ARTICLE IN PRESS
JBR-07657; No of Pages 7
Journal of Business Research xxx (2012) xxx–xxx
Contents lists available at SciVerse ScienceDirect
Journal of Business Research

What makes a brand manager effective? ☆

Annie Peng Cui [a,*], Michael Y. Hu [b,1], David A. Griffith [c,2]

[a] College of Business and Economics, West Virginia University, PO Box 6025, Morgantown, WV, 26506-6025, USA
[b] Kent State University, P.O. Box 5190, Kent, OH, 44242-0001, USA
[c] Lehigh University, Rauch Business Center, 365, 621 Taylor Street, Bethlehem, PA 18015, USA

ARTICLE INFO

Article history:
Received 10 October 2011
Accepted 30 October 2012
Available online xxxx

Keywords:
Brand management
Intangible capital
Capabilities
Brand manager
SEM

ABSTRACT

Brands have become increasingly important as a foundation for competitive strategy. Unfortunately, although brand managers are responsible for brand strategy development and execution, little is known about what makes a brand manager effective. A model is developed to understand what intangible capital embodied by brand managers influences brand management capabilities and resultant brand performance. Measures of brand manager intangible capital and brand management capabilities are developed through an iterative scale development process. Hypothesis testing, derived from a survey of brand managers, indicates that brand manager human, relational and informational capital influences brand management capabilities and resultant brand performance, and brand manager intangible capital has an indirect effect on brand performance via brand management capabilities. By delineating and operationalizing the intangible capital and capabilities of brand managers, this study provides a theoretical and empirical foundation for future research on brand managers, tools for assessing current brand manager capital and capabilities, and guidance in relation to intangible capital and capabilities needed by brand managers.

1. Introduction

What makes a brand manager effective? This question has become increasingly important as competition has evolved toward being brand-based. Given the evolving nature of competition, firms today strive to employ brand managers who are able to understand issues such as protecting brand equity against competitive threats and leveraging and capturing brand value. However, little academic study has been engaged to identify what it takes to be an effective brand manager, although much research has been engaged on brands and their importance to the firm (e.g., Buil, de Chernatony, & Hem, 2009; Fuchs & Diamantopoulos, 2010; Keller, 1998; Ozsomer & Altaras, 2008). The lack of research specifically addressing this issue is surprising given the importance of brand managers to a brand's performance.

This study contributes to the literature in two distinct ways. First, this study identifies the specific intangible capital elements (e.g., the types of knowledge and skills that are critical to a brand manager's performance) and capabilities of brand managers. Although prior research has begun to suggest the importance of examining intangible capital at the individual level (Griffith & Lusch, 2007; Nath & Mahajan, 2011), researchers have not identified marketing specific intangible capital, nor what specific intangible capital is important for brand managers. The authors engage in an iterative process to identify and create measures to effectively assess the elements necessary for understanding brand manager intangible capital and brand management capabilities. By developing measures of brand manager intangible capital and brand management capabilities this study not only provides specificity to allow for greater academic research, but also provides tools for assessing the intangible capital and brand management capabilities of brand managers, therefore contributing not only to academic discipline, but also to marketing practice and marketing education.

Second, building upon the literature within marketing focused on understanding marketing professionals as key firm resources (e.g., Dickson, 1992; Griffith & Lusch, 2007; Nath & Mahajan, 2011; Verhoef et al., 2011), this study contributes to the understanding of how a brand manager's intangible capital is leveraged into brand management capabilities to provide for enhanced brand performance. Specifically, although researchers have offered a conceptual extension of resources at the marketing professional level (e.g., Griffith & Lusch, 2007; Nath & Mahajan, 2011), researchers have not empirically demonstrated that the intangible capital embodied in marketing personnel has any effect on firm level outcome variables. This study empirically examines brand manager intangible capital as a key influencer of brand performance. As such, this study answers calls for the quantification of value to the firm of marketing professionals (e.g., Court, Gordon, & Perrey, 2005; de Chernatony & Cottam, 2009).

☆ The authors would like to thank Paula Fitzgerald, James Brown, Andy Wood, Richard McFarland, Barry Babin and two anonymous reviewers for their helpful suggestions.
* Corresponding author. Tel.: +1 304 293 6657; fax: +1 304 293 5852.
E-mail addresses: annie.cui@mail.wvu.edu (A.P. Cui), mhu@kent.edu (M.Y. Hu), david.a.griffith@lehigh.edu (D.A. Griffith).
[1] Tel.: +1 330 672 1261.
[2] Tel.: +1 610 758 6530.

0148-2963/$ – see front matter © 2012 Published by Elsevier Inc.
http://dx.doi.org/10.1016/j.jbusres.2012.11.002

2. Background literature

Brand management is a process of building, measuring, and managing brand equity (Keller, 1998). Given the importance of brands to the firm, and their complexity, it is not surprising that the management of the firm's brand(s) is often solidified within the role of the brand manager. Brand managers are charged with the responsibility for developing and/or managing brands. For example, the Nike Golf brand manager maintains ultimate responsibility for the Nike Golf brand's strategy, tactics and performance. While brand managers are accountable for brand performance, little guidance exists within the literature pertaining to what intangible capital and capabilities are necessary for a brand manager to be effective. To gain insights into these issues from a theoretical perspective, a conceptual framework is employed linking resources to capabilities to performance.

2.1. Resources, capabilities and performance

Resources are a fundamental aspect of competition (Barney, 1991; Hunt, 2000; Hunt & Morgan, 1995). According to Barney (1991), resources that have the potential to provide sustained competitive advantages should possess the following attributes: 1) valuable, 2) rare among a firm's current and potential competitors, 3) imperfectly imitable, and 4) not be strategically equivalent substitutes. Brand managers' intangible capital is a valuable resource, as it can be translated into efficiency and effectiveness of their work and helps them build strong brands. Brand managers represent a rare resource to the firm, as firms rely on their managerial talent to generate sustained competitive advantage. Moreover, brand managers interact with a large number of parties, both inside and outside of the firm; these relationships constitute a socially complex resource, which cannot be perfectly imitated by others. Finally, while a firm can replace brand managers, the brand management intangible capital embodied in the brand manager cannot be easily replaced, especially the tacit brand management knowledge and skills that he/she has developed to manage the brand. All in all, it can be argued that a brand manager's intangible capital meets the four criteria as a form of resources and provides a foundation for the achievement of superior brand performance (while both tangible and intangible resources are important, researchers argue that firm competitive positioning is founded on heterogeneous resources (Hitt, Bierman, Shimizu, & Kochhar, 2001; Hughes & Morgan, 2007; Hunt, 2000), which are embodied within intangible capital (Nath & Mahajan, 2011)) (see Fig. 1).

A distinction is made between resources and capabilities, in that, "resources are stocks of available factors that are owned or controlled by the organization and capabilities are an organization's capacity to deploy resources" (Amit & Schoemaker, 1993, p. 35). Value is maximized when capabilities are deployed to utilize resources to provide a distinctive competency relative to competitors (Kamoche, 1996). This distinction is also discussed in the capability literature which argues that it is through the transformation of resources into capabilities that firms are able to engage in substantive value delivery (Day, 1994). As such, this conceptualization offers the perspective that resources are leveraged into capabilities, which make firms more effective. This is consistent with Morgan, Slotegraaf, and Vorhies (2009) who examined the impact of a firm's brand management capabilities on performance, and Orr, Bush, and Vorhies (2011) who examined the impact of a firm's capabilities to enhance customer satisfaction. This study employs this general structure at the individual brand manager level.

Researchers argue that four types of intangible capital, namely informational, relational, human and organizational capital, conceptualized by Hunt (2000) at the firm level are appropriate at the individual marketer level (Griffith & Lusch, 2007; Nath & Mahajan, 2011). Consistent with this conceptualization, it is proposed that brand managers accumulate and employ these four intangible capital elements to achieve superior brand performance. Specifically, this study theorizes that the four elements of intangible capital embodied in brand managers can be employed to create brand management capabilities. It is argued that when a brand manager possesses greater levels of brand management capabilities he/she is better able to draw upon both intra- and inter-firm resources to effectively structure and manage a brand. Further, brand management capabilities should allow him/her to identify the essence of the brand and its heritage and effectively communicate this brand image to consumers in order to evoke positive brand associations and heighten perceived brand value. Heightened perceived brand value by consumers (i.e., stronger brands) allows the brand to achieve superior performance (Bahadir, Bharadwaj, & Srivastava, 2008).

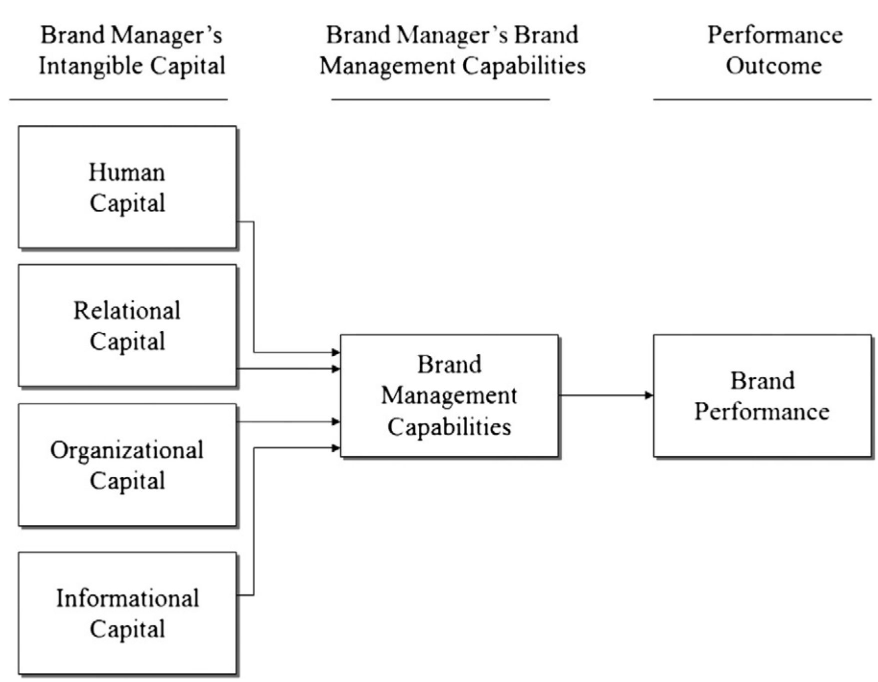

Fig. 1. Brand manager capital, brand management capabilities and performance outcome.