, experiential marketing and brand architecture. In a similar vein, Martenson (2007) underlines the importance of the holistic nature of branding in retailing.

Another issue warrants the development of the retail store as a retail store brand: by the nature of the distribution strategy adopted by almost all luxury brands, personal luxury goods are not only found in a multi brand retail stores, but also account for a substantial amount of business for the luxury brands (Bain & Co. report of May 2013) from these stores. For instance, licensees chosen by luxury brand manufacturers often manufacture entry-level products such as eyewear. These entry-level products of luxury brands are often targeted to exist in multi brand stores to be able to target a younger luxury consumer by making it an impulse fashion purchase. The existence of these luxury brands in multi brand retail stores may pose a challenge to the store brand. Due to self-enhancement needs (Tajfel and Turner 1985), a salesperson may exhibit a stronger sense of identification with the luxury brands present in the store, and put more efforts towards these luxury brands as a consequence (Hughes and Ahearne 2010), at the cost of effort allocation in support of the store's own brands. Also, the sales achieved by a salesperson on selling a luxury brand vs. a store brand is almost always higher in absolute value; increasing the propensity of the salesperson to achieve his/her monthly sales target by allocating more efforts towards selling luxury brands. A strategic set of efforts to develop the retail store as a 'retail store brand' can instill a sense of pride and subsequent identification in the mind of the salesperson; and also enable the creation of a higher-priced line of products offered by the store brand itself.

In the context of retail store branding, the retail salesperson is an important subject of investigation due to a number of reasons. First, a salesperson being the frontline employee of the retail store, is in a unique position to transmit the essence of the store brand. The experience of the store is driven by the salesperson at the critical moment of truth when the customer is navigating through the store. Second, in the presence of multiple brands at the store, a salesperson's disposition towards the store brand becomes a critical component that determines his/her behavior in support of selling the product range associated with the store brand; and also communicating a general spirit of the store brand. Third, a salesperson with strong brand identification towards a brand tends to exert more efforts for the same (Hughes and Ahearne 2010). It is therefore in the interest of the store brand to develop a cadre of salespeople who have a high identification with the store brand. And, finally, in the light of retail stores pursuing an active strategy to establish themselves as retail store brands, it becomes interesting to determine whether or not a retail salesperson exhibits a sense of identification with the store brand, and the consequences thereof.

Branding activities encompasses a set of strategic inputs which not only manage the external cues of the brand message for the consumers, but also the internal cues for the sales personnel for the latter to convey and reinforce the brand message. The impact of external cues such as advertising has been shown to go beyond influencing the consumers, to also prompting the sales personnel to develop a sense of identification with the brand (Hughes 2013). Badrinarayanan and Laverie (2011) examine the antecedents of brand identification and highlight that branding cues in the external environment impacts the salesperson’s assessment of the brand quality, reputation etc. However, it is not clear *how* brand identification may be developed from an internal process perspective. In the current study, I examine a critical internal tool that may be instrumental in the development of brand identification: sales training.

Traditional marketing companies have been known to invest heavily in training its sales employees. Training inputs for sales employees has been a core element of any firm’s strategy. A number of reasons exist for such an impetus towards training: to achieve higher levels of salesperson competency, to direct focus towards customer retention by training the salesperson to provide superior service levels, to build salesperson’s commitment towards the organization and help in their retention, among many more; with the end goal of higher profitability of the firm in the face of increased levels of competition. The retail conglomerates have also joined the bandwagon of providing training inputs for their sales employees. Research on training inputs within the context of retail sales and the impact thereof, has followed suit. While the focus of this growing stream of research has explored many substantial issues like the impact of training inputs on improving skill levels and enhancing staff morale of retail sales employees (Cannell 1999), the increase in employee productivity and organizational profitability as a result of retail sales training (Barcala et al. 1999), or on the quality of salesperson–customer interaction as an outcome of training inputs (Sharma and Levy 2003), little work has been done in the direction of brand building with the salesperson in focus. Whereas the management and marketing literature has provided evidence that training can be used as a competitive tool to build organizational identification (Wayne, Shore and Liden 1997; Edwards and Peccei 2010) and strengthen brand associations (Roper and Davies 2010), what has not yet been researched is whether sales training provided by a retail store brand could help in the development of store brand identification among the salespeople.

With a focus on exploring training inputs, in this chapter, I would like to propose a conceptual model to be able to answer the following questions: (1) does training imparted by the retail store brand have an impact on the development of brand identification of the salesperson towards the store brand, (2) if yes, then what are the specific components of the training which drive the development of store brand identification, and (3) given the intuition that the driver for overall sales are luxury brands, what are the consequences of store brand identification on the effort allocation towards luxury brands (4) and finally, what is the impact on the overall sales performance of the salesperson.

The rest of the chapter is organized as follows. Section C discusses the conceptual model, theoretical background and hypotheses. I present the methodology in Section D and discuss the results in Section E. Finally, I conclude in Section F.

C. CONCEPTUAL BACKGROUND AND HYPOTHESES

As shown in Figure 1, I expect that the extent to which a salesperson identifies with the store brand, i.e. salesperson's store brand identification, will be driven by two value components of training – the cognitive value and the relational value derived by the salesperson as a result of the training. I expect that salesperson's store brand identification will have a negative impact on the relative effort allocation towards luxury brands in the store. In determining the impact of salesperson's store brand identification on the relative effort towards luxury brands, I take into account the salesperson's disposition with respect to the customer (i.e. the extent to which a salesperson identifies with a customer): salesperson-customer identification, and control for it. The relative effort allocation towards luxury brands will affect the salesperson's total sales performance. Finally, I suggest that the extent to which the control systems are aligned with the luxury brands present in the store will have an impact on salesperson's relative effort allocation towards luxury brands and total sales performance.

Social Exchange Theory and Reciprocity Norm

Social exchange theory examines the exchange relationship between specific actors as "actions contingent on rewarding reactions from others" (Blau 1964). Central to the concept of social exchange is the notion of unspecified obligations (Blau 1964); when one person does another a favor, it comes with an expectation of some kind of return in the future, the timing and nature of which could be unclear (Gouldner 1960). This kind of a social exchange is different from an economic exchange: whereas a social exchange consists of 'unspecified obligations', an economic exchange encompasses a fixed payout, for instance an employee gets paid a predetermined wage for performance (DeConinck and Johnson 2009). Another point of difference between social and economic exchange is the perspective in terms of response time: a social exchange involves working for a future unspecified reward, whereas an economic exchange involves receiving reciprocation immediately (DeConinck and Johnson 2009). Additionally, a social exchange involves a high level of trust and obligation, and often tend to go beyond the employment contract, in contrast with an economic exchange (Murphy et al. 2003).

Social exchange theory has led to research across many domains such as social power (Molm, Peterson, and Takahashi 1999), networks (Brass, et. al 2004; Cook, Molm, and Yamagishi 1993), board independence (Westphal and Zajac 1997), organizational justice (Konovsky 2000), psychological contracts (Rousseau 1995), and leadership (Liden, Sparrowe, and Wayne 1997), among others. Social exchange theory opened up a huge stream of research not only in the domain of interpersonal relationships, but also to provide a conceptual framework to explain logic of the initiation, strengthening, and continued maintenance of relationships between individuals and their work organization. Individuals enter into relationships with others to maximize their benefits (Blau 1964; Homans 1974) and the resources exchanged between partners may be impersonal, for example, the provision of information or money (Foa and Foa 1974). On a similar line, the relationship between employees and their respective organizations has been described as an exchange relationship (Rousseau 1995; Shore, Tetrick, and Barksdale 1999). Particularly, in the context of organizational behavior, social exchange theory provides a framework to explain employees’ motivation to conduct specific activities to support the parent organization as a part of the mutual obligations specified between the employees and the employer (i.e. the parent organization in question).

The notion of reciprocity norm is that when one person treats another well, the reciprocity norm obliges the return of favorable treatment (Gouldner 1960). This means that the norm of reciprocity creates obligations towards a donor when the latter has engaged in a prior behavior that was beneficial to the recipient. The norm of reciprocity may be seen as a starting point of an exchange relationship between two partners (Aselage and Eisenberger 2003). In the context of an employer-employee relationship, the norm of reciprocity requires employees to respond positively to favorable treatment from one's employer and vice-versa. Employees believe that they themselves and their organizations have reciprocal obligations towards each other that actually exceed formal responsibilities by both parties (Rousseau 1989, 1990). An explicit bargain is not something expected within a reciprocal exchange (Molm 2000, 2003). A reciprocal exchange is set in motion when one participant makes a move; and if the other participant responds accordingly in a bid to support the first, a chain of trust-based exchange is initiated.

Perceived Organizational Support and Training

According to organizational support theory, employees tend to assign the organization humanlike characteristics (Eisenberger et al 1986). Also on a similar line of thought, Levinson (1965) states that employees often view the actions of their employers as indications of the organization’s intent rather than attributing these actions to the employers’ personal motives. On this basis, employees also view any favorable treatment as a sign of the organizations’ disposition towards them. Perceived organizational support may be defined as the perception of employees that their employers are committed to them and value them; and in turn perceived organizational support felt by employees results in their reciprocation towards the employers in the form of increased commitment (Eisenberger et al. 1986). Perceived organizational support has been proposed as a key factor in the social exchange between employees and their employers (Eisenberger et al. 1986; Eisenberger et al. 1990). Furthermore, organizational support theory hints towards the fact that employees tend to cultivate perceived organizational support to meet their socio-emotional needs, and also to determine the organization’s eagerness to reward increased efforts (Eisenberger et al. 1986;

Rhoades and Eisenberger 2002; Shore and Shore 1995). Social exchange theory and the reciprocity norm has been shown to explain how this perceived organizational support creates a feeling of obligation within employees to care about the organization and help the latter reach its goals (Eisenberger et al. 2001; Rhoades and Eisenberger 2002). Research on perceived organizational support has been extensive to understand how it affects the relationship within organizational players. For instance, while social exchange involves a certain sense of risk because it is not clear when and in what form an investment or a favor will be returned (Blau 1964), perceived organizational support may mitigate this situation by providing employees with a confidence on their organization's willingness to support them as a responsible exchange partner.

In the context of sales force management, research on perceived organizational support is relatively new; Eisenberger et al in 2002 extend the concept of perceived organizational support to employees' perception of supervisor support to draw conclusions on the latter's impact on job retention. More research in the sales literature has explored the role of perceived organizational support - as a part of the larger employee-organization relationship construct, to be able to predict perceptions of service quality (Bell and Menguc 2002); on the turnover intentions and actual turnover (Allen, Shore and Griffeth 2003); with respect to the relationship between sales management control mechanisms (Piercy et al. 2006); and, on mitigating the impact of coworker withdrawal behavior (Eder and Eisenberger 2008), among others. Furthermore, in the sales force management domain, among the many initiatives by an organization towards developing sales employees' perceived organizational support, one of the most widely recognized is training. A sales employee develops a sense of perceived organizational support by observing and experiencing the performance-rewarding and development-oriented initiatives taken by the organization for him or her. Training is one of the most targeted efforts by the organization towards a sales employee (either the training may be offered as a reward for the performance or the training is offered as a step towards professional development). While perceived organizational support gets built for the salesperson with the help of training inputs, notably training is also an initiative for the individual growth of the salesperson concerned; therefore, an examination of other benefits derived from training for the salesperson at an individual level are called for.

There exists an extensive amount of literature on the benefits of training - manufacturers recognize that training enhances employees' knowledge, skills and behavior (Seyler et al. 1998; Tan, Hall, and Boyce 2003). Positive training experiences have positive consequences on employees' attitudes like organizational commitment and job motivation (Meyer and Allen 1997; Rhoades and Eisenberger 2002). The better the training employees believe they receive, the stronger their affective brand associations and the higher their satisfaction with the organization (Roper and Davies 2010). Employees who had participated in more formal and informal training and development experiences than others reported higher levels of perceived organizational support (Wayne, Shore and Liden 1997). Perceived organization support leads to organizational identification (Edwards and Peccei 2010; Fuller et al. 2003; Gibney et al. 2011; Rhoades and Eisenberger 2002). However, in the light of the recent interest in brand identification as felt by the salesperson, there has been no research yet to determine the impact of training on the development of brand identification felt by a salesperson. While consequences related to training have been studied in terms of job-related and organizational-level outcomes, when it comes to salesperson's brand specific effect, there is no study that examines the components of training in detail to be able to ascertain whether brand identification may be developed as a result of training initiatives, and to determine the process behind it.

Assessment of Training

For evaluation of training outcomes, there exists a stream of research based on the seminal work of Kirkpatrick. According to Kirkpatrick's (1959a, 1959b, 1960a, 1960b, 1967, 1996) hierarchical model of training outcomes, training can be evaluated across four levels – (1) the reaction level encompasses the trainees' affective and attitudinal reactions to the training: it captures the notion of how favorably the learners react to the training inputs, (2) the learning level captures how well the recipients of the training learn the knowledge or skills imparted during the training, (3) the behavior level captures to what extent the recipients apply the new knowledge or skills in their on-the-job behaviors, and (4) the results level captures to what extent the training is able to achieve the intended impact on performance outcomes. Not only have these four levels of evaluations served as a platform for a vast stream of research; but also, subsequent reviews on its validity have supported its usage as a standard model for approaching the evaluation of training (Alliger and Janak 1989; Bates 2004). While a huge amount of research has been conducted on level 1 and level 2 assessments, when it comes to assessment at level 3 and 4, the research is sparse (Blanchard et al. 2000; Kraiger 2003; Sitzmann et al. 2008. Twitchell et al. 2000).

Another issue central to the assessment of training is the idea of transfer of training. Transfer of training encompasses the transitioning or adaptation of the skills acquired during the training to the real workplace environment (Baldwin and Ford 1988). Research has pointed out towards the 'transfer problem' – i.e. very little of what is learned during a training initiative is actually applied on the job (Broad and Newstrom 1992), and moreover it is difficult to trace the impact of most training expenditures to the fulfillment of the job (Grossman and Salas 2011). Both these issues – of tracing the impact of training inputs across levels 3 and 4, and the non-transfer of the essence of training – has plagued the academic and industry experts equally. In this study, I propose to examine a different outcome of training which is a dispositional attribute of the trainee, and could be considered to be relatively long-term and thus stable: brand identification.

Particularly, in the context of sales force management, a focus on the development of brand identification is relevant for many reasons: first, brand identification is a construct that is an individual-level connection that a salesperson feels towards the brand, and has been shown to trigger the motivation to make a behavior change i.e. increase selling effort with respect to the brand (Hughes and Ahearne 2010). Second, brand identification as a construct is also shown to trigger the salesperson's propensity to indulge in extra-role brand behavior, which is defined as "proactive behaviors on the part of the salesperson that are outside the scope of the job description but that contribute to the viability and vitality of the brand" (Hughes and Ahearne 2010). Third, by nature, brand identification is a construct that has traditionally been a by-product of external brand-building activities. A focus on establishing the link between development of brand identification and training inputs will provide retailers with a strong tool to pursue a strategy towards the creation of a store brand; beyond the investments for traditional brand development activities, and towards leveraging their own internal training programs.

In this chapter, I wish to throw light on the process of development of brand identification, as an outcome of training initiatives by the store brand. A focus on the evaluations from the level 1 (reaction) perspective is essential for this study due to two reasons. First, the extent of reciprocal disposition that determines future behavior of a salesperson is likely to be set in motion during the evaluative stage of the training inputs that the salesperson receives; the reactions to the training program plant the idea of reciprocity. Second, as the brand identification is a construct felt at an individual-level, affective and attitudinal reactions would play a great role in the process of development of brand identification. Therefore, to capture the essence of the training inputs from the perspective of a salesperson, I introduce and define the construct of salesperson's perceived value of training across two dimensions – cognitive and relational value.

Salesperson's Perceived Value of Training

Perceived value as a construct has been defined in the literature by Zeithaml (1988) as a "consumer's overall assessment of the utility of product (or service) based on perceptions of what is received and what is given." When a salesperson takes part in a training program, it necessitates an investment of resources on the part of the salesperson in terms of time and additional efforts towards the training module, and this investment on the part of the salesperson triggers the question of value derived from the training. From the perspective of human capital theory, investments in sales training could be considered as a key component for human capital development for the salesperson in question (Mincer 1974). However, at an individual level, for a salesperson, training inputs initiate the idea of a reciprocal relationship with the entity offering the training; the training experience elicits the perception of a value that the salesperson has derived *personally* from the training. I define salesperson's perceived value of training as the salesperson's overall assessment of the utility of the training inputs based on the perceptions of what is received versus what is given. An organization's brand is considered to be a cluster of two kinds of benefits: functional and emotional (King and Grace 2010). Therefore, in line with this, I further define two dimensions of salesperson's perceived value of training.

Salesperson's Perceived Cognitive Value of Training – consists of the informative component of training (in response to 'functional' benefits that an organization's brand offers). During the training, a salesperson is exposed to a plethora of new information. This information can be in direct support of the immediate selling task of the salesperson (e.g. information about the products or the brands in particular); or it can be an indirect motivational influence, such as enabling the salesperson to feel more empowered to carry out the sales task. In both cases, the salesperson deals with concrete information inputs to enable better performance in an objective sense. Cognitive value of training is thus defined as the extent to which the inputs received during the training is perceived to be informative and beneficial by the salesperson in an objective manner for enabling a better performance in the subsequent sales tasks.

Salesperson's Perceived Relational Value of Training – consists of the interpersonal component of social relations that the salesperson develops during the training (in response to 'emotional' benefits that an organization's brand offers). During the training, a salesperson experiences a host of evaluative attitudes towards the training itself, towards the trainer, and also towards the effort investments incurred by the organization offering the training. These evaluative attitudes serve as the emotional triggers for connecting the salesperson with the organization. Relational value of training is thus defined as the extent to which the inputs received during the training is perceived to be beneficial by the salesperson in an emotional relational perspective for enabling a better performance in the subsequent sales tasks.

Salesperson's Perceived Value of Training and the Subsequent Impact on Store Brand Identification

Each of the two value perceptions of training plays a critical role in the salesperson's perception of support as extended by the retail store brand. The evaluation of 'what is received versus what is given' activates an act of goodwill. If the salesperson perceives the training to be of great value versus the effort and time investment that he/she has committed, a positive debt is created towards the store brand.

In particular, cognitive value derived from the training is perceived to be having an impact on the way a salesperson is enabled to carry on his/her apportioned task more effectively. This support from the retail store brand is similar to the notion of perceived organizational support. From prior research, it is known that perceived organization support leads to organizational identification (Edwards and Peccei 2010; Fuller et al. 2003; Gibney et al. 2011; Rhoades and Eisenberger 2002). The cognitive value derived from the training also encompasses the idea of empowerment felt by the salesperson as a result of the training. Spreitzer (1995) defined psychological empowerment as an intrinsic task motivation factor reflecting a sense of control in relation to one's work and an active orientation to one's work role. Training has been shown to facilitate higher levels of psychological empowerment, which then leads to a greater organizational citizenship behavior and performance (Seibert, Wang and Courtright 2011). The retail store brand with the help of training inputs therefore, offers a value that helps the salesperson to enhance his/her sense of identity. Just as a consumer tends to create powerful relations with brands when they enhance one's identity (McEwen 2005), a salesperson too is subject to a similar feeling towards the store brand as a result of the training inputs. Also, it has been shown that satisfaction with self-enhancement needs leads to a higher propensity of identification (Bhattacharya and Sen 2003). With the notion of reciprocity towards the store brand, combined with a sense of identity enhancement, I predict that the salesperson goes beyond the organizational context of creating a connection; the salesperson gets involved personally and builds identification with the store brand. Thus,

> H1 : *The higher the salesperson's perceived cognitive value of training, the higher is the salesperson's identification with the store brand.*

Relational value derived from training inputs refer to the set of emotional benefits that the salesperson absorbs during the training period. This set of perceived emotional benefits encompasses the evaluation of disposition of the trainer, the quality of the training components, the overall affective attitude towards the training and acknowledges the investment that the organization has put forward for the trainee. Perceived training efficiency refers to the perception by a trainee on the organizational aspects of the training initiative in terms of the materials, tools and premises used, and has been shown to lead to overall satisfaction with training (Giangreco et al 2010). The conceptualization of relational aspects of training is more *self-oriented* that the notion of perceived training efficiency. In a relational perspective, I draw from the domain of social psychology to examine how the process of identity creation may be triggered in a social setting of training. Research has shown that identities are created in the interaction between individuals and others (McCall and Simmons 1978; Stryker 1980; Scott, Corman, and Cheney 1998). Furthermore, it has been shown that when employees see themselves as valued members of their organizations, they are more likely to incorporate those organizations into their self-definition (George and Chattopadhyay 2005). During a training initiative, a salesperson interacts with the trainer and the fellow participants, impacting their self-definition in the process. Lastly, the acknowledgement of the investments and overall satisfaction with the training inputs would lead them closer to the store brand; increasing their propensity to include the store brand into their self-definition. Thus,

H2 : *The higher the salesperson's perceived relational value of training, the higher is the salesperson's identification with the store brand.*

Salesperson's Store Brand Identification and Salesperson's Relative Effort for Luxury Brands

Effort has been defined as "the force, energy, or activity, by which work is accomplished" (Brown and Peterson 1994). One of the main determinants of sales performance is the direction of effort (Weitz, Sujan, and Sujan 1986; Brown, Cron, and Slocum 1997). Prior studies also highlight that salespeople's selling efforts are an important factor in the success of particular product lines (Anderson and Robertson 1995; Atuahene-

Gima 1997). A salesperson has limited time available to him/her and therefore effort allocation within this limited time frame is a critical aspect to determine the final sales performance, especially in a multi brand environment with store, luxury and non-luxury brands. With this limited resource, the question for the salesperson is that of prioritization. Either the salesperson can choose to allocate efforts towards selling the store brands, or towards directing the customers to other luxury or non-luxury brands. It has been shown in prior research that a salesperson's identification with a brand channels his/her efforts towards selling that brand as against other competing brands (Hughes and Ahearne 2010). Following the same intuition, it is therefore expected that a salesperson with a high store brand identification will exert more efforts in support of the store brand, away from efforts that could have been exerted in support of the other brands present in the store. I define salesperson's relative effort for luxury brands as the effort expended on the set of luxury brands relative to all the other brands present in the store. Therefore, a salesperson who has a strong identification with the store brands, exerts efforts to support the store brand at the cost of efforts to support the luxury brands in the store.

To sum up, a higher level of salesperson's identification with the store brand will lead to a lower amount of effort allocation towards other luxury brands in the store. Thus,

> H3 : *The higher the salesperson's store brand identification, the lower is the salesperson's relative effort for luxury brands.*

Salesperson's Total Sales Performance and Control System Alignment for Luxury

Salesperson's relative effort for luxury brands is a key determinant of the total sales performance of the former. The focus of the study is on the effort available for luxury brands, due to two reasons. A manufacturer brand in general enjoys a greater consumer pull due to a greater level of trust in comparison to that induced by the store brand (Dunn et al 1986); other sets of studies have also shown clearly that the risk associated with buying a store brand product is higher than that of buying a national brand alternative (Bettman 1974; Dick et al. 1995; Richardson et al. 1996). In this regard, the level of trust induced by a luxury brand is much higher, and the associated risk is much lower. Second, the average store brand sells for approximately 30 percent less than national brands (Ailawadi et al. 2001); the luxury brands usually exceed the national brands to maintain their price superiority. In the light of these two reasons, it is evident why the effort allocation towards luxury brands within the store is of interest to this study. I define salesperson’s total performance as the sum total sales volume achieved by the salesperson. Furthermore, the more relative effort the salesperson puts for luxury brands within the store, the higher is the possibility of achieving total sales. Lastly, control system alignment for luxury plays a crucial role in this relationship.

I define control system alignment for luxury as the extent to which the control systems put in place by the store to direct and motivate its sales personnel are aligned with the goals of the luxury brands present within the store. As the control system alignment increases (in favor of the set of luxury brands), the salesperson can afford to place more relative effort in favor of luxury brands; and also strengthen the impact of relative effort on the total sales performance. Thus,

H4 : *Greater salesperson’s relative effort for luxury brands results in an increased salesperson’s total sales performance.*

H5 : *Control system alignment for luxury (a) increases the salesperson’s relative effort for luxury brands and (b) strengthens the impact of salesperson’s relative effort for luxury brands on salesperson’s total sales performance.*

METHODOLOGY

Sample

Data were collected from a set of multi brand retail stores that sell eyewear across France. The stores are a part of a central cooperative chain with the head office in suburban Paris. The central cooperative group lends its brand name and expertise in this category along with all the marketing support elements for the stores, but the stores themselves are independent. This central group was chosen, as it is at the forefront for investments in brand-building activities. From celebrity endorsements, to extensive advertising campaigns, this group is very active in its efforts towards creation of a strong store brand. One of the key investments in the direction of this brand-building effort is also the offer of sales training: the company offers three types of sales training modules for the salespeople within the stores. The proprietor of the store, in consultation with the store manager can offer these sales training modules to the salespeople within their respective stores.

In terms of the brand positioning, even though the company does not position itself as a luxury group, yet the stores often house a host of luxury brands; thus the multi brand environment has a mix of store brands, luxury brands and non-luxury brands. As each of the stores within the group is independent and free to choose the assortment as deemed appropriate for its local target market; to account for this heterogeneity, I added the number of luxury brands present within each store as a covariate in the model. The product category (eyewear) is such that salespeople are usually heavily involved in a consultative selling with the customer. The final purchases are often made after a few rounds of trials of the product, with the assistance of the salesperson. At the risk of losing out on the generalizability of the study, the data was collected from a single company. However as has been pointed out by previous research (Jones, Sundaram, and Chin 2002), a single company source enabled a better control over other potential contextual factors, as a result improving the internal validity of the study.

The structure of the sales team was the same across all the stores, with several salespeople reporting to one store manager. A list of salespeople who have been a part of any of the three possible training modules was obtained from the company records. As the decision to offer one or more of the training modules was at the hands of the proprietor, not all stores within the group had trained salespeople. The survey was therefore limited to the stores where trained salespeople were present. Each store typically had more than two trained salespeople, subject to the size of the store. Each of these trained salespeople had received training within the span of 24 months prior to the collection of the data. Surveys were administered to the trained salespeople and their respective store managers; and the store manager reported objective sales performance data.

In total, survey questionnaires were delivered to 138 store managers and 424 salespeople with a response rate of 47% and 44% respectively. The key independent variables like the salesperson’s assessment of the training in terms of cognitive and relational value, the salesperson’s identification with the store brand, were reported by the salesperson, while the store managers provided the information on the salesperson’s luxury brand effort, control system alignment for luxury, salesperson’s total sales performance. The other control variables were obtained from both the salesperson and the store manager as deemed necessary - the salesperson reported on his /her identification with the customer of the store and tenure, and the store manager reported on the other store related control variables like number of luxury brands and in-store luxury brand prominence. The data collection was done in two phases: phase 1 of the data collection was carried out online using the internet platform ‘Qualtrics’, and phase 2 of the data collection was initiated after a 4-month period of the initiation of phase 1. In phase 2, research assistants were hired to collect data personally at the stores. Each research assistant contacted the stores, briefed them about the study, and finally went personally to get the questionnaires filled out in a paper format. After these two rounds of data collection, responses were obtained from 66 store managers and 186 salespeople; however there were four salespeople within one store who were not a part of any of the training programs resulting in incomplete questionnaires. These four salespeople were therefore excluded from the analysis. The final sample consisted of 65 store managers and 182 trained salespeople.

Each salesperson gave their feedback on the training, generating a data set of 182 observations. The average respondent was 32 years of age and had 11.1 years of experience in sales and 8.9 years in his or her company. Sixty percent of the respondents were women, not atypical for this industry as confirmed by the company. Forty percent of respondents had a college degree or higher.

Construct Measures

For capturing the new constructs related to the cognitive and relational value of training, I started with an exploratory participative approach: I attended two of the training modules personally to be able to understand the contents of the training, and also get an opportunity to consult with fellow trainees about their reactions. This helped me to ground myself thoroughly when it came to development of the items. The next step was to go back to the academic literature to be able to generate an initial pool of items. This initial pool of items was refined after expert consultations with academic researchers and with the managers of the cooperative group. Finally, the pretest of these scales was done with a small subset of store managers and salespeople. These steps were in line with the procedures as outlined by Churchill (1979). In particular, the cognitive and relational value of training was measured with the help of four and five items respectively, on five-point Likert scale (refer to the Appendix).

In line with prior literature, salesperson's store brand identification was measured using a two-item scale consisting of a visual and verbal representation of the construct of brand identification (Hughes and Ahearne 2010). This scale has been proven to be a better measure of identification than the scales that have been used previously (e.g., Bhattacharya et al. 1995; Mael 1988; Mael & Ashforth 1992).

Salesperson-customer identification is a new measure that was used as a covariate; and was developed on the lines of the two-item identification scale (Bergami and Bagozzi 2000). Conceptually, it represents the extent to which a salesperson identifies himself / herself with a typical customer of the store. I use the 8-point Venn diagram that is the visual item from Bergami and Bagozzi's (2000) original scale. As shown in the Appendix, a series of Venn diagrams indicating a lesser to a greater degree of overlap between the identities of salesperson and that of a customer of the store was provided, and salespeople chose the level of overlap that best represented their identification.

Relative effort for luxury brands refers to the force or activity expended by the salesperson in favor of the set of luxury brands that exist in the store as against all other brands. This measure was obtained from the questionnaire of the store manager. Having conducted an exhaustive survey of all the luxury brand price points for eyewear, and in consultation with the company experts and store managers, a base price for luxury brands was set: all brands above this base price were classified as 'luxury brands' for the study. This criterion for defining the luxury brands was clearly communicated in the questionnaire. Given a closed retail environment for this study, the store manager was in a position to observe the actions, especially effort allocation in terms of consultative selling of the various salespeople within the store; therefore the assessment of the store manager can be considered as a fairly accurate representation of the salesperson's actual behavior in terms of effort allocation. This effort allocation assessment was obtained with the help of a 100-point allocation as shown in the Appendix.

The extent to which the control systems present in the store supported the sales of the set of luxury brands was captured in the construct of control system alignment for luxury brands. To capture this construct, the store managers were asked to report on the various types of control systems present in the store – incentives, special promotions etc., for the set of brands that were defined to be luxury (i.e. above a pre-specified price point). A complete list of items is presented in the Appendix.

Salesperson's total sales performance is an objective measure that captures the salesperson's volume of sales achieved during the previous month; and the store managers reported this in their questionnaire.

A set of covariates were added to the model in order to account for the variations that were present within each store: the total number of luxury brands, the visibility of the set of luxury brands present at each store, and the tenure of the salesperson.

Measurement Model

I used Stata to conduct an exploratory factor analysis in order to examine the reflective scales, with the help of principal components analysis and oblique promax rotation. Table 1 displays means, standard deviations, and correlations between all of the items in the study. It also displays Cronbach's alphas for the items based on more than one item. At first glance, the relational and cognitive constructs do appear to be high in correlation, but factor loadings for all constructs ranged from .64 to .91 with no unusually high cross-loadings. I then calculated reliabilities for each scale and found them to be acceptable (all above 0.70; see Table 1). Next, I conducted a confirmatory factor analysis (CFA) to test the discriminant validity of the measures. All factor loadings of the indicators to their respective latent constructs were significant. In addition, all squared correlations between the latent constructs were smaller than the average variance extracted from the respective constructs, in support of the measures' discriminant validity (Fornell and Larcker 1981).

Analytical Approach

The data was comprised of 182 salespeople nested in 65 stores. This nesting of data required random effects to account for the multilevel data structure, in order to deal with the related dependencies, and hence modeling choices appropriate for hierarchical observations were made. The intra-class correlation coefficients (ICC) showed that a two-level structure was warranted. According to the ICC's, 41.8% of the variability in total sales performance of the salespeople, 48.6% of variability in the relative effort for luxury brands, and 19.1% of variability in the salesperson's store brand identification was due to store-level factors. The analysis used a multilevel structural equation model fit using MPlus 7 (Raudenbush and Bryk 2002); and the models included random intercepts for each of these endogenous variables in the multilevel structural equation model. Estimation was done using full information maximum likelihood.

As the Figure 1 shows, the outcome variable Total Sales Performance (TSP) is a function of Level 1 variable Relative Effort for Luxury Brands (EFL), and the Level 2 variable Control System Alignment (CSA). Step 1 regresses total sales performance on the level 1 predictor variable relative effort for luxury brands:

$$TSP_{ij} = \beta_{0j} + \beta_{1j}(EFL_{ij}) + r_{ij}$$

where TSP_{ij} is salesperson i's total sales performance in store j, EFL_{ij} is the relative effort for luxury brands by salesperson i in store j, and r_{ij} is an error term assumed to be distributed $N(0,\sigma^2)$.

In Step 2, the regression parameters (intercept and slope) from Step 1 become the outcome variables and are regressed on the control system variable:

$$\beta_{0j} = \Upsilon_{00} + \Upsilon_{01}(CSA_j) + u_{0j}$$

$$\beta_{1j} = \Upsilon_{10} + \Upsilon_{11}(CSA_j) + u_{1j}$$

where CSA_j is the control system alignment for luxury in store j. The above two equations capture the variation present at Level 2; and combining them gives the following:

$$TSP_{ij} = \Upsilon_{00} + \Upsilon_{01}(CSA_j) + \Upsilon_{10}(EFL_{ij}) + \Upsilon_{11}(CSA_j)(EFL_{ij}) + u_{0j} + u_{1j}(EFL_{ij}) + r_{ij}$$

Thus, the effects of control system alignment for luxury, relative effort for luxury brands, and the cross-level interaction of control system alignment for luxury with relative effort for luxury brands on the salesperson's total sales performance are captured by Υ_{01}, Υ_{10} and Υ_{11}, respectively.

Predicting the relative brand effort for luxury involves a similar hierarchical approach:

$$EFL_{ij} = \beta_{0j} + \beta_{1j}(CSA_j) + r_{ij}$$

$$\beta_{0j} = \Upsilon_{00}(SBI_{ij}) + u_{0j}$$

$$\beta_{1j} = \Upsilon_{10}$$

where SBI_{ij} is the salesperson i's store brand identification at store j

Thus, the combined equation may be represented as:

$$EFL_{ij} = \Upsilon_{00}(SBI_{ij}) + \Upsilon_{10}(CSA_j) + u_{0j} + r_{ij}$$

And, the effects of salesperson's store brand identification and control system alignment for luxury brands on relative effort for luxury brands are captured by Υ_{00} and Υ_{10} respectively.

Finally, I also have the following equation for the salesperson's store brand identification:

$$SBI_{ij} = \beta_1(COG_{ij}) + \beta_2(REL_{ij}) + e_{ij}$$

where COG_{ij} is the perceived cognitive value of training for the salesperson i from the store j and similarly, REL_{ij} is the perceived relational value of training for the salesperson i from the store j, e_{ij} is an error term assumed to be distributed $N(0,\sigma^2)$

The effects of cognitive value of training and relational value of training on the salesperson's store brand identification are captured by β_1 and β_1 respectively.

RESULTS

To assist with interpretation, I grand mean centered the variables involved in interactions prior to estimating the model. Grand-mean-centering provides the benefit that the variances and slopes have a clear interpretation, i.e. they represent the expected variances for the average respondent (Hox 2002). The salesperson’s total sales performance was rescaled to be in thousands of units in order to keep the size of the variance component from being too large for MPlus to print.

I followed the modeling approach used in Hughes and Ahearne (2010); since standard fit indexes were not available with MPlus when estimating a multi-level model with cross-level interactions, the model comparisons are made using a likelihood ratio test, Akaike’s information criterion (AIC), and the sample-size adjusted Bayesian information criterion (BIC).

First, a model was estimated in which salesperson’s total sales performance was the sole dependent variable, with main effects for relative effort for luxury brands and control system alignment for luxury. Relative effort for luxury brands had a significant relationship with sales performance ($\beta = .153$, $p < .01$); but control system alignment for luxury did not have a significant relationship with performance. The other significant control variable was total number of luxury brands ($\beta = .769$, $p < .01$).

Adding all main effects to all dependent variables led to a significant improvement in fit. The AIC decreases from 3489.925 to 3374.798. The BIC decreases from 3490.800 to 3375.720. As observed in the previous model, the relative effort for luxury brands continues to have a significant relationship with total sales performance ($\beta = .150$, $p < .01$); and control system alignment for luxury continues to not have an impact on sales performance. Salesperson’s store brand identification has a significant relationship with relative effort for luxury ($\beta = -2.576$, $p = .05$). Another significant path is observed from the cognitive value of training to salesperson's store brand identification (β = .598, $p < .01$). Two control variables were significant: the total number of luxury brands had a significant impact on total sales performance (β = .642, $p < .01$); the salesperson-customer identification had a significant impact on relative effort for luxury brands (β = 2.466, $p < .05$) and also on salesperson's store brand identification (β = 1.104, $p < .01$).

The final model introduces the interaction term; however it is not significant. In support of H1, the effect of the cognitive value of training to salesperson's store brand identification remains significant (β = .598, $p < .01$). Thus, when a salesperson perceives a higher level of cognitive value derived from the training, he or she is more likely to have a higher level of identification with the store brand. I do not find support for H2, i.e. for a similar effect of the relational value of training on salesperson's identification with the store brand. Furthermore, the effect of salesperson's store brand identification on the relative effort for luxury continues to be significant and in the negative direction (β = -2.576, $p = .05$), supporting H3: implying that when a salesperson has higher identification with the store brand, the effort allocation is shifted away from luxury brands. Finally, the relative effort for luxury brands has a significant main effect on sales performance (β = .151, $p < .01$); in support of H4, implying that when a salesperson puts more relative effort for luxury brands, it translates to higher total sales performance achieved by the salesperson. The effects of the control variables are as follows: the total number of luxury brands had a significant impact on total sales performance (β = .643, $p < .01$); and on the relative effort for luxury brands (β = 1.081, $p < .01$). The salesperson-customer identification continues to have a significant impact on relative effort for luxury brands (β = 2.465, $p < .05$) and also on salesperson's store brand identification (β = .391, $p < .01$). I find no support for H5(a) and (b). The results of these models appear in Table 2.

DISCUSSION

Conclusion and Research Implications

One of the main ideas that I explore in this research is the notion of training inputs acting as a precursor towards development of brand identification. In particular, I proposed that a salesperson derives two types of values from the training imparted by the store brand – cognitive and relational; and that these two drive the salesperson's identification with the store brand. The findings support my intuition with respect to the cognitive value of training. This study makes several contributions. First, to the best of my knowledge, this is the first study to examine the components of a training initiative in terms of the value that it creates in the mind of a salesperson. The results of this study highlight the fact that salespeople derive cognitive value from the training imparted, which lead to the formation of their identification with the store brand. This finding is interesting as it throws light on the importance that the salespeople place on concrete functional value benefits that they derive from the training, and subsequently associate themselves more with the brand imparting the training. The route to build brand identification, as per this study, is clearly through the head and not the heart.

Second, while a lot of studies have recently highlighted the importance of brand identification as a determinant of effort allocation, none of the prior studies have examined the process of how brand identification is built. Also, the role of training in building brand identification has been hinted upon in the past, but none of the studies have explored it in detail. This is the first study, which takes a process approach and clearly identifies the aspects of training that would help in building brand identification. Training and its impact on organizational level outcomes like organization identification and commitment have been well researched in the past, but this is one of the few studies to investigate the impact of training inputs on brand level outcomes.

Third, past research has considered assessment of training at one of the levels as defined by Kirkpatrick's (1959) four levels of training assessment. This study examines not only the level 1 of the training assessment – in terms of the reactions of the trainees, but also the performance implications thereof, which are typically considered to be an assessment at level 4. Furthermore, the notion of brand identification is a long-term and relatively stable construct; therefore it is not surprising that the impact of the level 1 reaction could drive through to performance implications at level 4.

Moreover, this study also reveals the fact that building salesperson's store identification may be detrimental to the overall sales performance of the salesperson. While brand identification as a construct has been known to drive favorable outcomes, in the case where the environment consists of store brands and luxury brands, it may be prudent to view store brand identification with caution.

Managerial Implications

From a managerial perspective, this study seeks to provide a clear answer to the design of a training program – which components of training are impactful for creation of brand identification. Brand-building efforts by retail store brands are on the rise. While most of the brand-building efforts are directed towards the external customers of the store, internal training of sales employees also account for a huge expense for the store brands. This study provides a way for the store brands that offer sales training to leverage their current training inputs towards creating a long-term connection of the sales employees with their brand. Particularly, this study gives store brand managers the inputs to design their sales training content in a bid to build store brand identification with the participating sales employees.

This study also raises an important question – whether the store brand identification is beneficial to the total sales performance of the salesperson. In terms of effort allocation, the salesperson needs to choose one set of brands over the other. In such a case, whether the overall benefit to the store brand is in the achievement of a higher total sales performance by the salesperson, or in the achievement of a higher sales performance of its own brand is a question of the overall target of the store brand. Accordingly, the store brand can make changes in its training program, so as to influence the salesperson’s store brand identification level and the performance thereof.

Limitations and Further Research

First, since the research was based on a survey design, a common method bias may be possible. However, in this case, the data collection was done from two separate sources. Salespeople were contacted for the independent measures like cognitive value of training, perceived value of training, store brand identification; and their respective store managers reported the dependent measures like salesperson’s relative effort for luxury brands and total sales performance. The timing of the questionnaire exposure was controlled so that the salespeople and their store managers did not know the real intention of the study. For instance, only after the store manager filled out and returned his/her questionnaire, the salespeople were contacted.

Second, since this study was a cross-sectional one, it is a cause for concern; statistical causality is something that I cannot provide given the nature of the data. However, I have provided the necessary theoretical justification for the directional relationships proposed in the conceptual model. A next step would be to confirm the causality with the help of an experimental or longitudinal study. Third, this study was conducted only with the salespeople who had been exposed to the sales training. A control group could have added more value to the study. However, given the nature of the research question that I aimed to answer, it was appropriate to focus on the trained subgroup of salespeople in order to tease out the various dimensions of training and study the impact on brand identification. Finally, I conducted this study within one firm, which may impact the generalizability of the findings, but additional studies in similar settings could confirm this.

While I have introduced the concept of salesperson’s perceived value of training derived from training, this study paves the way for additional research. In this study, perceived relational value of training did not have an impact on the brand identification. However, it is worth examining if it has a significant impact when it comes to dealing with a different product category. For instance, luxury brands are expected to be creative, therefore the experience-related aspect of the training i.e. the relational value derived could be an important trigger to induce the salesperson towards a greater identification with the luxury brands. Similarly, for other product categories in which the salesperson deals with a more relational-driven perspective like automobile that has an interaction period with a customer over a repeated time frame, a relational value perceived during the training may create a stronger identification of the salesperson with the brand in question.

The nature of the salesperson’s effort allocation warrants further investigation. On the one hand, identification with the parent store brand directs efforts away from all other brands, on the other hand the performance implications of doing so need to be cautiously explored further. In the future studies, it may be essential to pinpoint the targets as defined by the store brand or by the proprietor of the store and determine the best ways to achieve these targets. In addition, while this study examines the impact of sales training on the development of brand identification, companies often use a host of other activities to establish a connection with its sales employees (annual sales meetings etc.). Further research on the subject of brand identification development could encompass the total impact of all such initiatives undertaken by a company.

Table 1

Correlations and Summary Statistics

	1	2	3	4	5	6	7	8	9	10	11
1. Total Performance	1.000										
2. Relative Effort for Luxury Brands	0.136	1.000									
3. Control System for Luxury	- 0.083	0.126	1.000								
4. Number of Luxury Brands	0.287*	0.327*	- 0.060	1.000							
5. Marketshare of Luxury Brands	0.092	0.187*	0.106	0.526*	1.000						
6. In-Store Prominence of Luxury Brands	- 0.136	- 0.110	0.053	- 0.399*	- 0.636*	1.000					
7. Tenure within Store	- 0.039	- 0.148*	0.066	- 0.140	- 0.021	0.048	1.000				
8. Salesperson - Customer Identification	0.080	0.011	- 0.053	- 0.059	- 0.047	0.085	0.064	1.000			
9. Salesperson's Store Brand Identification	0.025	- 0.239*	0.030	- 0.075	- 0.033	- 0.002	0.155*	0.286*	1.000		
10. Cognitive Value of Training	- 0.056	- 0.043	0.042	- 0.013	- 0.066	- 0.090	0.034	0.017	0.363*	1.000	
11. Relational Value of Training	- 0.099	- 0.228*	0.059	- 0.103	- 0.059	0.019	0.037	0.064	0.168*	0.493*	1.000
M	20,132	28,626	0,076	4,701	4,701	0,341	3,571	4,240	3,819	3,056	3,955
SD	10,572	15,565	0,114	2,207	2,207	0,203	1,140	0,921	1,291	0,773	0,715
α	-	-	-	-	-	-	-	-	0.795	0.791	0.822

* *p < .05*

Notes: α = Cronbach's index of internal consistency reliability

Table 2

Model Comparisons and Effects

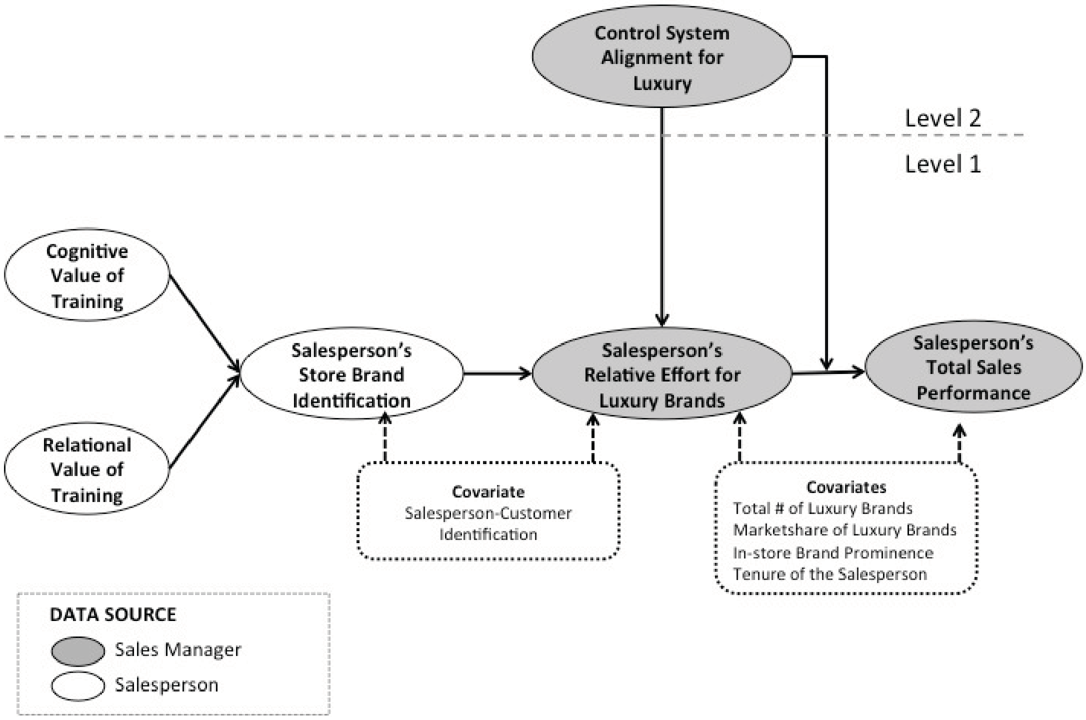
	Model 1	Model 2	Model3
Relative effort for luxury brands --> total performance	0.153**	0.150**	0.151**
Control system alignment for luxury --> total performance	n.s.	n.s.	n.s.
Control system alignment for luxury X relative effort for luxury --> total performance			n.s.
Control system alignment for luxury --> relative effort for luxury		n.s.	n.s.
Salesperson's store brand identification --> relative effort for luxury		-2.576*	-2.567 *
Cognitive value of training --> salesperson's store brand identification		0.598**.	0.598**
Relational value of training --> salesperson's store brand identification		n.s.	n.s.
Covariates			
Total number of luxury brands --> total performance	0.769**	0.642**	0.643**
Total number of luxury brands --> relative effort for luxury		1.081**	1.081**
Marketshare of luxury brands --> total performance	n.s.	n.s.	n.s.
Marketshare of luxury brands --> relative effort for luxury		n.s.	n.s.
In-store brand prominence --> total performance	n.s.	n.s.	n.s.
In-store brand prominence --> relative effort for luxury		n.s.	n.s.
Salesperson tenure --> total performance	n.s.	n.s.	n.s.
Salesperson tenure --> relative effort for luxury		n.s.	n.s.
Salesperson-customer identification --> relative effort for luxury		2.466**	2.465**
Salesperson-customer identification --> salesperson's store brand identification		1.104**	0.391**
Number of Free Parameters	15	25	26
Log-likelihood	-1729.96	-1662.40	-1662.32
-2LL Change		135.126	0.144
AIC	3489.925	3374.798	3376.654
BIC	3490.800	3375.720	3377.613
N	186	182	182

* $p < .05$, ** $p < .01$

Notes: n.s. = not significant

Figure 1

Hypothesized Model



APPENDIX

Salesperson's Perceived Cognitive Value of Training

(Source: Salesperson Questionnaire)

Four items, 5-point Likert scale

1) Now that I have been trained by (store brand), I feel much more informed about (product category) in general.
2) Now that I have been trained by (store brand), I understand why (store brand) is such a great brand.
3) Due to the training by (store brand), I am more able to sell (product category).
4) Due to the training by (store brand), I am more able to sell (store brand).

Salesperson's Perceived Relational Value of Training

(Source: Salesperson Questionnaire)

Four items, 5-point Likert scale

1) During the training by (store brand), the trainer treated me very well.
2) During the training by (store brand), we all had a feeling that we were part of the (store brand) team.
3) The training provided by (store brand) was very enjoyable.
4) The training components (the reception, the course materials, the meals provided, etc.) organized by (store brand) were very good.
5) I appreciate the efforts of (store brand) for this training.

APPENDIX (CONTINUED)

Salesperson's Relative Effort for Luxury Brands

(Source: Store Manager Questionnaire)

In your opinion, during the last month, how did Salesperson X allocate his/her efforts between the following ? Please distribute 100 points among the following categories:

Store Brand	All other brands priced equal or above 250 €	All other brands priced below 250 €	Total
			100

** Having conducted an exhaustive survey of all the luxury brand price points for eyewear, and in consultation with the company experts and store managers, a base price for luxury brands was set at 250 €: all brands above this base price were classified as 'luxury brands' for the study.*

Control System Alignment for Luxury

(Source: Store Manager Questionnaire)

During the last month, please indicate which brands were active in your store for each of the following headings:

	Dior	Chanel	Prada	Gucci	Store Brand	All other brands priced equal or above 250 €	All other brands priced below 250 €	N/A
Incentives								
Premiums								
Special Price Promotion								
Special Collection								
Limited Edition								
Insurance Support								

** A score was calculated from the above information to indicate the total activities in support of all the luxury brands.*

APPENDIX (CONTINUED)

Salesperson-customer identification

(Source: Salesperson Questionnaire)

Imagine that one of the circles represents your personality and the other represents that of your customer. Please indicate which case (A, B, ..., or H) shown below best represents the proximity that you perceive between the two:

	ME MY CLIENTS	
A		Extremely Far Apart
B		Very Far Apart
C		Far Apart
D		Moderately Close
E		Close
F		Very Close
G		Extremely Close
H		Complete Overlap

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CHAPTER 4

The Universe of Salespeople in a Multi-brand Retail Environment with Status Disparate Brands

A. ABSTRACT

A salesperson’s effort allocation in a multi-brand store could be influenced by a host of factors such as the type of brands present in the store, type of customers who frequent the store and the incentive structure. Prior research has been scarce to examine the overall impact of the selling environment of the salesperson, especially when the environment has luxury brands and store brands. The presence of multiple brands may elicit varying levels of brand identification from the salesperson. Status differences between luxury brands and store brand may also bias the salesperson. Drawing from the literature on cognitive dissonance and social identity theory, I propose that the selling environment of a salesperson selling a luxury brand from a multi-brand non-luxury store can be explained with the help of two dimensions: salesperson’s identification and salesperson’s perceived fit. This study does not achieve empirical evidence of the existence of these two dimensions, however this could serve as a starting point to explore other potential influencing factors that may be playing a role in a multi-brand selling environment to direct the salesperson’s effort.

Keywords: salesperson’s identification, salesperson’s perceived fit, salesperson effort allocation, salesperson performance.

B. INTRODUCTION

Over the past decades, the power of manufacturers has gradually grown weak in favor of the distribution channels that take them to market, such as supermarkets and departmental stores. These distribution channel entities are an important determinant of who the end-customers are; for instance, with the use of in-store communication and also with branding activities to promote ‘store brands’ developed by the distribution channels, the end customers often choose the store from where they would buy a manufacturer brand or a store’s offer of the store brand. The personal luxury goods industry is not exempt from this growing influence of store brands. In fact, as per a report by Bain & Co. (May 2014), the personal luxury goods market amounted to 217 Billion Euros in 2013, out of which 69% was generated through sales outside of the luxury manufacturers’ directly controlled stores, despite the fact that such stores do not often represent the true luxury brand character. Owing to the superlative nature of luxury, however, the balance of power between luxury and store brands is not that straightforward.

First, the origin of the luxury brands’ power lies in their scarce distribution. Therefore, as much as the rise of the store brands is a phenomenon to have influenced the power distribution, the very selective distribution strategy of luxury brands have been a counter-effect in some ways. In the hierarchy of luxury distribution, the highest level of store experience is offered via the ‘retail’ route consisting of directly-owned-stores (DOS) (e.g. flagship store, boutiques, shop-in-shop corners etc.), that sometimes happens to be the main distribution channel for luxury brands (e.g. for Louis Vuitton or Ermenigildo Zegna). In general, a large number of luxury brands are also offered via the ‘wholesale’ route (i.e. the departmental store, multi-brand specialized store), from where the luxury brand has the opportunity to present entry-level luxury goods to its customers. Since the setting of the store itself is instrumental in creating the luxury brand experience, and resulting awe for a luxury brand (Dion and Arnould 2011), very often the choice of the ‘wholesale’ store lies in the hands of the luxury brand manufacturer, thus mitigating the power of the store brand in a way.

Second, powerful luxury brands also help in attracting profitable customers of luxury to the ‘wholesale’ multi-brand stores. A quote by Jean-Louis Dumas, former chairman of Hermés goes on to state “a luxury brand should select its customers and promote them as individual promotion agents” (Chevalier and Gutsatz 2012). Luxury brand customers are therefore often not only consumers of luxury themselves, but also promoters of luxury consumption. The presence of luxury brands in the wholesale multi-brand store therefore gives an opportunity to tap loyal luxury brand customers, and also to reap the incremental benefits that such customers may offer in terms of word-of-mouth recommendations to drive traffic and attract other potential customers.

In addition to the existence of this delicate balance of luxury versus store brand, luxury brand manufacturers also need to keep in mind the important role of customer-brand relationships, which often get forged in a store environment via customer-salesperson relationships (Cervellon and Coudriet 2013). The objective of a salesperson goes beyond just selling – to create a bond with the customer; with the objective of a purchase in the short or the long term (Lent and Tour, 2009). When it comes to brands, a salesperson may also derive motivation to sell through their sense of identification with the brand (Hughes and Ahearne 2010). In a multi-brand environment, a salesperson may harbor identification with multiple brands at the same time. Additionally, the salesperson is also subject to identification with the store brands. How these two identifications may impact a salesperson’s motivation towards selling the luxury brand is something that needs to be determined in order to be able to predict the salesperson’s disposition towards the luxury brands; as this disposition has a direct impact on the customer-salesperson interaction quality. Brand identification with the luxury brand as felt by the salesperson is therefore an important parameter to study in such a multi-brand environment.

In the wholesale multi-brand store environment, the salesperson may also be subject to another mechanism of influence: perceived fit. The degree to which consumers perceive that the association between two entities is appropriate and logical, is referred to as perceived fit (Arnett, Lavarie and Wilcox 2010). This notion can be extended to the salesperson's selling environment in a multi-brand store. For instance, a salesperson's evaluation of the fit between luxury brand and the store brand may have an impact on the salesperson's motivation to exert efforts for selling the luxury brand. Similarly a salesperson's perceived fit between the luxury brands and the typical customers of the store may also be a determinant for effort allocation. Perceived fit therefore may be expressed in terms of a number of dimensions in a multi-brand environment; this chapter seeks to capture these dimensions of evaluation and study the impact on effort allocation for luxury brands.

With a focus on the salesperson in the midst of a multi-brand selling environment with luxury and store brands, I would like to propose an exhaustive conceptual model to shed light on the following research questions: (1) how do the various forms of identification felt by the salesperson impact the salesperson's effort towards selling the luxury brands, (2) how do the various dimensions of salesperson's evaluative fit impact the salesperson's effort towards selling the luxury brands, and (3) how do these identification and perceived fit parameters work together to determine the salesperson's disposition towards the luxury brands, resulting in the performance of luxury brands within the store.

The rest of the chapter is organized as follows: Section C discussed the conceptual model, theoretical background and presents the hypotheses. I present the methodology in Section D, and finally I discuss the results and discussion in Section E.

C. CONCEPTUAL BACKGROUND AND HYPOTHESES

As shown in Figure 1, in a multi-brand environment with luxury and store brands, a salesperson exists with the following three entities: luxury brand, store brand, and customers. With respect to these entities, I predict that the salesperson will experience two kinds of forces: Identification and Perceived Fit. A salesperson's *personal connection* with the luxury brand, the store brand and the customer will be captured by the notion of salesperson's identification, whereas a salesperson's *evaluative judgment about the three external entities* is captured by the notion of salesperson's perceived fit. Figure 1, showing the six relationships between the four entities in focus, can thus represent a multi-brand selling environment with luxury brands and store brands.

As shown in Figure 2, I expect that the extent to which a salesperson has a higher identification will have a direct impact on salesperson's relative effort for luxury brands. This relationship will be moderated by the extent to which salesperson perceives the luxury brands and store brand to be a fit. In other words, a higher level of perceived fit between the luxury and the store brand will strengthen the impact of salesperson's identification on the salesperson's relative effort for luxury. I also expect that the salesperson's perceived fit will have a direct effect on salesperson's relative effort for luxury brands. This relationship will be moderated by the extent of salesperson's identification with the luxury brands. The relative effort allocation towards the luxury will affect the salesperson's sales performance for luxury brands. Finally, I suggest that the extent to which the control systems are aligned with the target luxury brands will have an impact on relative effort allocation and sales performance for the luxury brands.

Salesperson's Identification

Social identity theory posits that self-concept of a person is derived in part by the psychological membership in various social groups that he/she belongs to (Tajfel 1978). In addition to personal identity (which is comprised of idiosyncratic characteristics of an individual such as abilities and interests), social identity is constructed with respect to group belongingness of the individual. Such a group belongingness helps the individual to classify themselves; enabling individuals to bring a sense of order to the social environment and locate themselves and others within this environment (Turner 1985). Social identification is therefore a construct by which an individual denotes his/her belongingness to the group.

Social identification may have several dimensions. Organizational identification is a specific form of social identification in which the person defines him- or her- self in terms of membership with a particular organization. This conceptualization of organizational identification necessitates a sense of shared identity between the individual and the organization (Ashforth and Mael 1989). In this self-definitional manner, an individual member defines his/her identity by adopting a part of the definitional aspect of the organization. Members also get a sense of positive well-being from such an organizational membership: they are thought of as experiencing the phenomenon of 'basking in the reflected glory' of the positive image of their organization (Cialdini et al. 1976). Actual membership is not necessary, as it has been documented that a psychological group is far more than an extension of interpersonal relationships (Turner 1985) and identification can arise even in the absence of interpersonal cohesion, similarity, or interaction and yet have a powerful impact on affect behavior (Ashforth and Mael 1989).

In a similar line of thought, Hughes and Ahearne 2010 define brand identification as the degree to which a person defines him- or her- self by the same attributes that he or she believes defines a brand. Just as formal membership in a group is not required for identification (Pratt 1998) consumers also prefer brands that elicit associations consistent with self-identities either actual or desired (Sirgy 1982). A higher identification with a brand would lead to a greater willingness to expend effort for the brand (Hughes and Ahearne 2010). Similarly, the ‘classical identification’ as defined by Kelman 1961, is between individuals; and is grounded on the idea that an individual “attempts to be like or actually to be the other person”. An individual identifies with the other on the desire to appease, emulate, or vicariously gain the qualities of the other (Bandura and Walters, 1963; Kets de Vries and Miller, 1984). Such a form of identification may also occur in salesperson-customer relationship.

In the context of a salesperson in a multi-brand selling environment with luxury and non-luxury store brands, the concept of identification can therefore be extended to involve all the entities that exist in the salesperson’s immediate selling environment. The conceptual model of salesperson’s identification, which I propose and test in my research, is drawn from theories of social identity and organizational identification to include these elements that may have an impact on the salesperson’s behavioral disposition. In my model, I consolidate ideas from the literature and propose that salesperson identification within a multi-brand store encompasses a set of relations with (1) the store brand (2) the luxury brand, and (the customer). Particularly, I propose that this set of identifications with the three entities in the selling environment will situate the salesperson and will be a predictor of the disposition of the salesperson with respect to the luxury brands.

Salesperson’s Identification and Subsequent Relative Effort Allocation for Luxury Brands

If the salesperson’s identification with luxury brands is strong, the salesperson feels more strongly connected with the luxury brands at a personal level; also when the salesperson has high luxury brand identification, he/she gets invested in the success of the luxury brands. Prior research has pointed out that higher brand identification leads to more efforts for the brand (Hughes and Ahearne 2010). Similarly, when the salesperson harbors a strong identification with the store brand, the salesperson will be predisposed to have a greater allegiance to the store brand's goodwill. A large share of the store brand's success is accounted for by the sales of luxury brands; therefore, the salesperson will be motivated to exert more effort on the luxury brands. Furthermore, research has shown that perceived personality similarities between a buyer and a seller leads to higher trust and better sales performance (Dion, Easterling and Miller 1995). Therefore, the more a salesperson can identify with the store's customer, the more likely the salesperson is to offer the 'the most premium' product from the assortment, i.e. offering luxury brands to the customers. Thus,

H1 : An increase in salesperson's identification will lead to an increase in willingness to expend relative brand effort for luxury brands.

Cognitive Consistency

Theories of cognitive consistency have highlighted the need for individuals to have consonant cognitions that support rather than oppose each other (Abelson 1968). Festinger (1957) lists four kinds of situations in which dissonance can arise: (1) logical inconsistency (2) inconsistency with cultural mores (3) inconsistency between one cognition and a more general, more encompassing cognition, and (4) past experience. In each of these cases, the primary tenet of the theory is that the presence of inconsistent cognitions elicits an aversive state of arousal of the mind (known as dissonance), which in turn produces a need to reduce the original inconsistency and to maintain a state of consonance. Heider (1958) goes one step further to propose a consistency model towards organizing cognitions about things and about other persons who also have cognitions about them in a 'harmonious' way to achieve 'balance'. As per the balance theory proposed by Heider (1958) the balanced state is a situation in which the units involved and the experienced sentiments co-exist without stress and there is no pressure to change, either in the cognitive organization or in the sentiment.

More specifically balance theory is concerned with the psychological processes that occur when a person P simultaneously experiences cognitions about some entity X (an object, a person, or an idea), and about some other person O, whose cognitions about X are of interest to P. The triad is balanced when all three of the relations P/O, P/X, X/O are positive or when two of the relations are negative and one is positive. Heider’s theory essentially deals with multiple cognitions as experienced by an individual, and the relations within these cognitions so as to achieve a state of balance. Gawronski in 2012 elaborates further on the issue of dissonance and inconsistency by making a transition towards defining inconsistency not as a result of ‘cognitive elements’, but as a result of multiple ‘propositional beliefs’; making the interpretation of cognitive consistency a relatively broad concept, to be able to include a large set of constructs and phenomena.

Festinger (1957) also believed that cognitive consistency is paramount and as basic as hunger and thirst. In a self defining situation, when faced with dissonance, individuals resort to attitude changes so as to maintain a consistent view of the self, (Aronson 1968), maintain a positive self-image (Steele and Liu 1983), or to maintain self-views that are consistent with one’s personal standards (Stone and Cooper 2001). Furthermore, an inconsistency also matters in areas that are not just self-definitional. For instance, Festinger (1957) clearly mentions that cognitive inconsistency can be resolved in many ways other than attitude change (which is an aspect related to the self). Individuals also tend to resolve an inconstant situation with a revision of belief as per the literature on attitude change (Brehm 1956; Festinger and Carlsmith 1959) and deviation from context-appropriate behavior (Quine and Ullian 1978; Harmon-Jones, Amodio, and Harmon-Jones 2009). The central argument of the Gawronski’s 2012 paper also points towards the quintessential nature of the ‘need for cognitive consistency’. In this chapter I introduce the concept of ‘perceived fit’ to capture the various cognitions that a salesperson has, in the selling environment where he / she sells luxury brands in a non-luxury store to the customers.

Salesperson's Perceived Fit

A salesperson's perceived fit is conceptualized as what the salesperson perceives to be true, without having a self-definitional motive for identity creation. A salesperson in a multi-brand store with luxury brands deals with three external entities (1) luxury brands (2) store brands, and (3) customers; and there are three possible relationships among them. I define salesperson's perceived fit as the assessment of the salesperson with regards to the consistency between these three entities in the selling as per his/her cognition. Since a salesperson has individual cognitions about each of these relations, I elaborate further on the three kinds of perceived fit assessments that are components of the construct of salesperson's perceived fit.

Luxury brand – store brand perceived fit: The store brand is a retailer with a strong identity that also produces its own line of products strategically branded to create a competitive advantage. With the help of brand communications and other marketing activities, while a luxury brand connotes superlative status and quality, a store brand does not. Therefore in terms of the imagery, a salesperson has a clear cognition of the store brand's non-luxury status with respect to the luxury brand's status. Furthermore, since the luxury brand manufacturers often do not exert any control of the wholesale stores, the wholesale stores do not match up to the symbolic image of a typical luxury selling environment: this situation further aggravates the luxury vs. non-luxury divide in the cognition of the salesperson. Also, factors such as store attributes (physical store appearance, price levels, number of price promotions etc.) influence the overall store brand image (Ailawadi and Keller 2004); making the distinction between luxury and non-luxury more evident. Salespeople from such a multi-brand environment carry the following propositional beliefs: (a) Luxury brands exist in a high-status luxury environment. (b) I sell luxury brands from my store. (c) My store does not have a high-status luxury environment nor is a high-status brand. These set of inconsistent propositional beliefs are the origin of cognitive dissonance for the salesperson. As one salesperson participating in the pre-study qualitative work stated, “My store carries all the top luxury brands that exist in the market, but it is not the same thing to sell it from here, as compared to selling it from a boutique store in Avenue Montaigne (the luxury street of Paris). And I am not sure if all these brands should even exist here in my store.” The notion of perceived fit between luxury and store brand is therefore captured as the extent to which the salesperson’s believes that the luxury brand and the store brand can co-exist together in the selling environment of the salesperson. This evaluative judgment is an individual level construct and may differ from one salesperson to the other.

Luxury brand – customer perceived fit: On a similar line of thought, salespeople also have evaluative judgments about the customer who enters the store. Prior research has shown that there are different customer types who frequent (Ailawadi, Neslin and Gedenk 2001) different kinds of stores. A typical high-status luxury brand customer is different from a regular multi-brand store customer. Anecdotal evidence has pointed out that especially for luxury brands, salespeople may have a judgment about the customers entering the store – whether the customers are worthy of luxury brands. Based on external cues like how the customer dresses, or based on what kind of accessories are carried by the customers, salespeople often judge them as potential clients or not (Cervellon and Coudriet 2013). The notion of perceived fit between the luxury brand and the store’s customer is therefore the prime cognition to drive such a behavioral disposition of the salesperson.

Store brand – customer perceived fit: A similar evaluation process occurs in the mind of the salesperson with respect to a customer when the focal brand in question is the store brand: i.e. external cues tend to bias a salesperson towards accepting the customer as a potential client for the store brand. Furthermore, an evaluative judgment of perceived fit between the store brand and the client creates a favorable disposition of the salesperson towards the client.

Fit assessment is an important determinant of salesperson's effort allocation. Several ideas point to this but the key learning can be drawn from studies in the domain of brand extensions. For example, in this literature of brand extensions, it has been shown that the transfer of perceived quality attributes from the old brand to the 'new' brand is enhanced when the two brands (product classes) fit together (Aaker and Keller 1990). Theoretical perspectives such as cognitive consistency (Heider 1958; Osgood and Tannenbaum 1955), stimulus generalization (Bierley, McSweeney, and Vannieuwkerk 1985; McSweeney and Bierley 1984), affect transfer (Wright 1975), and categorization theory (Cohen and Basu 1987; Fiske 1982; Fiske and Pavelchak 1986; Sujan 1985) also support the notion of fit as a determinant of attributes of the new brand. The brands that are perceived to fit well, gather better consumer evaluations (Aaker and Keller 1990; Boush and Loken 1991; Meyvis, Goldsmith, and Dhar 2012; Park, Milberg, and Lawson 1991). Such a notion of fit is not just restricted to the consumer feedback on brand extensions, but it extends to evaluations of the fit between celebrity and product endorsements (Kamins 1990; Misra and Beatty 1990), and also on store performance (Netemeyer, Heilman and Maxham III 2012). In summary, the vast literature in the domain of brand extension, and other related domains, point to the fact that a higher fit assessment is desirable.

Salesperson's Perceived Fit and Subsequent Relative Effort Allocation for Luxury Brands

A salesperson's perceived fit with respect to the three components has implications on the subsequent allocation of effort towards luxury brands. Especially when it comes to selling luxury brands, a salesperson who has a negative perception of fit between the entities will experience a state of cognitive inconsistency. In a bid to resolve this inconsistency, a salesperson will be forced to allocate mental resources; which otherwise could have been utilized towards effort allocation Therefore in this scenario, the motivation of the salesperson to put efforts for luxury brands is affected. A higher level of cognitive inconsistency (i.e. a lower fit perception) will therefore have a negative impact on the motivation of the salesperson towards effort allocation for the luxury brand and vice versa.

Kelley's (1967) attribution theory of motivation postulates that people often search for causes of their successes and failures in order to attain "a cognitive mastery of their environment". Furthermore Weiner (1980) identified three dimensions of such attributions - locus, stability, and controllability. In the case that a salesperson's perceived fit is low, essentially what the salesperson believes in is the fact that "luxury brands in question do not belong here" or "luxury brands in question are not in their 'appropriate' environment" or "luxury brands are not supposed to be sold from this store brand and its environment" or "luxury brands are not supposed to be sold to the customers who frequent this place" and so on. A salesperson with a low perception of fit therefore thinks of the situation as that related to controllability – i.e. the salesperson believes that these are factors that are beyond his or her control. In such a case, therefore, in line with the prediction of attribution theory, the salesperson has a predisposition to expend less effort towards selling luxury brands.

In line with prior literature, effort has been defined as "the force, energy, or activity, by which work is accomplished" (Brown and Peterson 1994) and particularly in the domain of sales force management, research has shown that the direction of effort is a major determinant of sales performance (Weitz, Sujan, and Sujan 1986; Brown, Cron, and Slocum 1997). Hughes and Ahearne (2010) define brand effort as "the force, energy, or activity expended against the focal brand relative to that expended against all other brands".

Salesperson's relative luxury brand effort, as I conceptualize here is the effort expended on the luxury brands relative to all the other brands present in the store.

To sum up, a higher level of salesperson's perceived fit will cause less cognitive inconsistency, in turn cause preservation of cognitive resources that would otherwise be utilized for resolution of the inconsistency; and also give a sense of more controllability to the salesperson, motivating him/her to expend more effort towards selling the luxury brands. Thus,

H2 : *The higher the salesperson's perceived fit, the higher is the salesperson's relative brand effort expended for luxury brands.*

Moderating Impact of Perceived Fit Between Luxury and Store Brand

While I propose that salesperson's identification is linked with effort allocation for luxury brands, there is another moderating impact to be considered: that of perceived fit between luxury and store brand. A high perceived fit assessment between the luxury and the store brand by the salesperson indicates a better cognitively consistent evaluation; i.e. the salesperson believes that the luxury brands and store brands can co-exist. With a high identification, a salesperson has a strong personal connection. Having a high perception of fit between luxury and store brand, the salesperson is cognitively in a state of balance with regards to selling luxury from the non-luxury store; therefore amplifying the positive effects of identification on the amount of effort allocation for luxury brands. Thus,

H3 : *A salesperson's perceived fit between luxury and store brand strengthens the positive relationship between the salesperson's identification and relative brand effort for luxury brands.*

Moderating Impact of Salesperson's Identification with Luxury Brand

If salesperson's identification with the luxury brands is high, the salesperson feels more strongly connected with the luxury brands at a personal level. Given a higher perceived fit evaluation, a salesperson is more likely to expend higher efforts for the luxury brand when he/she has a personal connection to the brand. Therefore, salesperson's luxury brand identification should amplify the positive effects of the salesperson's perceived fit on the amount of effort the salesperson places on the luxury brand. Moreover, since the salesperson is personally motivated towards the luxury brand, higher luxury brand identification by the salesperson would bias the latter towards the luxury brand, also potentially mitigating the impact of a low perceived fit on the effort allocation. Thus,

H4 : *A salesperson's luxury brand identification strengthens the positive relationship between the perceived fit and relative brand effort for luxury brands.*

Salesperson's Luxury Brand Performance and Control System Alignment for Luxury

In addition to relative brand effort for luxury brands, I also focus on the performance outcome of luxury brands as a result of this effort allocation. In line with Hughes and Ahearne 2010, I define salesperson's luxury brand performance as the proportion of sales the luxury brands represents out of the total sales volume achieved by the salesperson. In general, the more relative effort the salesperson puts for luxury brands, the higher is the possibility of achieving sales of the luxury brands. Furthermore, control system alignment is a key determinant of relative brand effort allocation and performance.

In line with Hughes and Ahearne's (2010) conceptualization of control system alignment, I define control system alignment for luxury as the extent to which the control systems put in place by the store to direct and motivate its sales personnel are aligned with the goals of the luxury brands. As the control system alignment increases (in favor of the luxury brands), the salesperson can afford to place more relative effort in favor of the luxury brands; and also strengthen the impact of relative effort on the sales of the luxury brands. Thus,

H5 : *Greater salesperson's relative effort for luxury bransd results in an increased salesperson's luxury brand performance.*

H6 : *Control system alignment for luxury (a) increases the salesperson's relative effort for luxury and (b) strengthens the impact of salesperson's relative effort for luxury on salesperson's luxury brand performance.*

D. METHODOLOGY

Sample

To represent the multi-brand store from where luxury brands are sold, the data was collected from single retail chain that sells eyewear across France and dominates the market. Each of the stores is a part of a central cooperative chain with the head office in suburban Paris. While the central cooperative group lends its brand name and expertise in this category along with all the marketing support elements for the stores, the stores are independently managed. This central group invests a lot in brand-building activities to ensure a clear brand proposition in the market. This group was chosen due to the fact that it is active in creation of its own brand and it does not have a luxury positioning; which is the typical case of most store brands that create a multi-brand environment. The stores within the group are free to choose from a huge spectrum of brands (luxury and non-luxury both) that are made available to them via the central chain; in light of which I added the number of luxury brands present within each store as a covariate in the model. This product category was chosen because it lends itself to a store environment where luxury brands have traditionally co-existed with non-luxury brands. The product category is such that mostly all of the sales take place as a result of consultations with the end consumer. In line with previous literature in the sales force domain (Brown and Peterson 1994; Wieseke, Homburg, and Lee 2008), the present study was administered in a single company, at the risk of constraining the overall ability to generalize the results. However, the internal validity of the study is enhanced due to a better control over contextual factors that is possible by using data from one company (Jones, Sundaram, and Chin 2002).

The organization of the sales team was consistent across the stores, with several salespeople reporting to one store manager. Surveys were administered to the salespeople and their respective store managers; and objective sales performance data were obtained with the help of daily sales tracking sheets filled up by salespeople who participated in the study. These daily tracking sheets were filled up for a period of one-month, after which they were returned directly using self-addressed postage-paid envelopes. In total, survey questionnaires were delivered to 138 store managers and 424 salespeople with a response rate of 48% and 45% respectively. Store managers provided the information on the salesperson luxury brand effort, control system alignment for luxury and other store related control variables like number of luxury brands and in-store brand prominence, and salespeople provided all the other latent constructs in the model, along with the tracking sheet for their daily sales. The data collection was done in two phases. In phase 1, survey questionnaires were emailed to store managers and respective salespeople within the stores; and these sales personnel were asked to complete the survey at their leisure. The Internet survey platform 'Qualtrics' was used to collect data during this phase, and responses were monitored on a regular basis. A reminder email to the non-respondents was sent after a period of one month. After a period of four months, phase 2 was initiated, where research assistants collected the data personally at the stores. Combining the responses from the two rounds of data collection, the final data set contained responses from 66 store managers and 186 salespeople. In consultation with the company, four luxury brands were selected to represent the focal brands for my study. Therefore, each salesperson gave responses regarding these focal brands; each salesperson reporting on up to four luxury brands (depending on the presence of the brand in their respective store), generating a data set of 360 possible responses; but an average measure was taken for the analysis resulting in 186 observations. The average respondent was 32 years of age and had 10.5 years of experience in sales and 8.7 years in his or her company. Sixty-one percent were women, not atypical for this industry as confirmed by the company. Forty-two percent of respondents had a college degree or higher.

Construct Measures

To operationalize the constructs, I used a combination of new and proven scales. The new scales were developed as per the procedures as outlined by Churchill (1979). For each of the new scales, I developed an initial pool of items using exploratory research, refined them after expert consultations with academic researchers and with the managers of the cooperative group. The pretest of the scales was done with a small subset of store managers and salespeople.

Salesperson's perceived fit consisted of three items (1) perceived fit between luxury and store brand (2) perceived fit between luxury brand and customer, and (3) perceived fit between store brand and customer. To be able to capture this construct in a succinct yet unambiguous map, the 8-point Venn diagram that is the visual item from Bergami and Bagozzi's (2000) original scale was used. As shown in the Appendix, a series of Venn diagrams indicating a lesser to a greater degree of overlap between each of the pair of entities was provided, and respondents chose the level of overlap that best represented their assessment of perceived fit.

Salesperson's identification consisted of three items (1) identification with the luxury brand (2) identification with the store brand, and (3) identification with the customer. Following the recent work in the sales management domain with respect to brand identification, a two-item scale which captures the visual and verbal representation of perceived overlap (Hughes and Ahearne 2010), was used to measure each of these identification dimensions as reported by the salesperson's. Originally developed by Bergami and Bagozzi (2000) this scale was to measure the level of organizational identification of employees. This simple scale is based on a cognitive representation process to measure identification. Bergami and Bagozzi (2000) demonstrated that this measure was a better reflection of identification than scales previously used (e.g., Bhattacharya et al. 1995; Mael 1988; Mael and Ashforth 1992).

Relative luxury brand effort refers to the force or activity expended by the salesperson in favor of luxury brands as against all other brands. This measure was obtained by the store manager for each of the salesperson within his/her respective store. Unlike, other sales organization scenarios, where the actions of a salesperson is often not directly observable owing to the nature of their work outside on the field, in my case, the actions of a salesperson take place within a retail store environment, hence the assessment of the store manager is a fairly accurate representation of the salesperson's actual behavior in terms of effort allocation. This assessment was obtained with the help of a question on a 100-point allocation as shown in the Appendix.

Control system alignment for luxury brand refers to the extent to which the store control systems support the luxury brands. To assess this construct, the store managers were asked to report on the various types of control systems present in the store – incentives, special promotions etc., for the luxury brands and all other brands present in the store. A complete list of items is presented in the Appendix.

Salesperson's luxury brand performance is an objective measure that captures the proportion of salesperson's volume of sales that is accounted for by luxury brands in the portfolio. I follow the approach of Hughes and Ahearne (2010) wherein a similar proportion was used to capture the focal brand's share of total sales for each salesperson. It is conceptually similar to the share of wallet, and therefore it is a good indicator of the performance of the focal luxury brand per salesperson.

In order to account for the variations that may be present within each store data on the luxury brands' market shares, the total number of luxury brands, the visibility of luxury brands present at each store, and the tenure of the salesperson were collected to be added as covariates in the model.

Measurement Model

To test the existence of dimensions of identification and perceived fit, as I have hypothesized in Figure 1, I used the data reduction technique of Principal Components Analysis (PCA). With the PCA my intention is to represent the 6 correlated random variables (the three constructs of identification and three of perceived fit) by means of a reduced set of uncorrelated variables (components), which are obtained by transforming the original set into an appropriate subspace. The components extracted should ideally provide a good linear combination of the original six variables, in terms of explaining maximal variance and orthogonal directions in the data. One of the primary benefits of using PCA in this study is that the directions of greatest variability will give the most information about the configuration of the data in multidimensional space. The first principal component should have the greatest variance and be able to extract the largest amount of information from the data. The second component extracted, which will be orthogonal to the first one and should have the greatest variance, in that the subspace is orthogonal to the first component; and, it extracts the greatest information in that subspace, and so on. The principle components also minimize the sum of the squared deviations of the residuals from the projection into linear subspaces of dimensions 1, 2, etc.

I examined the correlation matrix of the 6 variables. For component extraction, the correlations should be higher than what I observe; the highest correlations are in the range of 0.35 to 0.55. I apply the data reduction process of the principal components analysis. Two components are extracted, but a detailed examination reveals that they are not empirically strong: (1) in the anti-image matrix (Table 2), the Kaiser-Meyer-Olkin measure of sample adequacy should be greater than 0.50 for each individual variable, but this criteria is not met, (2) the communalities table (Table 3) also shows that the communality value of three variables fails to meet the criteria of being more than 0.5 (i.e. each solution is not able to explain at least half of the original variable’s variance, and (3) the percentage of variance explained (Table 4) by Component 1 is 30% and the percentage of variance explained by taking into account Component 2 is just 52%. Subsequent iterations by dropping the three variables that do not meet the communality condition fail to produce a statistically robust result.

As the first step in the hypothesized direction is not statistically validated, the presence of two underlying components as I predicted is not supported. I therefore do not run the overall model of Figure 2.

E. RESULTS AND DISCUSSION

The data failed to reveal the two underlying components of salesperson's identification and salesperson's perceived fit as hypothesized. The subsequent analysis based on the two components was therefore dropped due to lack of statistical validity of the two components. There could be a number of reasons due to which the data did not empirically support my predictions. First, the construct of salesperson's identification may not be capturing the salesperson's personal disposition towards each of the three entities as predicted due to a marked difference in how a salesperson identifies with a luxury vs. a store brand in particular. The correlation table also shows this low association within these two forms of identification. This may be plausible, as a salesperson may be personally a fan of a luxury brand, but may not necessarily be connected to the same extent with the store brand.

Second, in the universe of the multi-brand set-up that we examined, there is a distinct cognition of the luxuriousness of a luxury brand, owing to the brand visibility, marketing support etc. present inside the store and also the evident non-luxury status of the store, as the store is part of a retail chain with the maximum number of outlets in France. Each retail store therefore may not be 'inspiring enough' for the salesperson to strengthen his/her identification with the store on an ongoing basis. This discrepancy in the status may further lead to salesperson's identification towards each of the entities – luxury brand and store brand – to exist as separate constructs rather than converge into an overarching theme of salesperson's identification.

Third, with respect to salesperson's perceived fit, among the three variables predicted to constitute this, perceived fit between luxury and store brand may tap onto a different cognitive evaluation than the perceived fit variables related to customers. Evaluations of fit of customers is more directly related to selling dispositions, and may be addressed with concepts of adaptive selling for each type of client, whereas perceived fit assessment of a luxury and a store brand does not entail any direct resolution by the salesperson. As a cognitive inconsistency, therefore, it may be easier for the salesperson to manage a 'misfit' with respect to customers (as they have a potential of adapting their sales technique as per each type of client) rather than to manage a 'misfit' with respect to the assortment available in the store for them to sell. In terms of cognitive resolutions available for these three types of perceived fits, there exists a difference. This difference also points to the evidence that these three constructs may not tap into one archetype of salesperson's perceived fit.

To conclude, one of the main ideas that I propose in this research is the existence of two components related to the salesperson in a selling environment consisting of luxury and non-luxury brands: salesperson's identification and salesperson's perceived fit. The findings do not support my theoretical predictions. However, this research then opens up to further enquiry to determine how the various forces in a multi-brand selling environment work together to impact the direction of effort allocation by the salesperson. With the help of more qualitative studies, it could be an interesting step to go back to the field and uncover other potential factors that may exist in the selling environment, over and above the 6 variables that I predict. Existence of different forms of identification and perceived fit could be examined with the help of new scales to capture the constructs better. Data collection in a different multi-brand environment, for instance watch stores, could also be a potential next step.

Table 1

Correlations Among Variables

	1	2	3	4	5	6
1. Salesperson - Store Brand Identification	1.00					
2. Salesperson - Luxury Brand Identification	- 0.01	1.00				
3. Salesperson - Customer Identification	0.32 *	0.13	1.00			
4. Store Brand - Luxury Brand Perceived Fit	0.35 *	0.00	0.17 *	1.00		
5. Store Brand - Customer Perceived Fit	0.55 *	- 0.11	0.29 *	0.24 *	1.00	
6. Luxury Brand - Customer Perceived Fit	- 0.01	0.21 *	0.26 *	0.10	0.00	1.00
Mean	3.79	3.92	4.24	2.09	3.03	3.90
SD	1.30	1.19	0.92	1.11	0.67	0.85
α	0.795	0.809				

* $p < .05$

Notes: α = Cronbach's index of internal consistency reliability.

Table 2

Anti-image Matrices

		Luxury Brand Identification	Perceived Fit Between Luxury & Store Brand	Perceived Fit Between Luxury Brand & Customer	Customer Identification	Store Brand Identification	Perceived Fit Between Store Brand & Customer
Anti-image Covariance	Luxury Brand Identification	.957	.064	-.145	-.028	-.059	.076
	Perceived Fit Between Luxury and Store Brand	.064	.872	-.088	-.011	-.138	-.138
	Perceived Fit Between Luxury Brand and Customer	-.145	-.088	.917	-.182	.108	.020
	Customer Identification	-.028	-.011	-.182	.877	-.212	.039
	Store Brand Identification	-.059	-.138	.108	-.212	.668	-.305
	Perceived Fit Between Store Brand and Customer	.076	-.138	.020	.039	-.305	.725
Anti-image Correlation	Luxury Brand Identification	.496[a]	.070	-.154	-.031	-.074	.091
	Perceived Fit Between Luxury and Store Brand	.070	.710[a]	-.098	-.013	-.181	-.173
	Perceived Fit Between Luxury Brand and Customer	-.154	-.098	.439[a]	-.203	.138	.025
	Customer Identification	-.031	-.013	-.203	.523[a]	-.277	.048
	Store Brand Identification	-.074	-.181	.138	-.277	.559[a]	-.438
	Perceived Fit Between Store Brand and Customer	.091	-.173	.025	.048	-.438	.599[a]

a. Measures of Sampling Adequacy (MSA)

Table 3

Communalities

	Initial	Extraction
Luxury Brand Identification	1.000	.385
Perceived Fit Between Luxury and Store Brand	1.000	.383
Perceived Fit Between Luxury Brand and Customer	1.000	.557
Customer Identification	1.000	.489
Store Brand Identification	1.000	.672
Perceived Fit Between Store Brand and Customer	1.000	.626

Extraction Method: Principal Component Analysis.

Table 4

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.826	30.435	30.435	1.826	30.435	30.435	1.825	30.417	30.417
2	1.286	21.433	51.868	1.286	21.433	51.868	1.287	21.451	51.868
3	.908	15.125	66.993						
4	.854	14.230	81.224						
5	.676	11.267	92.491						
6	.451	7.509	100.000						

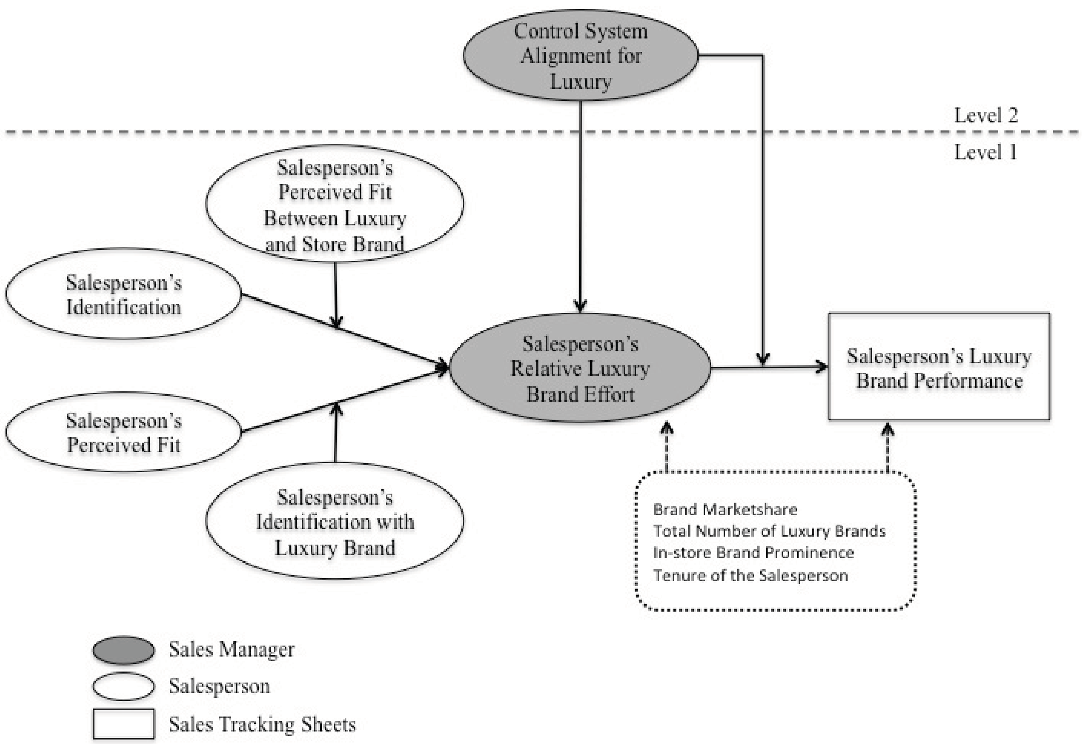
Extraction Method: Principal Component Analysis.

Figure 1

Components of Selling Environment

Figure 2

Hypothesized Model



APPENDIX

Salesperson's perceived fit between luxury and store brand

(Source: Salesperson Questionnaire)

Imagine that one of the circles represents the personality of the brand as shown and the other represents that of Store brand. Please indicate which case (A, B, ..., or H) shown below best represents the proximity that you perceive between the two brands:

LUXURY BRAND	STORE BRAND	
A		Extremely Far Apart
B		Very Far Apart
C		Far Apart
D		Moderately Close
E		Close
F		Very Close
G		Extremely Close
H		Complete Overlap

Salesperson's perceived fit between luxury brand and customers

(Source: Salesperson Questionnaire)

Imagine that one of the circles represents the personality of the brand as shown and the other represents that of your client. Please indicate which case (A, B, ..., or H) shown below best represents the proximity that you perceive between the two:

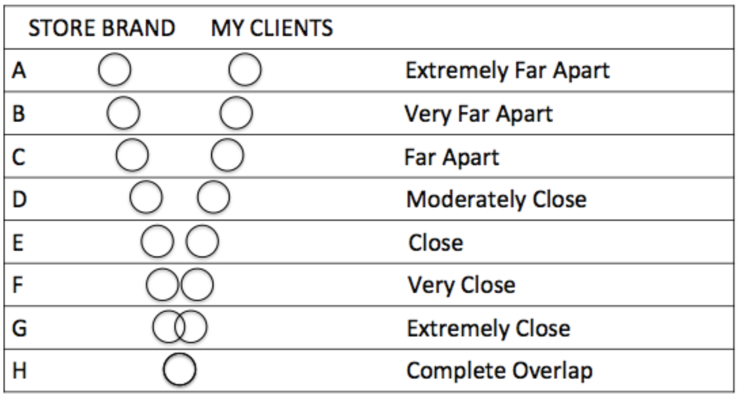
LUXURY BRAND	MY CLIENTS	
A		Extremely Far Apart
B		Very Far Apart
C		Far Apart
D		Moderately Close
E		Close
F		Very Close
G		Extremely Close
H		Complete Overlap

APPENDIX (CONTINUED)

Salesperson’s perceived fit between store brand and customers

(Source: Salesperson Questionnaire)

Imagine that one of the circles represents the personality of the brand as shown and the other represents that of your client. Please indicate which case (A, B, ..., or H) shown below best represents the proximity that you perceive between the two:



Salesperson’s relative effort allocation for luxury brand

(Source: Store Manager Questionnaire)

In your opinion, during the last month, how did Salesperson X allocate his/her efforts between the following? Please distribute 100 points among the following categories:

Store Brand	All other brands priced equal or above 250 €	All other brands priced below 250 €	Total
			100

** Having conducted an exhaustive survey of all the luxury brand price points for eyewear, and in consultation with the company experts and store managers, a base price for luxury brands was set at 250 €: all brands above this base price were classified as ‘luxury brands’ for the study.*

APPENDIX (CONTINUED)

Control System Alignment for luxury brand

(Source: Store Manager Questionnaire)

During the last month, please indicate which brands were active in your store for each of the following headings:

	Dior	Chanel	Prada	Gucci	Store Brand	All other brands priced equal or above 250 €	All other brands priced below 250 €	N/A
Incentives								
Premiums								
Special Price Promotion								
Special Collection								
Limited Edition								
Insurance Support								

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How To Sell A Luxury Brand From A Non-Luxury Store
Essays On Managing Salesperson's Motivation
Towards Selling Luxury Brands From A Non-Luxury Multi-Brand Store

Abstract: The domain of sales management research for luxury products is still nascent. With the persistent growth of luxury brands and ongoing optimistic projections for the future, it is imperative to take a step forward in this field and understand the triggers that enable luxury sales. The personal luxury goods industry operates via two routes to market – "retail" (directly controlled by luxury brand manufacturers) and "wholesale" (outside of luxury brand manufacturer's control). A significant amount of sales happen via the 'wholesale' route, in multi-brand stores where a mix of luxury brands co-exists with non-luxury brands. Drawing from a vast literature on cognitive dissonance and social identity theory, using multilevel methods, this dissertation raises the question of how to predict salespeople's effort allocation towards a focal luxury brand in this multi-brand selling environment.

Keywords: Salesperson's Brand Identification, Salesperson's Perceived Fit Between Luxury And Store Brand, Salesperson's Sensitivity Towards Luxury, Salesperson's Training, Salesperson's Effort Allocation, Salesperson Performance

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Comment Vendre Une Marque De Luxe D'un Magasin De Non- Luxe
Essais sur la gestion de la motivation de Vendeur Vers vente Marques de luxe d'une Boutique non-Luxe Multi-Marques

Résumé : La recherche en gestion de la force de vente concernant les produits du luxe en est à ses prémices. Compte tenu du poids accru des marques de luxe et des perspectives futures très prometteuses, il importe d'enrichir la recherche et de comprendre les leviers de ventes des produits de luxe.
L'industrie du luxe dispose de deux voies d'accès aux consommateurs finaux. D'une part, un réseau spécialisé/ dédié contrôlé directement par les fabricants du luxe et d'autre part, des boutiques généralistes multi-marques (en dehors du contrôle des fabricants du luxe). Une part importante des ventes de produits de luxe est réalisée dans ces boutiques non dédiées au luxe où de multiples marques de luxe coexistent et côtoient d'autres marques aux divers statuts.
Cette thèse s'attache à expliquer le niveau d'effort que la force de vente de ces boutiques généralistes va dédier à aux marques de luxe. Cette thèse repose sur une vaste littérature sur la dissonance cognitive et la théorie de l'identité sociale.

Mots Clés: identification du vendeur à la marque, l' ajustement perçu du vendeur pour la boutique du luxe et la boutique generalist, la sensibilité du vendeur au luxe, l' entraînement des vendeurs, la répartition de l' effort par vendeur, la performance du vendeur.