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The Role of Brands in Manufacturer-Reseller Relationships

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A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy in Marketing, The University of Auckland 2004
Abstract

The focus of this research is on the role of manufacturer brands for resellers within retail channels. This topic is important because of the strategic value of manufacturer brands and the increasing influence of resellers within channels of distribution. Much of the branding research has emphasised a customer brand knowledge perspective, however emerging perspectives suggest that brands are also relevant to other stakeholders including resellers. In contrast channels research has recognised the manufacturer sources of market power, but has not considered the impact of manufacturer ‘push and pull’ strategies within channels.

A comprehensive theoretical framework therefore did not exist that addressed the reseller perspective of the brand. As a result, a multi-method research design was adopted and consisted of two phases. The first phase involved in-depth interviews, from which a conceptual framework was developed. In the second phase this framework was tested by means of a survey of supermarket buyers on major and minor brands in several product categories.

Structural equation modelling was used to analyse the survey responses. The structural model showed very good fit to the data and good construct validity, reliability and stability. Brands have several sources of value to resellers including manufacturer support, brand preference and customer demand which influence the reseller satisfaction with the brand. Reseller satisfaction in turn influences other channel outcomes such as trust, commitment and performance. Minor brands are better able to influence trust and commitment than major brands.

A key contribution of this research is the development of a validated conceptual framework on the value of the brand in inter-organisational relationships from the point of view of a reseller. This research shows that it is the resources associated with the brand, not just the brand itself that creates value for resellers in channel relationships.
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# Table of Contents

Abstract ............................................................................................................................. ii  
Acknowledgements .......................................................................................................... iii  
List of Tables .................................................................................................................. vii  
List of Figures .................................................................................................................. ix  
1 Introduction ............................................................................................................... 1  
  1.1 Problem Orientation .......................................................................................... 1  
  1.2 Background to the Research Problem ............................................................... 3  
  1.3 Research Problem and Research Justification .................................................. 6  
  1.4 Research Methodology ..................................................................................... 7  
  1.5 Outline of the Thesis ....................................................................................... 10  
  1.6 Definitions ...................................................................................................... 11  
  1.7 Delimitations of Scope and Key Assumptions ............................................... 13  
  1.8 Contribution to Knowledge ............................................................................ 15  
  1.9 Conclusion ...................................................................................................... 16  
2 Literature Review ................................................................................................... 17  
  2.1 Introduction ..................................................................................................... 17  
  2.2 Brand Management ......................................................................................... 18  
    2.2.1 Customer-based Brand Equity ................................................................ 19  
    2.2.2 Value of Brands to Firms ........................................................................ 23  
    2.2.3 Value of Brands in External Relationships ............................................. 28  
    2.2.4 Business to Business Branding ............................................................... 33  
    2.2.5 Brand Management -Summary of Knowledge Gaps .............................. 36  
  2.3 Brands and Resellers ....................................................................................... 37  
    2.3.1 Brands and Channel Strategy ................................................................. 38  
    2.3.2 Reseller Practices .................................................................................... 41  
    2.3.3 Brands and Reseller Buying ................................................................. 46  
    2.3.4 Trade Promotions .................................................................................... 51  
    2.3.5 Brands and Resellers -Summary of Knowledge Gaps ............................ 62  
  2.4 Marketing Channels ........................................................................................ 64  
    2.4.1 Channel Power ........................................................................................ 66  
    2.4.2 Channel Dependence .............................................................................. 69  
    2.4.3 Manufacturers and Resellers in Channels .............................................. 72  
    2.4.4 Marketing Channels -Summary of Knowledge Gaps ............................. 74  
  2.5 Buyer-Seller Relationships ............................................................................. 75  
    2.5.1 Relationship Marketing ........................................................................... 76  
    2.5.2 Channel Relationship Outcomes ............................................................ 79  
    2.5.3 Buyer-Seller Relationships -Summary of Knowledge Gaps .................. 93  
  2.6 Overall Summary of Knowledge Gaps in Literature .................................... 95  
  2.6.1 Development of Research Questions ...................................................... 98  
3 Research Approach and Qualitative Method .......................................................... 99  
  3.1 Introduction ..................................................................................................... 99  
  3.2 Research Approaches .................................................................................... 100  
  3.3 Research Methodology ................................................................................... 103  
  3.4 Qualitative Method ....................................................................................... 106  
    3.4.1 Data Collection ...................................................................................... 106  
    3.4.2 Locating participants ............................................................................. 108  
    3.4.3 Sampling ............................................................................................... 110  
    3.4.4 Conducting Interviews ........................................................................... 110
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.5</td>
<td>Structural Model Estimation</td>
<td>199</td>
</tr>
<tr>
<td>6.3.6</td>
<td>Cross-validation of Structural Model</td>
<td>201</td>
</tr>
<tr>
<td>6.6</td>
<td>Moderating Variables</td>
<td>203</td>
</tr>
<tr>
<td>6.6.1</td>
<td>Effect of Brand Type</td>
<td>203</td>
</tr>
<tr>
<td>6.6.2</td>
<td>Effect of Product Category</td>
<td>206</td>
</tr>
<tr>
<td>6.7</td>
<td>Testing for Construct Mediation</td>
<td>207</td>
</tr>
<tr>
<td>6.8</td>
<td>Alternative Model Estimation</td>
<td>211</td>
</tr>
<tr>
<td>6.8.1</td>
<td>Alternative Model Pathways</td>
<td>212</td>
</tr>
<tr>
<td>6.9</td>
<td>Summary of Hypothesis Tests</td>
<td>217</td>
</tr>
<tr>
<td>6.10</td>
<td>Conclusion</td>
<td>219</td>
</tr>
<tr>
<td>7</td>
<td>Conclusions and Implications</td>
<td>222</td>
</tr>
<tr>
<td>7.1</td>
<td>Introduction</td>
<td>222</td>
</tr>
<tr>
<td>7.2</td>
<td>Overview of Study</td>
<td>223</td>
</tr>
<tr>
<td>7.3</td>
<td>Significance of Findings</td>
<td>225</td>
</tr>
<tr>
<td>7.3.1</td>
<td>Antecedent Constructs</td>
<td>226</td>
</tr>
<tr>
<td>7.3.2</td>
<td>Focal Construct</td>
<td>228</td>
</tr>
<tr>
<td>7.3.3</td>
<td>Relationship Outcomes</td>
<td>229</td>
</tr>
<tr>
<td>7.3.4</td>
<td>Conceptual Model Evaluation</td>
<td>232</td>
</tr>
<tr>
<td>7.3.5</td>
<td>Additional Findings</td>
<td>236</td>
</tr>
<tr>
<td>7.4</td>
<td>Contribution to Knowledge</td>
<td>237</td>
</tr>
<tr>
<td>7.4.1</td>
<td>Sources of Brand Value</td>
<td>238</td>
</tr>
<tr>
<td>7.4.2</td>
<td>Channel Outcomes</td>
<td>241</td>
</tr>
<tr>
<td>7.4.3</td>
<td>Brands as Inter-Firm Assets in Channel Relationships</td>
<td>242</td>
</tr>
<tr>
<td>7.4.4</td>
<td>Conceptual Model Development</td>
<td>242</td>
</tr>
<tr>
<td>7.4.5</td>
<td>Effect of Brand Strength</td>
<td>243</td>
</tr>
<tr>
<td>7.4.6</td>
<td>Mixed-method Research Design</td>
<td>243</td>
</tr>
<tr>
<td>7.4.7</td>
<td>Reseller Perspective</td>
<td>244</td>
</tr>
<tr>
<td>7.4.8</td>
<td>Category Management Context</td>
<td>245</td>
</tr>
<tr>
<td>7.4.9</td>
<td>Resource-based View of the Firm</td>
<td>246</td>
</tr>
<tr>
<td>7.5</td>
<td>Managerial Implications</td>
<td>247</td>
</tr>
<tr>
<td>7.6</td>
<td>Limitations of Research</td>
<td>250</td>
</tr>
<tr>
<td>7.7</td>
<td>Implications for Future Research</td>
<td>253</td>
</tr>
<tr>
<td>7.8</td>
<td>Conclusions</td>
<td>256</td>
</tr>
<tr>
<td>Appendices</td>
<td></td>
<td>258</td>
</tr>
<tr>
<td>List of References</td>
<td></td>
<td>271</td>
</tr>
</tbody>
</table>
List of Tables

Table 2-1 Knowledge Gaps Brands and Reseller Relationships ........................................ 96
Table 3-1 Interview Protocol by Research Question ...................................................... 108
Table 3-2 Qualitative Data Collection Steps ................................................................. 109
Table 4-1 Reseller Participants .................................................................................... 120
Table 4-2 Manufacturer Participants ........................................................................... 121
Table 4-3 Qualitative Analysis Process ...................................................................... 122
Table 4-4 Reseller Financial Benefits of Brands Theme ............................................. 125
Table 4-5 Non-Financial Benefits Theme .................................................................... 127
Table 4-6 Customers and Brands Theme ..................................................................... 129
Table 4-7 Relationship Theme Frequency by Channel Member .................................. 130
Table 4-8 Relationship Themes -Major Brands ............................................................ 132
Table 4-9 Relationship Themes -Minor Brands ........................................................... 133
Table 4-10 Comparison of Sources of Brand Value with Relational Themes .............. 135
Table 4-11 Sources of Brand Value by Relationship Themes ..................................... 136
Table 4-12 Satisfaction and Relational Themes Including Performance .................... 137
Table 5-1 Model Constructs, Definitions, Items and Sources ........................................ 147
Table 5-2 BAV Ratings and Survey Category Groups .................................................. 161
Table 5-3 Model Validation Steps ................................................................................ 165
Table 6-1 Response Rate by Category ......................................................................... 171
Table 6-2 Usable Surveys and Reasons for Incompleteness ....................................... 172
Table 6-3 Analysis of Missing Data ............................................................................ 173
Table 6-4 Response by Category, Brand and Brand Type .......................................... 175
Table 6-5 Response by Region, and Supermarket Affiliation ...................................... 175
Table 6-6 Mean Scores, Standard Deviations -Sources of Value by Brand Type .......... 178
Table 6-7 Mean Scores, Standard Deviations-Relational Constructs by Brand Type .. 179
Table 6-8 Correlations between Sources of Brand Value and Satisfaction ................. 180
Table 6-9 Correlations between Relational Variables and Satisfaction ....................... 181
Table 6-10 Criteria for Evaluating Structural Model Fit ............................................. 183
Table 6-11 Item Analysis Sources of Brand Value Construct ....................................... 185
Table 6-12 Exploratory Factor Analysis - Sources of Brand Value Constructs .......... 186
Table 6-13 Cross-validation -Sources of Brand Value Measurement Model ............. 188
Table 6-14 Invariance Tests – Sources of Brand Value Constructs ............................. 189
Table 6-15 Discriminant Validity -Sources of Brand Value Constructs ....................... 190
Table 6-16 Measurement Model Summary –Sources of Brand Value ......................... 191
Table 6-17 Item Analysis -Relational Constructs ......................................................... 193
Table 6-18 Cross-validation -Relational Variables ..................................................... 196
Table 6-19 Invariance Tests -Relational Constructs ..................................................... 197
Table 6-20 Discriminant Validity -Relational Constructs ............................................ 197
Table 6-21 Measurement Model Summary -Relational Constructs ............................ 198
Table 6-22 Structural Model Estimation ..................................................................... 201
Table 6-23 Structural Model Cross-validation ............................................................ 202
Table 6-24 Multigroup Analysis Structural Model Calibration/Validation Datasets ... 202
Table 6-25 Structural Model Estimation -Major and Minor Brands ......................... 204
Table 6-26 Multi-group Analysis Major versus Minor Brands .................................. 204
Table 6-27 Multi-group Analysis -Major/Minor Brands, γ & β Pathways ................... 205
Table 6-28 Structural Analysis High and Low Value Categories ............................. 207
Table 6-29 Multi-group Analysis High and Low Value Categories ......................... 207
Table 6-30 Mediation Tests -Reseller Satisfaction and Performance ..................... 209
Table 6-31 Mediation Tests -Reseller Satisfaction and Trust .................................. 210
Table 6-32 Mediation Tests -Reseller Satisfaction and Commitment ..................... 211
Table 6-33 Alternative Structural Model ................................................................. 212
Table 6-34 Cross-validation -Alternative Model ...................................................... 213
Table 6-35 Multi-group Analysis Alternative Model –Calibration/Validation .......... 214
Table 6-36 Alternative Model -Major and Minor Brands ........................................ 214
Table 6-37 Multi-group Analysis Alternative Model -Major and Minor Brands ...... 215
Table 6-38 Correlation Matrix -Structural Model Constructs (Ksi and Eta) .............. 216
Table 7-1 Reseller Perception of Brand Value Model-Hypothesis Summary .......... 233
Table 7-2 Summary of Hypothesis Eight- Major versus Minor Brands ................. 234
# List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1-1 Outline of Chapter 1</td>
<td>2</td>
</tr>
<tr>
<td>Figure 2-1 Outline of Chapter 2</td>
<td>18</td>
</tr>
<tr>
<td>Figure 2-2 Conceptual Framework for Research Problem</td>
<td>98</td>
</tr>
<tr>
<td>Figure 3-1 Outline of Chapter 3</td>
<td>100</td>
</tr>
<tr>
<td>Figure 3-2 Qualitative Data Entry and Coding</td>
<td>113</td>
</tr>
<tr>
<td>Figure 4-1 Outline of Chapter 4</td>
<td>118</td>
</tr>
<tr>
<td>Figure 4-2 Reseller’s Satisfaction with the Value of Manufacturer Brands Model</td>
<td>143</td>
</tr>
<tr>
<td>Figure 5-1 Outline of Chapter 5</td>
<td>145</td>
</tr>
<tr>
<td>Figure 6-1 Outline of Chapter 6</td>
<td>170</td>
</tr>
<tr>
<td>Figure 6-2 Path Diagram of Structural Model with LISREL Notation</td>
<td>200</td>
</tr>
<tr>
<td>Figure 6-3 Mediation Tests -Path Diagram Examples</td>
<td>208</td>
</tr>
<tr>
<td>Figure 6-4 Alternative Model -Path Diagram</td>
<td>217</td>
</tr>
<tr>
<td>Figure 6-5 Structural Model -Path Diagram</td>
<td>221</td>
</tr>
<tr>
<td>Figure 7-1 Outline of Chapter 7</td>
<td>222</td>
</tr>
</tbody>
</table>