

**At the Frontline of Shopper Marketing:
A Multi-Method Study of In-Store Shopper Marketing Execution**

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Marcellis M. Zondag
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DEDICATION

This dissertation is dedicated to Herman Zondag, my first and best business professor. And to Christine Zondag, whose unwavering love and support has helped me through the years more than words can express.

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ABSTRACT

Shopper marketing is an integrated marketing strategy increasingly used in the retail channel for Consumer Packaged Goods. The main characteristic of shopper marketing is close collaboration between retail channel partners with the objective to engage customers and potential customers prior to, during, and after shopping trips. The goal of shopper marketing is to create a mindset and physical store environment that facilitates shoppers' purchasing decisions. The in-store manifestations of shopper marketing represent the culmination of the channel partners' joint efforts and are crucial to the success of shopper marketing as a newly minted marketing strategy.

In-store shopper marketing may well take the form of traditional product and sales promotions, but they are fundamentally different: First, shopper marketing initiatives are mainly based on shopper insights. Second, they are often customized for different stores. Third, the initiatives are highly dependent on cross-organizational execution. Notwithstanding this inherent strategic charge, empirical studies show that the execution of shopper marketing events in retail stores remains at a low 40% to 60%.

Studies 1 and 2 of this dissertation are micro-level studies of the interactions between consumer goods sales representatives and store department managers. Study 1 is an exploratory, grounded theory-based investigation of the social and business processes that comprise the in-store execution of shopper marketing initiatives. Study 2 is a survey-based

explanatory study that investigates to what extent the degree of fit between the individual actors' intrinsic motivation and relationship commitment is a predictor for the level of execution of the in-store promotional events.

The results of the research show how the functional aspects of frontline relationships are more prominent than extant sales and marketing literatures would lead one to expect. The theoretical and managerial implications of these findings are discussed in the context of fielding a dedicated CPG sales team.

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CHAPTER 1 INTRODUCTION

“We are convinced that Shopper Marketing is the way in which we will achieve our growth objectives in a depressed market. We are equally convinced that we will have to dramatically overhaul our business model to activate Shopper Marketing”

(CEO of a Fortune 500 Consumer Packaged Goods Manufacturer)

The different stakeholders that make up the consumer packaged goods (“CPG”) value chain are faced with a challenging market reality: after years of steady and even counter-cyclical growth, expansion in the CPG market has slowed considerably and some even argue that growth has effectively become a zero-sum proposition (Frey, Hunstiger, & Draeger, 2010). Revenue growth has become more dependent on the ability to permanently switch consumers from one CPG brand to another or persuading shoppers to switch between grocery stores. Similarly, earnings growth has become dependent on a firm’s ability to differentiate from competitors on factors other than price, i.e. establish brand equity to a level that affects customers’ purchase decisions in a cluttered advertising and media market (Slotegraaf & Pauwels, 2008). Moreover, continuing price pressure also increases the importance of operations and supply chain management in improving earnings and overall financial performance (Waller, Williams, Tangari, & Burton, 2010a).

These market pressures lay at the foundation of a new marketing paradigm in retailing, Shopper Marketing, a comprehensive and holistic marketing strategy, sometimes described as the “next wave” in CPG marketing and retailing (Deloitte, 2007; Harris, 2010). The main characteristic of Shopper Marketing (“SM”) is close collaboration between the retail channel partners, particularly CPG manufacturers and

retailers, with the objective to engage shoppers on the “path to purchase,” outside and inside the retail store (Deloitte, 2007). The goal is to create a physical store environment *and* shopper mindset that facilitates the shopper’s purchasing decision.

Examples of Shopper Marketing are event-related solution centers found in retail stores. By displaying related products such as for instance sunscreen, insect repellent, and barbecue supplies close to complementary product categories like meat and bakery, preparing for a holiday cookout becomes easier for shoppers. At the same time, a solution center offers retailers the opportunity to cross-sell products, such as a gas barbeques in a grocery store. Highlighting the integrated character of SM initiatives, all event-related displays, in-store product and price promotions, and product packaging are coordinated and complemented by an integrated marketing communications campaign, highlighting the ease by which the shopper can now quickly and conveniently shop for her family’s next holiday cookout.

But Shopper Marketing is not limited to these types of special events. Based on an understanding of the different reasons for shoppers to visit the store, many grocery stores now feature fast aisles (figure 1). Wide aisles stocked with typical pantry CPG items placed within easy reach make it convenient for the shopper to make quick dinner preparation or re-stocking trips. This is an example of using store design to create a shopper-focused environment that will increase the number of shopping trips and so the overall spend of a shopper over time.



Figure 1: Example of a "Fast Aisle"

In this way retail stores have become a crucial marketing medium in Shopper Marketing. The store is the one location where the channel partners' joint efforts culminate in a purchase decision (Deloitte, 2008; Sorensen, 2009). The execution of the in-store elements of Shopper Marketing initiatives is therefore crucial to its success as a newly minted marketing strategy. The phenomenon studied in this dissertation is this more obvious manifestation of Shopper Marketing, in-store Shopper Marketing initiatives, also called Shopper Marketing events. This research is focused on the (business-to-business) relationships between representatives from the CPG manufacturers and retailers and investigates if these relationships influence the execution of in-store Shopper Marketing events. In the example of the cookout solution center it is for instance possible that not all planned products are included in the display, or that the display is constructed in a wrong store location. In this dissertation this will be expressed as a measure of the "compliance" or "collaboration" level with in-store Shopper Marketing events. Besides this terminology, I will use the following terms to denote the different channel partners in the CPG value chain (unless noted otherwise) throughout this dissertation:

- **“Manufacturers”** designates the firms that produce and market branded consumer packaged goods.
- **“Customers”** designates the retail firms (retailers) operating the stores in which the CPG are sold; they are the manufacturers’ customers.
- **“Shoppers”** are the purchasers of CPG in the store; these are not necessarily the same individuals as the **“consumers,”** who are the end-users of the CPG. The realization that shoppers and consumers are not always one and the same is one of the underlying motivations for Shopper Marketing in the first place, since traditional marketing efforts are seemingly aimed at the “wrong” individuals (Frey et al., 2010).

Recent Developments in the CPG Demand Channel

One of the contributing factors to the new market reality described above is economic slowdown, which decreased spending on CPG and rendered shoppers more value-driven, as evidenced by the growth of private-label CPG (Deloitte, 2008; Grewal, Levy, & Kumar, 2009). In addition, consolidation in the grocery market has changed the power balance in the CPG channel from manufacturers to retailers. For instance, retailers now demand so-called “slotting fees” from CPG manufactures, payment in exchange for shelf space allotments for the manufacturers’ products (Bloom, Gundlach, & Cannon, 2000). Finally, shoppers are becoming more demanding regarding the shopping environment, i.e. store atmospherics (Gurel-Atay, Giese, & Godek, 2010; Puccinelli et al., 2009), and the level to which they expect the product offerings in a store to be customized, or customize-able to their individual needs (Kracklauer, Seifert, & Mills, 2002). Specifically the latter development poses considerable challenges for

channel partners because the competitive advantage gained from customizing CPG assortment and products between store locations is offset by the additional costs of the associated operational complexity (Huffman & Kahn, 1998; Van Hoek, 2000).

Historically, large CPG manufacturers used national advertising and promotion campaigns to build up brand equity with shoppers and consumers (Aaker, 1996). It was argued that a sufficiently high level of brand equity would render it “actionable,” meaning sufficient to persuade shoppers to a store purchase (Areni, Duhan, & Kiecker, 1999). Because retailers were relatively small-sized firms (Weitz & Qiong, 2004), CPG manufacturers exerted control over retailers’ assortment, merchandising and pricing decisions (Kahn & McAlister, 1997). In the early 1980’s the retail industry started consolidating, shifting the power balance in favor of the retailers, who demanded the manufacturers to transfer marketing focus *and* budget from national brand building to trade promotions such as special discounts, extended terms, and store-based promotions. The retailers became increasingly focused on maximizing shoppers’ spending during each store visit (Nelson & Ellison, 2005).

These reactive and often short-term initiatives deteriorated channel relationships and inadvertently promoted inefficiency: CPG manufacturers resorted to rationing of promotional (rebated) CPG between different customers and geographical markets. Retailers started “forward buying” (i.e. stocking up on inventory) in order to benefit from temporary low prices and diverted rebated CPG from one region to another, creating irregular spikes in demand and unnecessary transshipments, which increased manufacturing costs for the manufacturers and landed costs for retailers (Kahn & McAlister, 1997; Murry & Heide, 1998).

The focus on price promotions associated with these purchasing tactics further reduced manufacturers' profitability and necessitated complicated contracts between manufacturers and retailers to control for opportunistic behavior (Kracklauer et al., 2002; Weitz & Qiong, 2004).

Another effect of these market developments was a shift in CPG marketing focus during the 1980's from long-term brand building through national campaigns, to short-term retailer specific price-based campaigns. In effect, the channel partners were left with little more than price competition (Ailawadi, Beauchamp, Donthu, Gauri, & Shankar, 2009; Slotegraaf & Pauwels, 2008; Weitz & Qiong, 2004). Some argue that this was not only financially detrimental for the channel partners, but also too naïve of a marketing strategy to meet the wants, needs, and value expectations of shoppers (Frey et al., 2010).

In reaction to these developments and in order to better understand changes in shoppers' requirements and improve knowledge about shopping behavior, CPG manufacturers and retailers started collecting point-of-sale ("POS") data (Karolefski, Heller, & Acnielsen, 2005). The industry-wide adaptation of checkout scanning technology combined with customer loyalty card programs has, since the early 1990's, generated comprehensive sales data concerning each individual shopper's checkout basket (Harris, 2010). In addition, improving research methods and data recording technology allowed manufacturers and retailers to link consumer data (gathered via "traditional" market research such as panel data, etc.) and POS data with in-store shopping behavior data (Gurel-Atay et al., 2010; Puccinelli et al., 2009). By sharing these consumer, POS, and behavioral data, CPG manufacturers and retailers improved

their understanding of the interrelatedness of different products (e.g. hair care) in the perception of the consumers, and started to collaborate across different brands in categories of related products, making joint decisions concerning product assortment, pricing, and merchandising, while at the same time trying to increase efficiency and agility of the CPG supply chain (Basuroy, Mantrala, & Walters, 2001). This Category Management (“CM”) was the first industry-wide attempt to utilize consumer data to drive strategic and tactical decisions for the marketing and sales of CPG (Harris, 2010; Karolefski et al., 2005; Kracklauer, Passenheim, & Seifert, 2001; Lindblom, Olkkonen, Ollila, & Hyv nen, 2009).

Interestingly enough, the newly collected data emphasized that price is only one of many different factors that influence shoppers’ purchasing behavior. Specifically, where POS data generates insights into the shoppers’ final *purchase*, it is data on *shopping behavior* that continues to improve scholars’ and practitioners’ insights into the motivation of shoppers: how and why they chose to visit a specific store and how they arrive at purchase decisions during that shopping trip (Burt & Davies, 2010; Sorensen, 2009; Weitz & Qiong, 2004).

Grocery shopping entails complex decision processes, influenced by marketing stimuli inside and outside of the store (Ganesan, George, Jap, Palmatier, & Weitz, 2009). Point of sales data only record the outcome effect of the interaction between the exposure to in-store marketing stimuli and the shopper’s evaluation of product and price (Sorensen, 2009; Wang, Peracchio, & Luna, 2008), not the process by which the ultimate purchase decision is made, the so-called “path to purchase” (Deloitte, 2008).

Category Management is product and brand focused and emphasizes operational efficiency in its execution. Shopper Marketing has shopper-centric approach (Karolefski et al., 2005), and quickly shed light on the erraticism of in-store shopping behavior. For instance, where approximately 40% of branded CPG purchases are selected prior to a shopping trip, 60% to 70% of shoppers make their final *brand* selection in the store (Booz & GMA, 2009; Deloitte, 2007; Puccinelli et al., 2009). Even though there exists discussion about the percentages mentioned here above (e.g. Van Galen, 2010), it is the received view that brand equity is indeed established both outside and inside of the store and not just “activated” in the store aisle (Ailawadi, Harlam, Cesar, & Trounce, 2006; Booz & GMA, 2009).

In-store stimuli play a crucial role in affirming brand equity during store visits (Areni et al., 1999; Deloitte, 2008; Inman, Winer, & Ferraro, 2009; Slotegraaf & Pauwels, 2008). Empirical industry research shows that 72% to 75% of shoppers have some form of a shopping list when they enter the store, but these shopping lists are not set in stone (Deloitte, 2008). Shoppers are consequently susceptible to in-store marketing messages. Indeed, the earlier referenced research by Deloitte (2008) also found that 30% of shoppers purchase different CPG brands than originally intended. 86% of these switching shoppers do so under the influence of in-store marketing stimuli. Shopping lists seen to be more rough guidelines, malleable and susceptible to change under the influence of the shopping environment (Booz & GMA, 2009).

Extensive academic research of shopping behavior finds equal support for the crucial role of in-store marketing stimuli on purchase decisions (see Puccinelli et al., 2009 for an overview). The general consensus in both professional and academic

literature is therefore that shoppers habitually make unplanned CPG purchases or change their planned purchase after being influenced by in-store stimuli (Booz & GMA, 2009; Inman & Winer, 1998). In-store marketing stimuli activate brand equity that was already established outside of the store and/or persuade the shopper to evaluate a product and purchase it for the first time (Ailawadi et al., 2009; Fitzsimons, Chartrand, & Fitzsimons, 2008; Inman & Winer, 1998; Sorensen, 2009). Interestingly enough, even relatively brand loyal shoppers still admit that in-store factors will still influence their final brand and product choices (Deloitte, 2007; Van Galen, 2010). The findings by Van Galen (2010) seem to suggest that shoppers *will* select a different brand if the in-store offer does not meet their requirements or when their attention is diverted to another CPG brand during a store visit (Sorensen, 2009).

Price, although a significant factor, is not the only antecedent to switching behavior or shoppers' purchasing decisions (Burton, Lichtenstein, Netemeyer, & Garretson, 1998; Deloitte, 2008; Lam, 2001). In-store marketing tools such as on-shelf and off-shelf displays, special promotions, product sampling, all converge with price to create the shopper's mental state that facilitates product evaluation and making the purchase decision (Arnold & Reynolds, 2009; Cachon, Kok, & Gurhan, 2007; Fitzsimons et al., 2008; Slotegraaf & Pauwels, 2008; Sorensen, 2009).

In addition, shoppers seem to spend precious little time making product evaluations and deciding which products to purchase. Eighty percent of the shopper's time in a grocery store is used for navigating the aisles (Sorensen, 2009). This means that there is a small window of opportunity, often not more than a second to "grab" the shopper's attention (Sorensen, 2009; Wang et al., 2008). Manufacturers and retailers

will therefore have to cooperate in creating a shopping environment, product assortment, and promotional offering that produce the best shopping experience for as many shoppers as possible, precisely because the average grocery store has so many products on offer and the shopper is often on a specific “shopping mission” for a limited number of products. Empirical research shows that a pleasant shopping experience will increase shoppers’ spend per shopping trip (Sorensen, 2009), and that it increase the positive effects over time of product and price promotions (Slotegraaf & Pauwels, 2008).

The Way Forward: Shopper Marketing

Shopping behavior and the purchase decisions made during a particular shopping trip differ based on the need-state of the shopper and the occasion for the store visit (Lam, 2001; Puccinelli et al., 2009). *Shopper* behavior transcends demographic-based *consumer* segmentation found in traditional CPG marketing, in part because shopper and consumer are not necessarily the same person (Brennan, 2009; Frey et al., 2010). This underscores the importance of the store as the final marketing medium for CPG (Frey et al., 2010; Waller et al., 2010a), and as the necessary focal point for CPG marketing and sales strategy (Glaser, 2008; Hartman et al., 2004; Sorensen, 2009). The all-important purchase decision in the grocery store aisle is referred to as the “first moment of truth,” followed by the second moment of truth, when the consumer actually consumes the product (Graves, 2010; Lofgren, 2005; Nelson & Ellison, 2005). Even though most of the marketing focus is on the first moment of truth (Nelson & Ellison, 2005), Shopper Marketing efforts outside of the store remain equally important, since the first moment of truth can only occur if would-be shoppers are first convinced to visit a particular store. The joint creation of a customized shopping experience that

matches marketing and sales promotions, will therefore inevitably require that manufacturers and retailers share consumer *and* shopper insights (Grewal et al., 2009).

The argument can thus be made that traditional brand or product category-focused marketing techniques based on CPG *consumer* research or POS data alone will not motivate *shoppers* to make purchase decisions (Hartman et al., 2004). The purchase decision is influenced by conscious and non-conscious influences at the point of purchase (Fitzsimons et al., 2002; Graves, 2010; Waller et al., 2010a), rendering brand building by way of traditional marketing media moot at the occasion where brand equity can be converted into revenue. A better understanding of individual shopping behavior and purchase decisions in the grocery store aisle is therefore of crucial importance for the development of more effective, integrated marketing and sales strategy for both CPG and retailer brands (Ailawadi et al., 2009; Hui, Bradlow, & Fader, 2009; Sorensen, 2009; Suher & Sorensen, 2010).

For CPG manufacturers the objective is to use the retail store as a marketing medium to activate brand equity (Frey et al., 2010; Waller et al., 2010a). At the same time, the retailer needs to focus on improving the customers' shopping experience facilitating the buying process (Puccinelli et al., 2009) improving its own brand equity as a retailer (Burt & Davies, 2010). These goals do not necessarily align; where manufacturers are interested in increasing sales for specific CPG brands, retailers will be more interested in increasing the value of the shopper's basket across categories as well as increasing their own brand equity (Burt & Davies, 2010; Corsten & Kumar, 2005)

Researchers of shopping behavior employ theoretical frameworks such as in-store decision-making (Inman & Winer, 1998) and behavioral decision theory to understand the internal motivation or intent of shoppers (Hartman et al., 2004). Similar to customer-centric marketing (Sheth, Sisodia, & Sharma, 2000), whereby wants and needs of individual consumers instead of the product take center stage, Shopper Marketing is revitalizing CPG marketing by focusing on shopper attitudes, wants and needs at the point-of-purchase (“POP”). The first moment of truth is thus the cornerstone of Shopper Marketing (Sorensen, 2009), while brand building outside of the store remains a crucial in creating the “path to purchase” (Deloitte, 2007; Frey, 2011).

Shopper Marketing as used in this study denotes a collaborative marketing strategy for manufacturers and retailers, based on shopper insights and with the objective to engage shoppers on the entire path to purchase through the creation of a shopper mindset and physical store environment that facilitates the shopper’s purchasing decision.

Fundamental to Shopper Marketing is the close collaboration between channel members. Like customer-centric marketing spotlights the individual customer wants and needs, Shopper Marketing considers the shopper as the one common factor that aligns all the channel partners’ efforts. As such Shopper Marketing can therefore be considered to encompass the entire supply (or demand) chain (Juttner, Christopher, & Baker, 2007; Sheth et al., 2000). This means that executing Shopper Marketing inherently requires shopper marketers to work cross-functionally within the firm and across firms in order to match CPG supply with CPG demand at the store level. In such an ideal situation all channel partners are equally focused on delivering both products

and value to shoppers (Esper, Ellinger, Stank, Flint, & Moon, 2010; Lusch, Vargo, & Tanniru, 2010; Waller et al., 2010a).

Although they are not part of the problem statement that motivates this dissertation research, supply factors directly influence the execution of Shopper Marketing. The high level of customization that characterizes SM requires a highly flexible and agile supply chain. For this dissertation research the availability of product and the flexibility of the supply chain as a whole are assumed. The focus of this research is on the relationships between manufacturers and retailers at the store level of analysis.

Since its inception Shopper Marketing has grown exponentially (Neff, 2007), receiving considerable managerial attention and claiming a growing percentage of CPG marketing budgets (Booz & GMA, 2009). To date it has however received relatively limited scholarly attention (Zondag & Flint, 2010). Although new marketing tools such as social media and mobile device applications are growing in popularity with shopper marketers, a 2010 survey of CPG manufacturers and retailers (GMA, 2010) shows that traditional in-store marketing vehicles such as on-shelf and off-shelf displays, in-store advertising and product sampling and platform promotions, are still the most used tools (83%, 79%, and 71% respectively) for the execution of Shopper Marketing initiatives. If anything, this emphasizes the importance of (1) the in-store component of Shopper Marketing, and (2) the retail store as marketing medium, the two concepts central to this dissertation research.

In-store Shopper Marketing initiatives are however not “one-size-fits-all.” Rather, based on shopper insights different marketing vehicles are customized for specific

retail-shopper-consumer circumstances (shopping occasion, time of day, shopping event, etc.) in which they are deployed. Traditional CPG marketing relied on building consumer-level brand equity, assuming that this would suffice at the moment of truth. Contrary to this approach Shopper Marketing unequivocally recognizes that different customer touch points outside and inside the store require specific marketing stimuli, culminating in an in-store shopping experience that integrates all marketing exposures on the path to purchase (Frey et al., 2010; GMA, 2010). The objective of Shopper Marketing is to activate brand equity and loyalty and so facilitate the purchase decision of what is considered to be a low-involvement and price sensitive product (Weitz & Qiong, 2004). This high level of customization raises operational complexity and is therefore decidedly dependent on the cooperation of the CPG supply chain partners for successful execution (Barratt, 2003; Dubelaar, Chow, & Larson, 2001). In turn, successful cooperation in the execution of Shopper Marketing initiatives is dependent upon the unencumbered and coordinated flow of consumer, shopper behavioral and POS data between the supply chain partners (Esper et al., 2010; Kracklauer et al., 2001).

The Difference between Category Management and Shopper Marketing

The earlier description of Shopper Marketing has many touch points with category management (Barrenstein & Tweraser, 2004a; Holweg, Schnedlitz, & Teller, 2009a). Category management uses a consumer perspective to decide on product assortment, physical store arrangement, and promotions. Furthermore, like Shopper Marketing, category management is similarly based on integrating demand and supply sides of the

CPG value chain. It is argued that shopper marketing is the next evolutionary phase in CPG marketing, requiring a yet higher level of integration and coordination between channel partners (Harris, 2010).

Notably, category management has been criticized for over-emphasizing the supply side and lacking the demand-side focus that is so essential to SM (Barrenstein & Tweraser, 2004b; Cachon et al., 2007). Indeed, most CM related initiatives are aimed at improving the efficiency of the category through better supply chain management, or improving throughput with inventory and re-stocking programs such as ECR and CPFR (e.g. Danese, 2007; Hingley, 2008; Holweg et al., 2009a). The inherent risk in category management is that the most dominant or leading manufacturer (category captain) uses the program to improve its brands' position in the category to the detriment of other manufacturers or even negatively affecting cross-category sale (Bandyopadhyay, Rominger, & Basaviah, 2009). Category captains often pay scant attention to other product categories and the overarching customer relationship and branding efforts of the retailer. Within their "own" category they will tend to focus on their own brand offerings and over-emphasize the optimization of inventory and logistics management (Holweg et al., 2009a). This myopic behavior does not result in the desired shopping environment and is seen as one of the shortcomings of category management as it is practiced today (Bandyopadhyay et al., 2009; Hingley, 2008; Holweg, Schnedlitz, & Teller, 2009b).

Shopper Marketing is conceptually different from Category Management. First, it is inherently demand driven because of its emphasis on *shopper* insights. Second, its holistic, customized approach to using marketing and sales tools at different touch

points along the path to purchase requires that manufacturers and retailers align their respective branding objectives, meaning that besides building CPG brand equity, SM initiatives for a particular CPG brand still have to “fit” with the banner brand and customer loyalty objectives of the retailer (Burt & Davies, 2010; Weitz & Qiong, 2004). The retailer, on the other hand, has the responsibility not to dilute or weaken the brand building efforts of the manufacturer. By not adhering to previously agreed-to in-store Shopper Marketing initiatives a retailer can effectively render the out-of-store components of such a Shopper Marketing initiatives moot, since the CPG is not properly available (Murray, Talukdar, & Gosavi, 2010).

The Store as Marketing Medium

This dissertation concentrates on the execution of in-store shopper marketing initiatives. As noted above, although Shopper Marketing is a comprehensive marketing approach along the whole path to purchase, the vast majority of CPG value chain members consider the in-store shopper marketing tools as the most effective component of their shopper marketing strategy (Booz & GMA, 2009; Deloitte, 2008; GMA, 2010).

Shopper Marketing strategies are developed into multiple flexible marketing campaigns that at once guard against unplanned customization and allow for the situation-specific adaptations that are the cornerstone of Shopper Marketing (GMA, 2010). By virtue of its strategic, interfirm, and cross-functional character, Shopper Marketing requires coordination between the marketing and sales functions of the CPG manufacturers and the marketing and merchandising (purchasing) departments of

retailers (Malshe & Sohi, 2009). Furthermore, since shopper insights are comprised of consumer and shopper data, it is important that interfirm data sharing is established between manufacturers and retailers (Deloitte, 2007). Successful execution of in-store Shopper Marketing initiatives thus requires the coordination of the efforts *and* collaboration between different functions in the CPG value chain at three levels: intrafirm between the marketing and sales functions of manufacturers and retailers, interfirm between the marketing functions from manufacturers and retailers, and thirdly, intrafirm between operational functions such as manufacturing, sourcing, logistics & distribution from all demand channel partners (Barrenstein & Tweraser, 2004b; Kracklauer et al., 2002; Waller et al., 2010a).

The creation of brand equity and loyalty at the level of individual shoppers is the one common factor that ultimately links all CPG value chain members (Slotegraaf & Pauwels, 2008; Sriram, Balachander, & Kalwani, 2007; Underhill, 2009). In previous research the different factors that constitute actionable brand equity have been considered in isolation or are researched outside of the marketing field in the spheres of operations, logistics, or supply chain management. However, Shopper Marketing unequivocally posits that brand equity is the one common factor that directs the actions of all value chain members and thus it cannot be considered in isolation.

In-store SM initiatives are the apotheoses of shopper marketing at the pivotal moment of truth. For marketing scholars the shoppers' purchase decisions can consequently represent both the starting point or a final measure for empirical research and theoretical development. This dissertation research considers purchasing behavior of shoppers as the ultimate dependent variable of the phenomena studied. But this

research is foremost concerned with the frontline compliance with in-store Shopper Marketing events.

Problem Statement, Research Questions, and Objectives

Shopper Marketing initiatives take the form of traditional CPG marketing and sales promotions (Immink et al., 2004), but they are fundamentally different in that they are foremost based on shopper insights, represent a careful adaptation of the integrated marketing mix based on those insights, require cross-organizational strategic planning and execution, and simultaneously leverage CPG brand equity and build retailer brand equity. As such, Shopper Marketing initiatives aim to differentiate the CPG on factors other than price, for instance the need state of the shopper or the end-use of the product. Shopper Marketing initiatives are joint undertakings by manufacturers, retailers, and other stakeholders, not unilateral attempts at increasing market share or brand equity for one specific CPG or grocery store brand (Ailawadi et al., 2006; Deloitte, 2007).

This need for consistency and alignment of the actions and undertakings of all value chain partners towards the achievement of shopper marketing objectives, requires more collaborative interfirm relationships than is normal, which is the hallmark of strategic supply chain partnerships (Mentzer, Min, & Zacharia, 2000). The characterization of shopper marketing as a strategic capability (Lenz, 1980), as is done in this dissertation research, provides a ready theoretical framework for the study of shopper marketing implementation and the different organizational issues that surround it (cf. Hult, 2010).

The value chain partners consider in-store elements of Shopper Marketing initiatives the most effective shopper marketing tool available (GMA, 2010). Representatives from both the manufacturer and the retailer are charged with implementing these in-store events. However, empirical research and industry data report that in many cases in-store execution lacks, for instance when aisle-displays, of special promotional product displays are not or only partially completed. The reported compliance rate with previously agreed in-store Shopper Marketing initiatives is as low as 40% to 60% (Deloitte, 2007; Dreze & Bell, 2003; Immink et al., 2004). These compliance rates are not much higher than those for more “traditional” in-store promotions (Murry & Heide, 1998), which is remarkable given the strategic nature of shopper marketing and the purported collaborative relationships at the basis of Shopper Marketing, as opposed to the more transactional nature and divergent partner objectives that underlie traditional in-store promotions (Ailawadi et al., 2006).

The phenomenon studied is the implementation of SM initiatives at the store-level. Because of the strategic charge of shopper marketing (Booz & GMA, 2009) decisions about particular Shopper Marketing initiatives are made at a corporate level between supplier and retailer. This leaves the manufacturers’ sales representatives and the grocery store managers with whom they interact the ultimate responsibility for implementing the in-store elements, such as constructing sales displays, assuring the availability of special promotional products and so on (Hingley, 2008).

Low in-store compliance rates with Shopper Marketing initiatives indicate a breakdown in the final stage of collaboration between manufacturers and retailers, resulting in lower revenues than planned, and by extension reducing the returns on the

partners' tangible and intangible investments in Shopper Marketing. The failure to execute at store level can thus affect the opinion about Shopper Marketing as a whole, and could potentially reduce the supply chain partners' willingness to engage in shopper marketing in the future. Especially in those instances where the planned ROI mistakenly assumed full or high compliance rates, the supply chain partners are destined to judge Shopper Marketing based on biased data and could so possibly forego the growth opportunities inherent in Shopper Marketing when executed properly. A better understanding of the processes involved at the frontline implementation of Shopper Marketing initiatives may thus shed light on a possible solution for these problematic frontline issues.

This dissertation research seeks to contribute to the knowledge about the in-store implementation of shopper marketing initiatives. The relationships studied are those at "frontline level" from the two distinguishable actor groups charged with the execution of shopper marketing.

The first research objective is to improve our understanding why the compliance rate is as low as it is. Different theories on interfirm relationships will be used as foundational theoretical frameworks for this part of the research. However, by virtue of the focus on frontline relationships' role in the execution of shopper marketing initiatives, the research focus is firstly the interactions between sales representatives of CPG manufacturers and their frontline contacts, the department managers in retail stores.

Research Question 1: How do the interactions and interpersonal relationships between frontline employees affect the compliance with shopper marketing initiatives?

The focal boundary spanning relationships between sales reps and retail managers are different from those normally studied in the channel relationship literature; the employees studied are not responsible for making purchasing, i.e. merchandising decisions for the retailer. Also, these managers are mostly not allowed to offer any non-standard promotions or alter key economic elements of the Shopper Marketing.

There are comparatively few studies in B2B marketing that consider the role of frontline employees in the implementation of marketing strategies (Noble & Mokwa, 1999), and even less that consider “managers without portfolio” as the focal actors.

Channel relationship and conflict theories, as well as industrial buying theories mostly postulate at the firm level of analysis, not at the level of frontline employees. Social exchange theory, originally developed in sociology, provides the general framework for recognizing the importance of interpersonal relationships in facilitating economic exchange between firms (Das & Teng, 2002a; Kingshott, 2006). In addition, different micro-level theories of interpersonal relationships derived from social psychology, sociology, and psychology (cf. Hitt, Beamish, Jackson, & Mathieu, 2007) are used to complement the nomological framework of constructs applicable in the context of the frontline (boundary spanning) employees’ interactions that are the subject

of this research. From earlier studies of interfirm relationships, “relationalism” as promulgated by Gundlach, Achrol & Mentzer (1995) offers strong theoretical grounding for this research. Relationalism focuses on the key constructs of interpersonal trust and commitment that, besides economic factors, affect business relationships at an interpersonal level of analysis (Jiang, Henneberg, & Naude, 2009).

Because of the noted lack of theoretical development relevant to the focal phenomenon and the context of this research, study one will be inductive in nature, involving qualitative inquiry at the store /employee level of analysis.

The second objective of this research is to determine if there exists a causal relationship between the type or strength of frontline relationships and compliance with in-store Shopper Marketing initiatives. The purpose of study two is the development of a measurement scale for the strength of the frontline employees’ relationships that are investigated in study one. The research question for study 2 is:

Research Question 2: To what extent does relationship strength affect the compliance rate with in-store shopper marketing initiatives?

As noted, managers consider in-store marketing as the most effective Shopper Marketing vehicle. Investigating the relational factors that directly affect the compliance rate is therefore of particular relevance for practitioners. It could also contribute to the Shopper Marketing and Sales Management literatures, since the findings could point towards possible tactical tools for improving Shopper Marketing execution and relationship management.

Furthermore, studies one and two will contribute to the strategic (marketing) management literature by focusing on theoretically grounded employee-level factors that influence strategy implementation. The results from study one (qualitative findings) will be used to develop psychometric scales in study two for measuring both the interpersonal economic and affective attachments of the actors as well as their intrinsic motivation. The study of frontline workers' intrinsic motivation is grounded in self-determination theory (Deci & Ryan, 2000) and its usefulness as a work motivation theory (cf. Gagne & Deci, 2005).

Organization of the Dissertation

This dissertation is organized as follows. Chapter 1 describes the motivation for studying the impact frontline relationships have on the execution of in-store elements of shopper marketing. The chapter introduces the research objectives and the broad research questions underlying the study and describes the potential contribution.

Chapter 2 provides a theoretical and empirical literature review and introduces the proposed focal constructs to be used in the two interrelated studies that comprise this dissertation.

Chapter 3 proposes different relationships between the constructs and the suggested methodologies for conducting the two studies.

Chapters 4 and 5 each discuss one of the studies that make up this dissertation. Each chapter includes a separate discussion of the results and the managerial implications of the findings for that particular study.

CHAPTER 2 LITERATURE REVIEW

Introduction

Through a review of the relevant literature, this chapter discusses the theoretical foundations that underlie this research. In chapter 1 the two studies that comprise this dissertation were introduced against the background of different theoretical frameworks that could possibly inform the study of the issues and actors involved with the in-store implementation of Shopper Marketing initiatives. However, this research context does not fit seamlessly with existing theories on relationships in business markets or with extant theories on the motivation of frontline employees. Where this realization prompts the use of inductive, qualitative inquiry in study one, for this chapter it requires the exploration of different theories from diverse fields of study in order to cast as wide a nomological net as possible.

For study one the review focuses on research dealing with interfirm relationships, relational norms, and interpersonal relationships in business exchanges. In addition, literature on the intrinsic motivation of frontline employees is explored with special attention for studies addressing individual work motivation and employee self-determination and meaning-making.

Brown (2001, 2009) appropriately warns that describing the historical trajectory of any field of study or theory as temporally ordered stages carries with it the risk of having pedagogic tractability take precedence over historical accuracy. This risk is certainly present here, because the focal literatures incorporate the development of the relational view of marketing, the growing focus on the individual employee in organizational

behavior and management research and in industrial marketing and purchasing research.

For example, during the 1970's, scholars from marketing, management, and organizational behavior fields started simultaneous strands of inquiry into these topics, applying the then prevailing ontologies and epistemologies from their respective fields (Sheth & Parvatiyar, 1995). Moreover, the development of marketing science at the time was characterized by the purposeful incorporation of theory and methodology from the social and management sciences which, in turn, affected the focus and orientation of marketing research as a whole (Wilkie & Moore, 1999; Wilkie & Moore, 2003). This resulted in a dispersed field of different constructs and theories, many of which deal with the same or closely related business-to-business phenomena. So, for reasons of comparative clarity the following discussion does contain some intended generalizations in order to better delineate a quickly developing field. A field that today is still characterized by fast progress (Tamilia, 2006) in order to deal with an ever-changing market reality and the simultaneous pursuit of rigor and relevance by scholars (Mentzer, 2008b).

Relationship Marketing in Business Markets

"...Each of the business functions must take its marching orders from the market."

(Alderson, 1964: 5)

This dissertation research investigates supplier-buyer relationships in CPG markets. The objective is to study the relationship between CPG manufacturers and

retailers. Compliance with in-store Shopper Marketing initiatives is the outcome variable for both studies.

There is considerable empirical research that supports the premise that collaborative relationships between firms have a positive performance effect (Gundlach & Cannon, 2010; Paulin & Ferguson, 2010). In addition, the role of interpersonal relationships and associated social norms in the development and maintenance of such relationships is equally well researched (Bolton & Tarasi, 2007; Grönroos, 1994; Gummesson, 1998; Hunt, 1997). In order to improve our understanding of frontline relationships in the CPG retail channel, which relationships contain elements from both research strands, it is therefore beneficial to integrate these two distinct research streams (cf. Grönroos, 1994; Gummesson, 1998).

Scholarly interest in long-term interfirm relationships is typical in alliance, marketing channel, and industrial marketing literatures starting in the late 1970's – early 1980's. Earlier functionalist and managerial approaches to marketing considered discrete economic transactions or economic exchanges as the foundation of marketing (Alderson, 1957, 1965; Wilkie & Moore, 2003). The efficient economic exchange, following neoclassical economic theory, was considered the cornerstone and a preferred starting point for marketing research throughout the 1950's and 1960's (Bartels, 1968; Wilkie & Moore, 2003). However, over time the marketing field developed the understanding that, specifically when viewed in a B2B context and from a longitudinal perspective, economic exchanges do not occur in isolation or as singular events, but are part of ongoing and continuously evolving relationships between channel partners (Rylander, Strutton, & Pelton, 1997).

In reaction, research by marketing scholars such as Heide (1994), Dwyer, Schurr & Oh (1987), and the European Industrial Marketing & Purchasing group ("IMP") (e.g. Gummesson, 1998; Hakansson, 1982; Hakansson & Snehota, 1989), started to focus on a more holistic description of industrial marketing and purchasing, realizing that firms develop and maintain consecutive exchanges with the same business partners. Both in conceptual work (e.g. Berry, 2002) and empirical studies (e.g. Morgan & Hunt, 1994) proponents of this, the relational view of marketing, argue that the consecutive exchanges will develop into complex, interdependent and often longer-term relationships that constitute the contextual setting in which firms interact, transact and ally with each other (Das & Teng, 2002b; Paulin & Ferguson, 2010; Selnes & Sallis, 2003; Turnbull, Ford, & Cunningham, 1996). The *inherent benefit* of long-term collaborative relationships, these scholars propose, is that the relationships as such become strategic competencies of channel parties, i.e. a resource or asset that both partners will use to become more efficient and effective in their joint approach of customers (Bolton & Tarasi, 2007; Hunt, 1997; Johnson, 1999; Sheth & Parvatiyar, 1995).

It is important to note that relationships between market parties have always played a role in marketing theory and practice (Grönroos, 1991). Even before the development of marketing as a separate field of study, relationships were integral in economists' description of trading and commerce in general (Fernandes & Proenca, 2005). However, relationships lost favor as a phenomenon for separate investigation during the earlier development phases of marketing science, from the 1920's through

the 1970's (Sweeney, 1972), when economic ontology formed the foundation of the marketing field.

From an economic perspective, market parties (firms or individuals) react to market forces, i.e. environmental parameters such as price (Emerson, 1987). Economic theory describes market parties as rationally transacting with the aggregate of all possible market parties, i.e. the entire market, whereby the term “rational” denotes the parties' objective to maximize its derived value from the transaction (Emerson, 1976). It is the market reality of available supply and price that informs the decision to enter into an economic exchange with a specific market partner (Cook & Emerson, 1978; Emerson, 1976, 1987). When viewing market exchanges from an economic perspective, we are thus concerned with *transactions* by market parties not with the *interactions* between specific individual parties over time. Focus on interactions is characteristic of the relational view of marketing. This research adheres to the relational marketing paradigm.

The focus on individual (actor-actor) interactions as opposed to individual-market transactions is theoretically footed in social exchange theory, developed in sociology (Blau, 1964), anthropology (Firth, 2004, 1967), and social psychology (Homans, 1958; Thibaut & Kelley, 1959). Social Exchange Theory (“SET”) emphasizes the development of reciprocal obligation as a result of consecutive exchanges between market parties (Cropanzano & Mitchell, 2005), and as such it provided a theoretical framework for studying economic activity in imperfect markets, i.e. where there is no full transparency and actors are thus limited in their knowledge and understanding of the available alternatives for any given exchange (Cook & Emerson, 1987). Social exchange theory

focuses on the individual exchange dyad as the level of analysis, suggesting that over time the “rules of exchange” that develop between the parties create interdependence between the parties that facilitates not only continuing transactions, but also forms the basis of a trusting, loyal, and committed relationship between the parties (Cropanzano & Mitchell, 2005; Emerson, 1962; Emerson, 1976).

Social Exchange Theory is at its core a neo-classical economic theory (Emerson, 1987), proposing that the focal dyadic relationship results from a cost-benefit analysis by each of the parties, and presuming that actors are rational in their pursuit of profit maximization (Lawler & Thye, 1999). However, SET distinguishes from economic theory in that it presumes that markets are imperfect, meaning that comprehensive information about exchange alternatives is not available, and thus actors can only act in “bounded rationality” (Simon, 1982), giving rise to the above mentioned interdependence between the parties, the relational element crucial to our understanding and explanation of marketing exchanges (Bagozzi, 1975).

Following this central premise of SET, marketing researchers interested in studying market relationships will therefore have to gain insight into the dynamic constellation of (social) rules and norms that govern ongoing exchanges, i.e. insight into the different dimensions of the interdependent, reciprocal relationship between parties. In the relational view of marketing, the interaction of the parties is the locus of the economic, socio-economic, and socio-emotional benefits (or value) that drives the parties’ actions and behavior towards entering, remaining, and terminating business relationships (Bagozzi, 1975; Blau, 1964; Molm, Peterson, & Takahashi, 2003; Thibaut & Kelley, 1959).

In the late 1970's this emphasis on interaction and by extension the social aspects of marketing relationships started to take hold in the literature (Sheth & Parvatiyar, 1995). In the description and explanation of B2B marketing phenomena scholars started to emphasize the role of relationships between firms and between the individuals that represent these firms (e.g. Celuch, Bantham, & Kasouf, 2006a; Granovetter, 1985a; Rauyruen & Miller, 2007; Stanko, Bonner, & Calantone, 2007).

Different authors (e.g. Hunt, 1997; Palmatier, Dant, Grenwal, & Evans, 2006) consider a conference submission by Berry in 1983 (reviewed and commented on in Berry, 2002) as the first use of the phrase "relationship marketing." Berry describes relationship marketing as attracting, maintaining, and enhancing customer relationships. Later, Jackson (1985) extended the relationship marketing concept to business-to-business relationships, proposing that the resulting interdependence between suppliers and buyers will enhance business performance for all firms in a supply chain, effectively integrating marketing and supply chain management to a singular, customer-focused approach, sometimes termed "Demand Chain Management" (Fernandes & Proenca, 2005; Juttner et al., 2007).

Also in the early 1980's, the Industrial Marketing and Purchasing ("IMP") group, an assembly of marketing and management scholars in Northern Europe, published the results of an empirical study of approximately 900 industrial marketing and purchasing relationships (Hakansson, 1982; Holmlund, 2004). This work similarly challenged the 'traditional' neo-classical perspectives of industrial marketing research. Specifically, the authors raised doubt about the accuracy of considering B2B relationships as comprised of discrete economic transactions executed in a transparent and fully competitive

marketplace. Rather, they find that, when they are studied from both sides of the dyad, B2B relationships are relatively stable when analyzed from the perspective of the relationship between business partners but dynamic in their constant development and adaptation to match market movements.

Furthermore, IMP group researchers propose that firms are partners in many different relationships simultaneously, all of these together comprising a network of relationships, incommensurate with the concept of firms as independent rational economic actors in a fully transparent market (Hakansson, 1982).

In what is now considered a fundamental paradigm shift in marketing (Hakansson & Snehota, 1989), the formation and maintenance of collaborative relationships, or even partnerships (Grönroos, 1994; Gummesson, 1998) between market parties became central to marketing theory and research. Figure 2 shows a (simplified) schedule of the historic development of the different “eras” of marketing each with its own focus and consequent development of marketing thought (Wilkie & Moore, 2003)



Figure 2: Four Eras of Marketing (Wilkie & Moore, 2003)

The main thesis of relationship marketing suggests that relationships form intangibles assets, facilitating the partners' access to resources, knowledge, and markets that they do not, or cannot, possess individually enhancing both partners' competitive position (see for instance Aulakh, Kotabe, & Sahay, 1996). The relational interdependency of the parties that develops over time becomes the foundation for the absolute benefit parties derive from their association. These benefits will be at a level that is unobtainable independently (Hunt, 2002; Lambe, Spekman, & Hunt, 2002), underlining the importance of collaborative B2B relationships.

The main research objective for this study: the exploration of a potential causal link between frontline interfirm relationships and Shopper Marketing execution therefore aligns with the relationship marketing perspective as it is applied in the B2B marketing and supply chain management literatures.

Business Relationships and Relational Norms

The relational marketing paradigm proposes that the mutual interest and benefits that are encapsulated in business relationships form the basis for continuing interactions between parties (Jap, 2001a, b). These interactions do not just take the form of continuous economic exchanges, but also consist of cooperation and collaboration between the business partners, and the creation of relation-specific assets that form the basis of competitive advantage (Caglio & Ditillo, 2008; Jap, 2001a; Rauyruen & Miller, 2007; Sarkar, Echambadi, Cavusgil, & Aulakh, 2001).

Interpersonal relationships play an important role in facilitating the establishment of business relationships, and have become part and parcel of industrial marketing strategy (Dwyer et al., 1987; Dyer & Hatch, 2006; Dyer & Singh, 1998). In addition, the social bonds that form over time between frontline employees are recognized as an important factor in the establishment of the relational norms that govern business relationships (Guenzi, Georges, & Pardo, 2009; Weitz & Bradford, 1999). Specifically, the exchange of tangible *and* intangible assets such as knowledge and information, i.e. the communication between the parties, is considered vital for the relationship's longevity (Ivens & Blois, 2004).

One of the key arguments found in business relationship literature (e.g. Iacobucci & Ostrom, 1996) is that the behavioral patterns parties develop as part of their business exchanges become "rules of conduct" and so the relational norms that facilitate the continuation of the relationship (cf. Holden & O'Toole, 2004a, b; Hunt, 1997; Jiang et al., 2009). Although this description of relational norms from the literature carries a positive charge, Ivens & Blois (2004a) point out that negative or opportunistic behavior may just

as well become part of parties' habitual behavior and thus part of the relational norms that govern the relationship.

Relationship literature further distinguishes between the relational norms described above and second-order latent constructs that describe interfirm relationships, "atmosphere" and "relationship strength" (see also Emberson & Storey, 2006; Gundlach et al., 1995; Ivens & Blois, 2004; Spekman & Carraway, 2006).

Relationship strength is conceptualized as a composite measure of the level of trust between the parties, their respective commitment to the relationship, their satisfaction with the relationship, or their perception of the relationship's quality. Relationship strength is often considered a mediator between relationship management tactics and relationship performance (Anderson & Jap, 2005; Crosno & Dahlstrom, 2008; Jap & Anderson, 2002). Relationship strength seems therefore also to be positively related to firm performance (Barnes, Naude, & Michell, 2005; Golicic & Mentzer, 2006; Gundlach et al., 1995; Heide & John, 1992; Koon & Low, 1996).

This research is also concerned with a relational performance measure, i.e. compliance with in-store shopping marketing initiatives, it is therefore appropriate to further explore the literature on relationship strength and the different constructs it encapsulates.

Interpersonal Relationship, relational Norms, and Relationship Strength

In the relational view of marketing boundary-spanning actors from partner firms play an important role in the establishment and maintenance of interfirm relationships and relationship performance. However, researchers habitually collect and analyze data at a different level than the one at which they postulate. Many studies employ "key informant logic," i.e. using individual respondents' perceptions to propose firm level phenomena. This dissertation research is conducted at the level of interpersonal relationships at the store level and will make propositions consistent with this level of analysis. This research investigates and postulates about individual dyadic interactions through which business relationships in the CPG value chain progress, at the micro-level of analysis (Duffy, 2008; Geyskens, Steenkamp, & Kumar, 1998; Golcic & Mentzer, 2006; Jap, 2001a; Palmatier, 2008).

Many extant business relationship studies do also collect data at this level albeit not always dyadic. More problematic perhaps is that these data are then used to hypothesize and develop theory at a firm-level (Kogut & Zander, 1996). There are a number of possible issues with this approach. First, it may lead to what is called the "cross-level fallacy" (Klein, Danserau, & Hall, 1994a; Rousseau, 1985), extending interpersonal constructs to the inter-organizational level without much justification how such an expansion is even possible (Klein, Dansereau, & Hall, 1994b). This is a relevant criticism since firms as such do not have cognitive abilities, and the application of sociology or psychology-based constructs, such as "trust," requires conceptualizing the firm as a social (human) community specialized in the creation and transfer of

knowledge (Holmlund, 2004; Iacobucci & Ostrom, 1996; Rousseau, 1985). This stance seems to accept the behavioral theory of the firm (Girin, 2001; Kogut & Zander, 1996) which is not always commensurate with the economic theories used in these same studies to explain interfirm exchanges (Cyert & March, 1963/1992).

Second, it limits or masks the role of interpersonal relationships in the maintenance of B2B relationships. Micro-level studies are typically contained to the fields of interpersonal selling or service encounters - studies more focused on the formation of relationships or on distinct market transactions (Deshpande, 1983; Koon & Low, 1996) - than on maintaining successful relationship (e.g. Hayes & Hartley, 1989; Jap, 2001b; Jones, Busch, & Dacin, 2003). Celuch, Bantham & Kasouf (2006a) contend that consequently, there is a gap in the body of knowledge about business relationships with regard to the social and relational elements at the interpersonal level. Similarly, Rylander et al. note that: *"...researchers should examine commitment more in terms of the role played by the personal characteristics of the individuals involved"* (Rylander et al., 1997: 65).

Earlier theoretical research by Wilson and Mummalaneni (1986) suggested over a quarter century ago that strong personal relationships between buyers and sellers increases the commitment of the parties to the relationship. Witkowski and Thibodeau (1999), wanting to measure the magnitude of frontline relationships, use the construct of personal bonding from psychology and organizational psychology to study the personal relationships that develop in the micro-culture of cross-border marketing relationships.. Likewise, Iacobucci & Ostrom (1996) use taxonomy of interpersonal relationships from psychology to have managers rate different business relationships they are engaged in.

They find that managers evaluate business relationships in terms of social relationships they maintain outside of their work.

Interpersonal relationships are also extensively researched in the business alliance literature, where social exchange and interpersonal relationship theories from social psychology and psychology are often applied in the study of alliance formation, management and termination (Das & Teng, 2002a).

With the exception of the mostly experimental studies such as the examples mentioned here, and the empirical studies conducted by scholars associated with the IMP group, where personal interaction is presented as the vehicle for successful relationship management (Hakansson & Snehota, 1989), there is relatively little empirical research or theoretical development on the *direct* effect frontline personal relationships have on performance. Recognition of this gap in the body of knowledge has prompted the call for more specific research into the performance effects of interpersonal relationships between boundary spanning employees (Mainela & Ulkuniemi, 2009). Literatures on relational contracts and relational norms partially answer this call and will be discussed in the next section.

Relational Contracts and Relational Norms

The relational view of marketing proposes that imperfect market conditions can be addressed through the establishment of long-term relationships between channel partners (Cadwallader, Jarvis, Bitner, & Ostrom, 2010; Kingshott, 2006; Mavondo & Rodrigo, 2001). This requires the addition of a relational element to business relationship models that up until the late 1970's were largely based on the economic

theory of exchange, whereby parties are interacting based on rational decisions, securing specified returns on equally specific inputs a “quid pro quo” transactional model of exchange (Grönroos, 1994). Theories of economic exchange often assumes perfect or nearly perfect competitive market conditions and thus contains only “hard” control factors such as economic power and formal contract terms as tools for relationship governance (Konovsky & Pugh, 1994).

The addition of relational factors has been the impetus for a rich literature stream on the social norms and environmental constituting the “soft” elements of business relationship governance (Cannon, Achrol, & Gundlach, 2000; Heide, 1994). The literature on interpersonal business relationships proposes that the manner in which personal relationships affect performance is through the formation of micro-level relational contracts (i.e. between boundary spanning actors), that control and reduce opportunistic behavior from the parties (Koon & Low, 1996; Palmatier, 2008; Weitz & Bradford, 1999; Wilson, 1995), so positively affecting relationship outcomes (Crosno & Dahlstrom, 2008; John, 1984; Mavondo & Rodrigo, 2001) as well as business performance (e.g. Heide, Wathne, & Rokkan, 2007). These informal relational contracts consist of situation-specific social norms that govern the actions of the parties and motivate collaborative behavior in the pursuit of joint goals by controlling the processes by which tangible and intangible resources are exchanged between the parties (Iacobucci & Ostrom, 1996; Palmatier et al., 2006).

These findings seem to underline the importance of relational norms (“soft factors”) in the execution of business relationships. Consequently, scholars next directed their attention to the different antecedents and relational mediators involved

with the formation of relationships, relationship performance, and the extension of relationship life (Aulakh et al., 1996; Emerson, 1962; Konovsky & Pugh, 1994) For instance, Wilson (1995) integrating the then existing literature, developed a conceptual process model for buyer-seller relationships, using 13 relationship variables predominant in literature. Commitment and trust are both recognized as the most common variables, whereby Wilson describes commitment as the “...*most common dependent variable used in buyer-seller relationships studies*” (1995: 337), and trust as a “...*fundamental relationship model building block*...” (Idem). In a more recent empirical study of relationship strength as a mediator for relationship longevity in 54 dyads, Barnes et al. (2005) investigate 24 factors that are considered in prior literature as influencing relationship strength. Interestingly enough, the research confirms trust as an antecedent to commitment, similar in effect as other intangible psychology constructs such as friendship, affection and interpersonal communication.

These are only two studies from what is admittedly a heavily populated field of relationships studies that focus on commitment. For this dissertation research the definitions of commitment as formulated by Dwyer et al. (1987) and by Moorman, Zaltman and Deshpande (1992) are used. These authors describe commitment respectively as the parties' desire to continue a relationship and actively work towards that goal, and as the enduring desire to maintain a valued relationship. The key elements of commitment are thus the parties' intention as well as the expenditure of tangible and/or intangible resources towards continuation of a business relationship.

Inconsistent findings regarding the role of different factors in the formation and maintenance of interfirm relationships motivated Palmatier et al. (2006) to undertake a

meta-analysis on the effectiveness of relationship marketing strategies from a seller's perspective. Through the analysis of 94 published and unpublished studies covering 38,000 relationships, the authors "fine-tune" the received view that trust and commitment are the most important mediators or drivers for relationship performance: First, the findings of the meta-analysis indicate that trust and commitment independently do not sufficiently explain the recorded performance effects. Rather, relationship *strength*, a situation-dependent composite measure aggregating commitment, trust and relationship satisfaction at a higher order, provides a more balanced predictor for organizational performance. Second, the complex reality of firms maintaining many different business relationships, a relationship network, provides the possibility of applying additional perspectives from network theory to the study of business relationships. From this insight, the authors introduce constructs derived from network theory such as contact density and contact authority in the study of dyadic business relationships (Palmatier, 2008).

Relationship strength as described in Palmatier et al. meta-analysis (2006) is conceptually similar to "relationship magnitude," a construct, conceptually and empirically researched by Golicic et al. (Golicic, Foggin, & Mentzer, 2003; Golicic & Mentzer, 2006). Like relationship strength, relationship magnitude is a situation-dependent higher-order construct comprised of trust, commitment, and interdependence. In addition, these authors find that relationship magnitude becomes the driver for relationship type, a classification of the governance structure of the business relationship on the continuum from distinct market transaction to fully

collaborative and cooperative relationships (Golicic et al., 2003; Golicic & Mentzer, 2005, 2006)

In conclusion, social exchange theory explains the movement or exchange of resources between business partners as facilitated through social processes consisting of complex relational norms that are inherent part of economic exchanges in imperfect markets (Blau, 1964; Emerson, 1976). Specifically in B2B relationships, frontline employees can be considered social actors, connected through interpersonal relational norms that develop over time by virtue of the underlying economic exchanges between the firms they represent (Cook & Emerson, 1987). At least theoretically, the personal ties between frontline employees play a crucial role in the development and maintenance of interfirm relationships and the performance of the parties (Hakansson, 1982).

The relational paradigm of marketing is rooted in social exchange theory (Holmlund, 2004), as it considers not only economic motivation as the explanation for the formation and maintenance of interfirm relationships, but also the social bonds between boundary spanning (frontline) employees. Social exchange theory, relationship strength and relationship magnitude together provide the nomological schema that allows for the planned investigation of the performance effects of social/affective bonds *and* economic interdependence between frontline employees on marketing performance. I consider the commitment construct central to this research as it has kept its prominent role throughout the development of industrial marketing and seems to best capture the premise of the relational marketing paradigm.

The Role of Relational Commitment in the Determination of Relationship Strength

Following Gundlach et al. (1995), Golcic et al. (2006), and the meta-analysis by Palmatier et al. (2006), I propose that commitment remains one of the more relevant first-order constructs in the study of business-to-business relationships. Specifically when considering its characteristic as a determinant for future behavior of business partners and the associated collaborative investment of time, effort and other resources into the relationship (Palmatier et al., 2006), commitment offers at once a measure of the economic, social, and market orientations that underlie interfirm relationships (Palmatier, 2008).

Commitment as a construct in marketing and management studies is however not singularly defined; it fulfills different roles and can be found as:

- Antecedent: A pledge of relational continuity between business partners often articulated in terms of cooperation or collaboration (Mainela & Ulkuniemi, 2009; Paulin & Ferguson, 2010).
- Dependent variable: Resultant of individuals' motivation to remain with a certain employer (Fullerton, 2003).
- Mediator of inter-firm relationships: the most common application of commitment found in business relationship marketing literature (e.g. Dwyer et al., 1987; Mowday, Steers, & Porter, 1979)
- Measure: Commitment as the expression of relationship strength, i.e. parties desire to continue the relationship in the future (Palmatier et al., 2006), whereby the length of the relationship is considered a positive and commitment thus acts as a relative

measure for the term of the relationship (Palmatier et al., 2006). This application is closely related to the use of commitment as a mediator and often the distinction is not clear (as noted by Gundlach et al. (2005)).

Commitment interacts with trust and interdependence as the basis of collaborative, long-term business relationships expressed as relationship strength or relationship magnitude (e.g. Rindfleisch & Moorman, 2003). In the research by Golicic & Mentzer (2003), Gundlach et al.(2005), and more recent works by Jiang et al. (2009) and Paulin & Ferguson (2010) commitment is operationalized as a multi-dimensional construct. Commitment is generally considered to represent the attachment between the dyad partners and their intention to continue the relationship in the future (Gundlach et al., 1995).

There are two dimensions of commitment most found in the literature: First, commitment as the behavior of business partners, i.e. commitment as determinant of the respective investments of resources by the parties. Second, commitment as representation of the social bond between boundary spanning actors, which gives rise to relational norms that in turn strengthen the attachment between the parties (Weitz & Qiong, 2004). A third dimension of commitment, time, was recognized early on in the development of the relational view of marketing (Gilliland & Bello, 2002), but has only recently become a topic for researchers who try to more accurately depict the dynamism of business relationships. Time, as used in relationships studies, separates the actors' perception of the relationship in past, present, and future whereby the experiences of the past and the evaluations of the present drive the expectations of

value or benefit in the future, a seemingly circular dimension, one that is certainly not yet fully explored in the relationship literature (Medlin, 2004).

The origin of commitment theory as it is used in the marketing channels literature is the “three-components model” of commitment as originally proposed by Meyer and Allen (1991) in the study of employee loyalty. The model describes commitment as consisting of behavioral, social, and time dimensions like the dimensions found in the business relationship literature discussed above. Large sample empirical studies in organizational psychology research have, on different occasions, confirmed this three-components model of organizational commitment (Gilliland & Bello, 2002).

The use of the three component model in the study of interorganizational relationships has proven to be useful in elucidating the different elements of interorganizational commitment: a rational behavioral element and an attitudinal element that induces loyalty behavior (e.g. Mavondo & Rodrigo, 2001). In interorganizational research loyalty behavior is also referred to as “attitudinal commitment” or “affective commitment” (Edvardsson, Holmlund, & Strandvik, 2008).

In the context of business relationships, the rational dimension of commitment is calculative, based on the self-interest of the parties, and similar to the profit maximization motive found in neo-classical economic theory. Driven by extrinsic economic needs it is behavioral in nature, i.e. drives the parties' investment of resources in the relationship (Kim & Frazier, 1997). Social or affective commitment, is considered the manifestation of the underlying attitudinal commitment between the parties (Gundlach et al., 1995), a proposition that is supported in for instance empirical studies of commitment in international marketing relationships in India (Gruen,

Summers, & Acito, 2000) and in the UK building industry (Sharma, Young, & Wilkinson, 2006).

Earlier experimental research shows that these two dimensions do affect retailers' decisions about in-store promotions participation differently (Murry & Heide, 1998), underlining the applicability of the division between economic (behavioral) commitment and social (affective) commitment to a business relationship. Interpersonal bonds between actors are found to be a motivating factor for entering into business relationships and for continuing it, just as economic (profit) motivation drives the formation and execution of business relationships (Das & Teng, 2002b; Kelley & Thibaut, 1978; Thibaut & Kelley, 1959). Furthermore, strong social bonds between actors strengthen the collective intention to engage in consecutive exchanges, and so entering into long-term collaborative relationships (Heide & John, 1992).

The affective dimension of commitment thus includes the attitudinal attachment between the parties *and* their collective intentions or trust between the actors. In the context of this research, the frontline of Shopper Marketing, I consider interpersonal trust and attitudinal commitment captured in the affective commitment construct, as possible predictor for the collaborative behavior of the actors towards the in-store execution of Shopper Marketing initiatives (cf. Kingshott, 2006; Klein et al., 1994b; Mainela & Ulkuniemi, 2009).

Self-Determination and Meaning-Making as Intrinsic Motivation

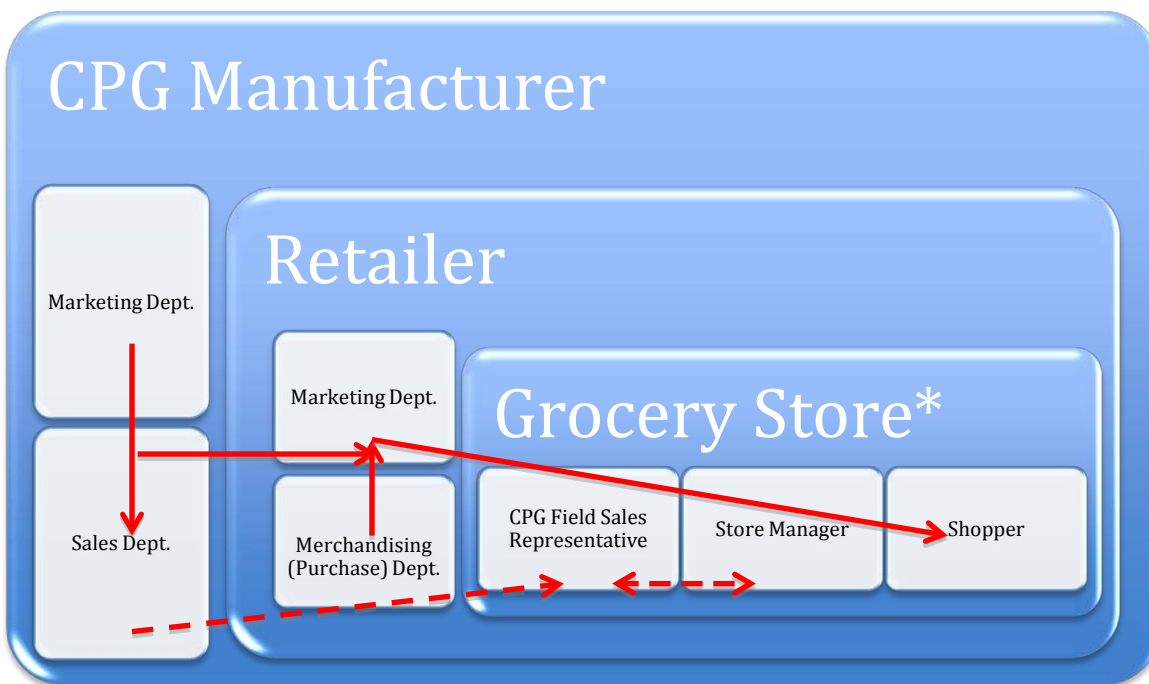
Introduction

Earlier research on the interpersonal aspects of business relationships provides the theoretical framework that guides the concepts and operationalization of this study. However, the research context of this study differs from earlier works in one important aspect: The boundary spanning respondents in earlier business relationship studies are managers that have direct influence over the focal aspects of the relationships, i.e. they are sales managers, purchasing managers, key informants who, through their decision making, influence the relationship between their respective organizations. In this study however, the focal actors are sales representatives of CPG manufacturers (not sales managers or account managers) and grocery store department managers who do not normally have decision power about the in-store elements of Shopper Marketing initiatives.

Figure 3 shows the traditional linkage between CPG manufacturers and retailers in a simplified schematic of the CPG channel. Traditionally, the retailer solely controls the shopping domain. The respective marketing departments do not have a direct line of communication between them. In order to execute in-store shopper marketing the flow of communication therefore follows the path of the solid arrows in figure 3; from the manufacturer's marketing department to the shopper, with all the intra and interfirm communication problems that may possibly entail (Deloitte, 2007).

The decision about in-store shopper marketing is made at the corporate level, between CPG corporate-level sales department and the corporate-level merchandising (purchasing) department of the retailer (Deloitte, 2007; Geyskens, Steenkamp, Scheer,

& Kumar, 1996). This leaves employees from the manufacturer's field sales department and store managers (i.e. frontline employees), the task of implementing in-store Shopper Marketing. Also note that the focal actors in this research are true boundary spanners, operating in a limited domain a considerable distance removed from their functional support units.



* Level of Analysis for this Research

Figure 3: Communication Flow in Traditional CPG Channel (based on Deloitte, 2007)

Intrinsic Motivation and Shopper Marketing Implementation

Given the strategic character of Shopper Marketing and the requirement for boundary spanning collaboration between suppliers and retailers in its implementation, the issues surrounding in-store execution are analogous to marketing strategy implementation in general. A truism quoted often in the popular management press states that a good execution of a bad strategy is still preferred over a bad execution of a good strategy (Deloitte, 2008; Frey et al., 2010).

Strategy execution is well researched in management (Martin, 2010) and marketing (Kaplan & Norton, 2008; Richardson, 2008) literatures. In these studies many different factors, internal and external to the firm, are discussed as influencing execution and therefore as topics for managerial attention (Slater, Hult, & Olson, 2010a; Thorpe & Morgan, 2007). But, strategy implementation research does not normally focus on the role of frontline employees in implementation (Slater et al., 2010a). The lack of insight into these employees' contribution to strategy implementation is even described as a "blind spot" in strategy research (Cadwallader et al., 2010), resulting in a call for more research into the role of frontline employees in implementing strategy and effecting organizational change.

This dissertation research is purposefully not approaching the focal phenomenon from a top management perspective, but instead focuses on employee-level factors, grounded in a theoretical base consisting of social exchange and commitment theories. Noble & Mokwa (1999) argue that there is a lack of marketing strategy implementation research per-se, as well as research that considers frontline employee-level factors with a strong theoretical foundation (see also Hambrick, 2004; Sonenshein & Dholakia,

2011: 1). This study looking at the role of frontline employees in the implementation of a newly developed marketing strategy is therefore an answer to these calls for research.

The theoretical framework developed so far will have to be extended to include theories that explain employee engagement with, and intrinsic motivation for strategy implementation, in this study the execution of in-store Shopper Marketing initiatives. First, I will discuss self-determination theory as applied by Cadwallader et al. (2010) in the study of frontline employee motivation to actively engage in the implementation of new sales technology. Second, I review a newly developed framework from Sonenshein & Dholakia (2011), meaning-making, that these authors developed and applied in an empirical study of store employees' engagement with the implementation of a new retail strategy.

Self-Determination Theory

The motivation of employees to perform well in their job is crucial to the success of a firm (Deci & Ryan, 2000; Ryan & Deci, 2000). In a recent study of frontline employees' motivation to introduce a service improvement to customers, Cadwallader, Burke-Jarvis, Bitner and Ostrom (2010) use Deci and Ryan's (1985) framework for intrinsic motivation to conceptualize frontline employees motivation on a continuous scale from "a-motivation" to "intrinsic motivation." In line with earlier motivation studies in fields outside of marketing, the authors find that employees will be motivated more in work situations where employees retain a certain level of flexibility and creativity in the execution of their work tasks (Cadwallader et al., 2010). While the highest level of intrinsic motivation is a personality trait (Vallerand, 1997), extant research shows that in situations where employees' tasks are not solely regulated top-down, i.e. when they are

left room for creativity, their motivation to perform well increases significantly (Cadwallader et al., 2010).

When employees are not strictly controlled but are left the opportunity to adopt or change their task fulfillment, i.e. the end-result is more important than the manner in which it is achieved, their intrinsic motivation is even stronger than in instances where adherence to process rule is rewarded (Stets & Burke, 2000).

Similarly, studies into Organizational Citizenship Behavior (“OCB”), investigate employees who display discretionary work-behavior that is above and beyond their official job description and also outside of the formal reward system of the organization (Morrison, 1994). These behaviors are positively related to organizational performance and seem to originate from intrinsic motivation, or more precise, the personality traits of the employees displaying this behavior (Smith, Organ, & Near, 1983). Interestingly enough in a meta-analysis of earlier studies on OCB, Organ and Ryan (1995) find that job satisfaction and *attitudinal* commitment to one’s job are more significant predictors for OCB. This seems to support the premise of self-determination theory which proposes that satisfied employees (those that are left sufficient “freedom” in task completion) will internalize the organizational goals as their own and pursue them more diligently (Deci & Ryan, 2000; Konovsky & Pugh, 1994).

The existence of this “situational motivation” construct adds an important dimension to this dissertation research. As described in chapter 1, Shopper Marketing is not a “one size fits all” marketing campaign, but requires cooperation and flexibility from the manufacturers and retailers involved in order to create the most stimulating shopping environment for as many shoppers as possible (Wilkins, 2010). For practical

reasons frontline employees are given leeway in the implementation of Shopper Marketing initiatives within the confines of a larger (regional or national) Shopper Marketing campaign. Self-determination theory suggests that task flexibility is an antecedent to intrinsic motivation and more diligent work behavior, so there seems to be theoretical support for the notion that intrinsic employee motivation will be a significant predictor for the compliance level with in-store Shopper Marketing.

Meaning-Making Framework

Besides the motivation of employees to perform well in their job, it is also important to consider the employees engagement with strategic initiatives. In many cases in-store Shopper Marketing events add more strain on the daily tasks of the frontline employees. As such Shopper Marketing can be viewed as analogous to organizational change, a stressor for frontline employees charged with in-store execution, albeit perhaps less dramatic and impactful than organizational change.

In a study of frontline employees involved in a retailer's re-branding effort, Sonenshein and Dholakia (2011) develop a framework based on "meaning-making" derived from socio-psychology. Meaning-making in its original (socio-) psychology use explains how individuals deal with adverse events such as life-threatening diseases (Stroebe & Schut, 2001). Social psychologists found that individuals are more adaptive and able to deal with negative life-events if they are first able to give "meaning" or "purpose" to their experience in positive terms, or at least if they recognize the benefits that they can derive from the situation (Sonenshein & Dholakia, 2011). This obviously does not mean that all individuals will create positive meaning to deal with adverse situations. It does mean however that employees do not necessarily view change or

additional difficulties in their work situation as negative and will automatically obstruct it (Ford, Ford, & D'Amelio, 2008). A more balanced view of employees and a better understanding of the processes through which they deal with change and work towards implementation of new strategies seem therefore possible.

Sonenshein and Dholakia (2011) research the proposed meaning-making framework in the context of a rebranding effort of a consumer electronics retail chain. The authors find that the type and quantity of management top-down communication and communication between colleagues facilitates meaning-making and the employees' ability to adapt to change.

In the context of this dissertation, Sonenshein and Dholakia's (2011) conclusions about the crucial role of intrafirm communication seem to be of particular importance: It seems that employees who receive "sufficient" communication and/or information (whereby the definition of "sufficient" is of course situational determined) from management and from their colleagues, will use that information to construct meaning to impactful events and become more involved, i.e. motivated to partake in implementation.

The study by Sonenshein and Dholakia complements and expands on a rich research stream in management literature that concentrates on the role of middle management and communication in cases of organizational change and/or strategy implementation (for a historical overview see: Luscher & Lewis, 2008; Wooldridge, Schmid, & Floyd, 2008). This literature seems therefore to lend theoretical support to collect and analyze data at the frontline of shopper marketing. It is at this level where the proverbial "rubber hits the road."

Conclusion

The phenomenon under investigation in this dissertation research is the implementation of in-store Shopper Marketing initiatives. Recognizing the strategic character and collaborative nature of Shopper Marketing, this literature review concentrated on the extant knowledge on interfirm relationships and the implementation of marketing strategy. As is clear from this review, there is limited theoretical development or empirical research that focuses on frontline employee-level issues. And therefore, we have limited theoretical premonition about the actors and processes involved with in-store Shopper Marketing execution and how, and to what extent, these influence in-store execution. This general problem statement is the main motivation for this dissertation research.

Of course not every gap in a body of knowledge needs to be filled. Furthermore, lack of prior research can never be the sole argument for declaring a study relevant. However, throughout this literature review the continuing calls for theory development and empirical research on the interpersonal aspects of business relationships were highlighted. Management and marketing (strategy) literatures have paid surprisingly little attention to the role of frontline employees in the implementation of strategic initiatives. Frontline employees, if considered at all, are mostly portrayed as change resisters. It seems therefore reasonable to argue that this particular “gap” *does* require scholarly attention.

The research questions listed in Chapter 1 are aimed at (partially) answering these calls for future research. The objective of study one is to describe and understand the frontline actors and processes involved with the implementation of in-

store Shopper Marketing initiatives. The objective of study two is to qualify and quantify frontline interpersonal relationships and to research if there exists a causal relationship between these relationships and performance.

CHAPTER 3 METHODOLOGY

Introduction

Chapter 2 reviewed literatures on interfirm relationships, the interpersonal aspects of business relationships, and intrinsic employee motivation. Social exchange theory, commitment theory, self-determination, and meaning making theories gleaned from these literatures constitute the theoretical framework. In this chapter the research designs for studies one and two, planned methods and techniques are discussed in more detail.

Study One Research Design, Data Collection and Analysis

Answering research question 1 concerning the influence of frontline relationships on the level of collaboration with in-store Shopper Marketing initiatives (“events”) first requires a better understanding of the functional and social processes involved with the execution of Shopper Marketing events in retail stores.

More precisely, study one seeks to answer the following questions:

1. Who are the frontline employees actively engaged in the execution of Shopper Marketing initiatives?
2. What are the social, functional, and/or task-orientated processes involved with the execution of in-store Shopper Marketing events?
3. What are the frontline employees’ perceptions and attitudes about the in-store execution of Shopper Marketing events?

4. What perceptions and attitudes do frontline employees have about their dyad partners with respect to the execution of Shopper Marketing events?
5. What motivates frontline employees to collaborate with the execution of Shopper Marketing events?
6. Which of these perceptions and attitudes motivates frontline employees to obstruct, either actively or passively, the complete execution (i.e. “by the book”) of in-store Shopper Marketing events?

These questions are largely aimed at addressing noted gaps in the current body of knowledge about the focal phenomenon. As discussed in chapter 2, there is limited research investigating how micro-level relationships affect the longevity and performance of business-to-business relationships (Rylander et al., 1997). Second, there is limited empirical research that investigates the interpersonal aspects of the relationship between a retailer and its suppliers at store level (Holden & O'Toole, 2004a). Third, there is relatively little theoretical or empirical research that explores in detail the processes and issues surrounding in-store execution of product and sales promotions (Ailawadi et al., 2009).

Qualitative research methods are particularly suitable for research contexts where there is a lack of theoretical development, where existing theories only provide partial or unsatisfactory frameworks for answering the research questions, or where the nature of the phenomenon does not allow for the use of quantitative measures (Cresswell, 2003; Glaser & Strauss, 1967). The choice of a qualitative design for study 1 of this dissertation is therefore fitting.

Furthermore, the low compliance level with in-store Shopper Marketing events seems to indicate that the social interactions between frontline employees are not without tensions or problems. Grounded theory is primarily a qualitative research tradition well-suited for answering the questions underlying study one because it is intended to study problematic social phenomena, i.e. phenomena that are comprised of social action and interaction in situations where there exists social tension between the actors (Cooney, 2010). Study one will therefore be designed using the grounded theory research tradition.

Grounded Theory

Grounded theory, originally developed in sociology by Glaser & Strauss (1967), is characterized by an iterative and constant comparative, simultaneous data collection and analysis process. Through this process the researcher strives to develop theory “grounded” in the field data. Field data are collected from different sources, such as the researcher’s field notes, in-depth interviews, archival data, company brochures, press releases and articles, even photographs and videos (Bansal & Corley, 2011; Goulding, 2002). In this sense, grounded theory data collection can look like ethnographical research. The difference with ethnography lies in the objective. Where ethnographies seek to map cultures and discover what groups of people “are up to,” grounded theory research is focused on developing a framework of social processes.

Central to grounded theory data collection are the interviews with actors involved in the phenomenon for the purpose of recording the actors’ lived experience in their own words (Holstein & Gubrium, 1995). The “rich” and “thick” descriptions actors

offer up then form the starting point for data interpretation (Geertz, 1973; McCracken, 1988b).

Grounded theory research is a dynamic iterative research process, meaning that data analysis starts immediately with the initial data collected, with findings from these in-research analyses directing further data collection (Glaser & Strauss, 1967). The objective is to discover theory through a repetitive process of coding and interpreting the collected data to the point of “theoretical saturation,” where new data does not contribute any further knowledge and the researcher can fully describe and explain the focal phenomenon (Strauss & Corbin, 1998a).

During data analysis, the researcher develops a framework of codes and categories to label, order, and interpret the data, writes research memos that further assist in ordering the data and in the development of concepts that further refine the interpretation of the data collected (Glaser & Strauss, 1967).

From this short description it is clear that grounded theory, besides its inductive basis, has a distinct deductive element. It is important however that the researcher develops the theoretical framework ‘grounded’ in the data and not from a pre-existing theoretical lens. In other words, the researcher needs to be “theoretically sensitive” yet not bias the analysis (Glaser, 1978). Nevertheless, working hypothesis based on (preliminary) findings can be developed and “tested” during data interpretation and analysis. As such grounded theory research takes a rather unique “inductive-deductive” approach (Strauss & Corbin, 1998a: 137).

The grounded theory-based research process provides an efficient and relatively expedient methodology for exploratory research, generating codes, categories

and concepts from the data that can then be explored and tested in more singularly deductive or quantitative fashion, facilitating the process of substantive theory formulation, the objective of the grounded theory research (Glaser & Strauss, 1967; Strauss & Corbin, 1998a).

Glaser and Strauss developed disparate paradigms for grounded theory in the late 1980's, and as a consequence researchers now have two approaches to choose from when conducting grounded theory-based research; Glaserian or Straussian (Cooney, 2010). There are distinct differences between the two paradigms, mainly concerned with the manner in which data are coded for analysis. The Straussian approach is more systematic, using a method called "axial coding," whereby the data open codes are separated into pre-determined categories based on their relation to the phenomenon, environmental factors, actions by the actors, and the consequences from these actions (Strauss & Corbin, 1998a). These pre-determined categories form a coding paradigm comprised of a subset of the original eighteen coding families regularly found to emerge in sociological research by Glaser and Strauss and still retained by Glaser as the set to focus on.

Study one of this dissertation will follow the more inductive Glaserian approach, using a less restrictive coding paradigm, remaining focused on the "emergence" of theory not constrained by the Straussian coding paradigm (Cooney, 2010). Study two is more deductive, focused on the development of more formal theoretical hypotheses and verification. As such study one and study two can be considered complementary, and study one will inform the development of study two's survey instrument.

Sampling

The central phenomenon of this study is the implementation of in-store Shopper Marketing events. The level of analysis is the interaction between frontline employees at the store level. Following the main tenet of grounded theory that considers social processes as the basis for understanding a phenomenon and developing theory, the collection of data will thus need to occur at the individual level of analysis, i.e. from the individual involved with the in-store execution of Shopper Marketing. The main data collection will occur through in-depth interviews with sales professionals representing CPG manufacturers and retail store managers. Specifically, the sales professionals and store managers interviewed will be associated with the sample pool used for study two. This sample pool consists of approximately 300 retail stores including grocery stores operating in different market segments and convenience stores, ranging from regional grocery chains to nationally operating super-center stores.

The sample size for study one is not pre-determined. In accordance with grounded theory, I will use theoretical sampling, whereby the progression of the study and the emerging theory will determine sample size and the specific participants (cf. Flint, Woodruff, & Gardial, 2002b). Based on similar studies and the results from the preceding pilot study, theoretical saturation is anticipated after conducting 15 to 20 interviews with both sales managers and retail store managers.

Data Collection

The main data collection tool for study one will be semi-structured interviews with frontline employees who are the most knowledgeable about the focal phenomenon. Additional interviews with sales and marketing executives from both dyad partners, as

well as with brand managers from CPG companies will be conducted to add dimensionality to the data and to gain added insight into how in-store Shopper Marketing events fall within the larger framework of manufacturer-retailer relationships.

The frontline sales employees who are participating in this study are employees from a Sales and Marketing Agent (“SMA”), a market intermediary firm specialized in marketing and sales of CPG in the retail channel (Parvatiyar, 2006). This SMA is the sponsor of this dissertation research and provides access to its employees, employees from the CPG manufacturer, and facilitates access to store employees. In addition, the research sponsor assists in administering the survey proposed for studies two.

Sales and Marketing Agents are often used in the CPG industry as both manufacturers and retailers view their activities as providing a more cost-efficient and effective connection between the main channel partners (Parvatiyar, Donthu, Gruen, Kasi, & Kesel, 2008). For example, in the context of this study the sponsoring SMA provides marketing and sales support for the CPG manufacturer and is often closely involved in developing and executing Shopper Marketing events with retail firms. Furthermore, the SMA employs headquarter-level sales managers that negotiate directly with the retailers’ purchasing departments on behalf of the CPG manufacturer and who negotiate annual contracts that determine shelf space and the manufacturer-to-retailer product prices.

Important for this study, the SMA also employs a nation-wide team of dedicated sales managers whose daily task it is to visit with retail stores to check that the products are available to the shopper, properly displayed and priced, and working

with the store managers and other store personnel on different Shopper Marketing events. These so-called “Field Sales Representatives” interact on a daily basis with store personnel to promote the regular and promotional sales of one specific product line, in case of this study a line of branded personal care and over-the-counter healthcare products and medication.

These field sales representatives are thus the “frontline link” in the manufacturer – retailer relationship, and the most knowledgeable actors from the CPG manufacturer’s side of the dyadic relationships under investigation.

After being informed about the objectives of this study and guaranteed anonymity, the participants will be encouraged to express their experiences, perceptions, and opinions about in-store Shopper Marketing events. By using an interview guide with suggested questions and follow-up questions (see Appendix B), the respondents will be focused on the research topic. However, the respondents will be allowed to freely formulate their opinions as well as the general direction of the interviews. In this way the generation of new insights and themes will be facilitated, in line with the exploratory character of this study and the requirements of grounded theory research (Patton, 2002).

The interviews will be conducted as part of “work-along” sessions with the field sales representatives. By observing the day-to-day activities of these employees, recording all of the activities in field journals, and from interviews with the sales managers and the store managers they interact with, a broad understanding of the focal phenomenon can be developed.

In order to further aid the later analysis of the so-collected data as well as the analysis of the trustworthiness of the research, I will also collect secondary data such as photo's, internal memoranda, work instructions, company brochures and training materials.

Data Analysis Procedure

All interviews are digitally recorded and transcribed verbatim for further analysis by way of coding of the transcripts and by applying the constant comparative method of analysis, whereby the coding is compared with the findings and intermediate conclusions derived from the secondary data and literature (Glaser & Strauss, 1967).

Initial coding consists of coding (labeling) certain words or groups of words that denote certain recurring key ideas or concepts. These key ideas are described in research memos by the main researcher in order to delineate the many different concepts found in the data. By continuing re-analysis of the data and from applying the discovered codes onto newly collected data, core concepts start to emerge. Core concepts capture the essence of the participants' lived experience with the focal phenomenon. It is the so-constructed framework of codes and categories that forms the foundation of the emerging substantive theory (Glaser & Strauss, 1967; Suddaby, 2006), explaining how the different categories and sub-categories relate to each other and to the key category that best captures the focal phenomenon. The findings of study one provide the basis for the explanatory research of study two.

Analysis of Trustworthiness

Qualitative research has a set of well-established quality control criteria to assure the credibility, transferability, dependability, and integrity of the data collection and analysis process (Flint et al., 2002b; Lincoln & Guba, 1985). In order to assure credibility of the research, the initial findings will be shared with participants for their feedback. The length of the research plan (5 months) and the collection of secondary data will furthermore aid the main researcher's understanding of the functional processes involved with the focal phenomenon.

The data collection include participants from different store types, store sizes, and from locations all across the United States, which bodes well for the transferability of the findings across different retail settings outside of CPG, and even outside of the retail channel with regards to the anticipated findings concerning the role of frontline employees in the implementation of marketing strategy initiatives.

All participants are fully informed about the research, their role in it, and are asked to sign an informed consent form (Appendix A) that emphasizes anonymity and the participants' ability to withdraw from the research at any time. This will increase the integrity of the data and the findings derived from the data.

The data collected for studies one and two are concerned with pre-existing and ongoing interpersonal relationships between frontline actors. The actions of interest that the participants are asked to recount and describe, i.e. their collaborative and participatory behavior with in-store Shopper Marketing events part of their business-based interpersonal relationships, took place in the past and will take place in

future. Framing the data collection in this way will increase the dependability of the eventual findings over time.

The interview transcripts, associated research memoranda, as well as the analysis results are provided to an outside reviewer for confirmation that the interpretations and analysis results stem from the data and not in any way from the main researcher's bias.

Study 2: Research Design, Data Collection and Analysis

Introduction

Following the exploratory investigation in study one, research question 2 is more predictive in nature, seeking to establish the extent to which the strength of frontline interpersonal relationships and the intrinsic motivation of frontline employees affect the level of compliance with in-store shopper marketing events. Answering this research question requires an explanatory, quantitative research design. Commitment theory, operationalized in this study using two dimensions of relationalism (cf. Gundlach et al., 1995), and intrinsic motivation theory, operationalized in this study by using two recently developed frameworks for work motivation; self-determination and meaning-making (cf. Cadwallader et al., 2010; Sonenshein & Dholakia, 2011), guide the formulation of different research hypotheses.

A survey-based research design is planned, which allows for the measurement of relationship commitment and intrinsic motivation from both the field sales representatives' and store managers' perspective. Because of the dyadic nature of this research, the analysis will consider the inputs from both dyad partners simultaneously. The focus of the analysis in study two will therefore be the degree to which the commitment and motivation of the frontline actors is similar between the respondents, whereby exactly corresponding commitment and motivation is designated as being "congruent."

Congruency is of particular theoretical interest for this research because the core phenomenon in relational marketing, the collaborative long-term relationship, is based on the premise that partners are equally committed to the relationship. Equally

committed partners are expected to dedicate the necessary effort and resources for continuation of the relationship, whereby these loyal relationships are assumed to deliver greater value (benefits) to the partners than single transactions (Grönroos, 1994).

The analysis will center on the concept of “fit” of the parties’ respective commitment and motivation levels, expressed as commitment and motivation “profiles.” Specifically, I propose an analytical scheme that investigates how adherence to the theoretically suggested “ideal profile” of congruent or identical commitment and motivation affects performance, i.e. the level of compliance with in-store Shopper Marketing event (cf. Venkatraman, 1989; Venkatraman & Prescott, 1990).

Polynomial regression is proposed as the statistical analysis tool to investigate the relationship between the level of deviation from the ex ante specified congruent commitment and motivation profiles and the level of compliance with a specific in-store Shopper Marketing initiative. The latter criterion variable is measured separately from the survey, but is specific to the relationships measured by the survey instrument. Figure 4 below shows the preliminary conceptual model underlying study two.



Figure 4: Preliminary Conceptual Model for Study 2

Study Context and Hypothesis Development

The view of business exchanges under the relational marketing paradigm is fundamentally different from the neo-classical economic perspective (Cook & Emerson, 1987). Economic theory considers each actor interacting with a market, not with another individual actor. The “market” as conceptualized in economic theory is the aggregate of innumerable potential partners. An actor is presumed to select an exchange (and thus an exchange partner) that will allow for maximization of profit or any other relevant measure of value (Cook & Emerson, 1987; Paulin & Ferguson, 2010). In contrast, the relational view of marketing starts from a dyadic level of analysis and considers the consecutive interactions and consequent exchanges between two individual actors as the central concept of marketing (Cook & Emerson, 1987; Grönroos, 1994; Kingshott, 2006). These individual ties are the footing for further theoretical

development, for instance network theory wherein dyadic social relationships, i.e. the ties between parties, become the nuclei of economic activity between multiple exchange partners (Granovetter, 2005).

Social relationship networks as proposed and modeled in these studies often resemble the definition of markets found in economics, albeit based on the social exchange theorem that fully transparent markets are an unrealistic assumption of economic theory, a realization which provides the motivation for including a social dimension in the first place (e.g. Adler, 2002; Cook & Emerson, 1987; Granovetter, 1985b; Granovetter, 2005; Kingshott, 2006).

This dissertation research remains at the interpersonal dyad or micro-level of analysis, the smallest social group possible (Tajfel & Bruner, 1981). As such it uses concepts and constructs directly from the original theoretical framework of social exchange theory as proposed by Homans (1958), Thibaut & Kelley (1959), and expanded upon by Blau (1964) and Emerson (1976). The essential role interpersonal relationships play in the formation and continuation of interfirm relationships, is specifically recognized in the work of the International Marketing and Purchasing group (Hakansson, 1982), which considers interpersonal relationships as a crucial component of business relationships. Later studies such as Dwyer, Schurr & Oh (1987), Cannon & Perreault (1999), Morgan & Hunt (1994), and Tellefsen (2002) equally extol the positive performance effect of committed buyer-seller relationships.

The focus on relational marketing and consequent relationship management puts greater emphasis on the role of boundary spanning employees through which these interfirm relationships take shape (Biong & Selnes, 1995; Spekman & Carraway,

2006). Indeed, it is widely argued in sales literature that personal selling is one of the most effective marketing vehicles (Román & Iacobucci, 2010; Weitz & Bradford, 1999). And although the sales function is scrutinized like any other business function for efficiency and cost improvements, the importance of strategic customer relationships holds that personal selling is still viewed as a major contributing factor to business success, as it provides a coordinating mechanism for the establishment and maintenance of collaborative channel (i.e. manufacturer-retailer) relationships (Lovblad & Bantekas, 2010; Piercy & Lane, 2005; Wong & Johansen, 2008). The research questions at the micro-level of analysis that motivate this study are thus based on the more general premise that interfirm relationships will be more successful when the selling firms employs personal selling as part of its marketing strategy. This general positive performance effect can reasonably be expected to materialize irrespective of the performance measure chosen (Iacobucci & Ostrom, 1996). In the context of this study, the first concern is with the compliance level with in-store Shopper Marketing events, and secondly with the “first moment of truth,” i.e. the purchasing decisions shoppers make. Consequently, I offer the following two hypotheses:

- Hypothesis 1: The use of personal selling strategies aimed at establishing interpersonal relationships between CPG sales representatives and store managers has a positive effect on compliance with in-store Shopper Marketing events.
- Hypothesis 2: The use of personal selling strategies aimed at establishing interpersonal relationships between CPG sales representative and a store manager has a positive effect on CPG sales at the individual store level.

The proposed analytical scheme is a comparison between the average performance measures of interest between two groups of 300 retail stores each, and the determination if the associated t-values are significant at an alpha level of .05.

Field sales representatives from the research sponsor regularly visit one test group of stores, while the control group of similar stores is not visited. The manufacturer-retailer relationships for the control group are kept at headquarters level.

Variables and Hypotheses Development

The literature review in Chapter 2 shows theoretical support for the idea that frontline actors' respective commitment to a business-based interpersonal relationship is a predictor for relationship performance. Commitment is a multi-dimensional construct, comprising of behavioral (economic) commitment on the one hand and affective (attitudinal) commitment on the other (Gundlach et al., 1995; Paulin & Ferguson, 2010). Data concerning the different dimensions of commitment will be collected from both sides of the dyad (cf. Beugelsdijk, Koen, & Noorderhaven, 2009) for two reasons. First, because dyad partners do not necessarily hold the same perceptions of their relationship (Cheung, 2005). Second because dyad partners cannot reasonably be expected to be equally motivated to dedicate time and effort to the success of a relationship (Barnes et al., 2005; Celuch, Bantham, & Kasouf, 2006b).

Dyadic research is inherently concerned with a three-dimensional relationship between the individual commitment and motivation of the dyad partners and a performance measure. Consequently, the study design must allow for the reality that there will be differences between the parties' commitment and motivation profiles. Besides acknowledging this reality, study two seeks to answer the research question if

different combinations of commitment and motivation profiles are a contributing factor to the empirically observed differences in the compliance with in-store Shopper Marketing initiatives. (cf. Edwards, 1995). Each of the three constructs operationalized in this study and their hypothesized relationship with Shopper Marketing compliance are discussed in the following sections, following a short discussion of the fit concept as it will be used in this research.

The Concept of Fit as Profile Deviation

The concept of fit is used in many different fields and sub-fields such as strategic management (e.g. Venkatraman & Prescott, 1990), alliance studies (e.g. Bierly III & Gallagher, 2007), marketing (e.g. Hamzaoui & Merunka, 2006), organizational psychology (e.g. Weeks & Fournier, 2009), and retail research (e.g. Arnett, Laverie, & Wilcox, 2010) as a building block for theory development and empirical analysis (Venkatraman, 1989).

Fit or equivalent concepts such as similarity, match, congruence, alignment, etc. describe a relationship between two constructs such as for example; “the fit between corporate strategy and environment” or “the fit between partner brands in airline alliances.” As is clear from these two disparate examples, fit terminology when used to postulate relationships between constructs can have many different meanings, but is often used as a general metaphor without a clear translation “...*from the verbal statements to the analytical level...*” (Venkatraman, 1989: 423). In a seminal contribution Venkatraman (1989) proposes a classification framework for six different perspectives to conceptualize, operationalize and subsequently test fit-based hypotheses.

The author proposes that there are three fundamental decisions that drive the researcher's choice for one of the six fit concepts and the associated analytical scheme (see figure 5): First, the specificity of the theoretical relationship will be an indicator for functional form of the fit concept to be used. Second, the researcher has to decide whether there is the need to anchor the fit concept to a specific criterion variable. Finally, the number of variables in the fit equation will drive the choice of fit concept and analysis. One of the central premises of the relational view of marketing is that long-term, collaborative interfirm relationships are the most efficient and beneficial format for business-to-business exchanges. The collaborative nature of the relationship facilitates the exchange of goods, services, and knowledge and will so deliver the greatest value to the business partners. Beside the economic benefits these collaborative partnerships bring, they are also the access points to resources, information, and knowledge that the parties do not or cannot possess on their own (Dwyer et al., 1987; Gummesson, 1998; Palmatier, 2008; Vargo & Lusch, 2004). The collaborative character of these relationships is crucial to their success as value creation can only be achieved if the parties freely share information and knowledge and are both operating with the other party in mind, i.e. do not display opportunistic behavior but base their interactions on trust and full commitment to the success of the relationship (Evanschitzky, Iyer, Plassmann, Niessing, & Meffert, 2006; Hunt, 1997).

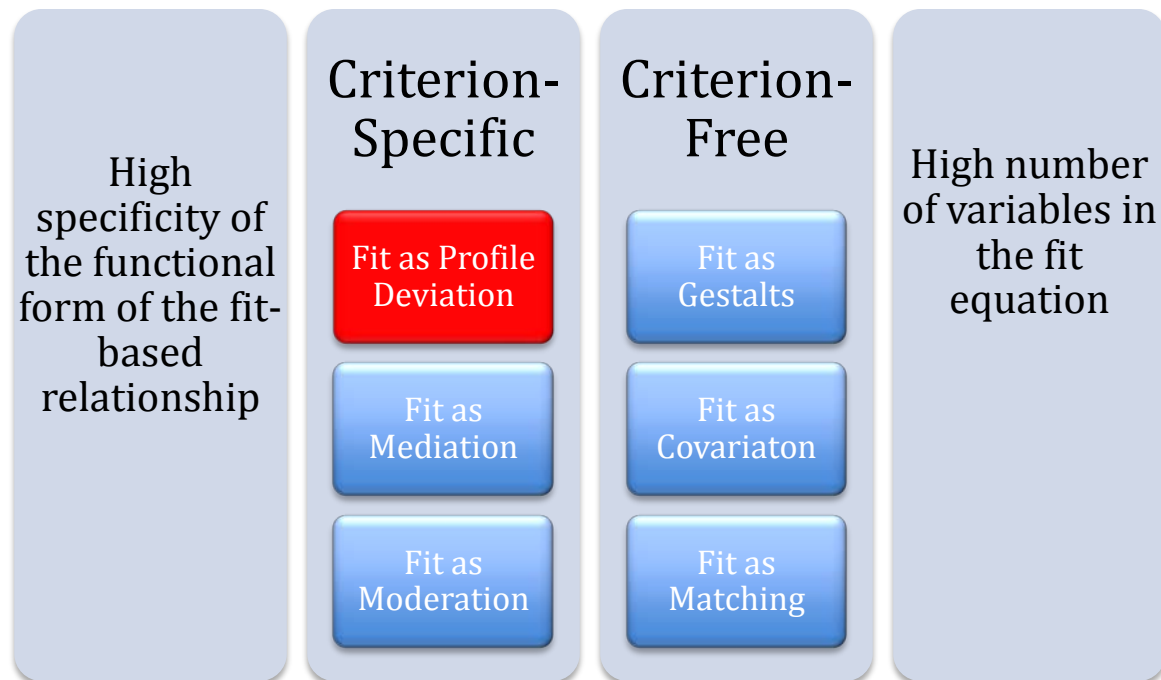


Figure 5: Classification Framework for Six Perspectives of Fit (Venkatraman, 1998)

In the context of this research on dyad partners' commitment and motivation, this holds that the parties must be equally committed and motivated to the relationship for it to be wholly successful and deliver optimum performance.

In the terminology of the fit classification framework described above this means that there is a clear criterion for this fit concept, namely optimal performance, in this study operationalized as Shopper Marketing compliance. Second, there is low theoretical specificity of the functional form of the required fit of commitment and motivation other than the respective profiles of the dyad partners need to equal each other as to forego any opportunistic behavior. Third, there are at least two variables to consider as predictor variables for performance.

Therefore "Fit as Profile Deviation" would be the appropriate perspective for the conceptualization and analysis of study two. Specifically, the theoretically supported

“ideal fit profile” is one where the commitment and motivation profiles of the dyad partners are the same, i.e. sales representative=store manager. This profile is denoted as the commitment and motivation profiles being “congruent” or as “congruency” (cf. Edwards & Parry, 1993; Myers & Cheung, 2008).

The statistical analysis scheme will focus on determining if the theoretically specified congruency of the commitment and motivation profiles finds empirical support in the sense that such congruent profiles result in the highest level of in-store Shopper Marketing compliance, and to what extent deviation from the specified congruent profile affects in-store Shopper Marketing compliance.

Behavioral Commitment

Relationalism as proposed by Gundlach et al. (1995), delineates commitment into three different components, recognizing an affective and a time dimension, *as well* as the more traditional economic (or rational) motivation to enter into and/or continue a business relationship. The intuitive attractiveness of this approach is likely because it recognizes the often complex and situation-specific interaction of behavioral-economic and affective elements in the explanation of economic exchange, without declaring any of these different elements to be the dominant determinant of the exchange partners' behavior in establishing, structuring, and governing their relationship (Eisenhardt, 1985; Elster, 1989; Podolny, 1994).

In case of the field sales representatives participating in this study there are obvious economic benefits associated with meeting sales and market share objectives through activating in-store Shopper Marketing initiatives (Emberson & Storey, 2006; Emberson, Storey, Godsell, & Harrison, 2006) Sales and market share are two key

metrics for salespersons' performance evaluation, that will thus affect their remuneration directly or indirectly through bonus systems, merit pay, or job security etc. (Román & Iacobucci, 2010).

For store managers the benefits of cooperating with Shopper Marketing initiatives may be less apparent. However, Shopper Marketing is considered to improve the in-store activation of brand equity and will thus lead to sales growth, increased market share, higher shopper traffic, which are all factors often used in the evaluation of store managers' performance (Emberson & Storey, 2006; Lusch & Jaworski, 1991; Wong & Johansen, 2008).

Besides these personal economic benefits for the frontline actors, achieving these production and financial goals also contributes to the economic welfare of the manufacturers and retail firms these employees work for, which in turn provides job security, and opportunities for career development (Iii, Chatman, & Caldwell, 1991).

Based on the foregoing, **Behavioral Commitment** is defined as: *The intent of the parties to continue their business-based relationship based on rational justification.*

Behavioral commitment will be operationalized as the participants' perceptions of directly task-related and performance-based aspects of the focal frontline relationships that operate as rational motivators for continuation of the relationship and full collaboration with in-store Shopper Marketing events

Following the relational view of marketing and commitment theory, I posit that congruent behavioral commitment profiles of the dyad partners will positively affect the compliance with in-store Shopper Marketing. In situations we the parties' commitment

is profiles are congruent, compliance will increase more strongly and will reach its highest possible level.

Hypothesis 3a: Compliance with in-store Shopper Marketing initiatives will increase most strongly when the behavioral commitment profiles of frontline employees are congruent.

Hypothesis 3b: Compliance with in-store Shopper Marketing initiatives will reach its highest level when the behavioral commitment profiles of frontline employees are congruent.

Adaptation of Shopper Marketing has increased CPG manufacturers' use of "push marketing" tools such as trade promotions, pricing, and event-directed marketing communications and importantly the use of sales force efforts with retailers (Ailawadi et al., 2009; Deloitte, 2008). Where this is integral to the workload of the sales representatives, it presents an increase of the workload of store managers over traditional store promotions (see for instance Corsten & Gruen, 2003). As "multi-tasking agents" (Feltham & Xie, 1994; Holmstrom & Milgrom, 1991), store managers are tasked with different jobs and objectives and it is therefore expected that they will direct their attention to those tasks and activities that carry the largest reward (cf. Holmstrom & Milgrom, 1991). In light of the critical decision power store managers have regarding the day-to-day operation of a retail store (DeHoratius & Raman, 2007), the relative impact of store managers' behavioral commitment on Shopper Marketing compliance will be greater than the effects of sales representatives' behavioral commitment on the compliance rate:

Hypothesis 3c: Behavioral commitment of store managers will affect the compliance level more strongly than the sales representatives' behavioral commitment will.

Affective Commitment.

Affective commitment is characterized by the personal desire of parties to continue a relationship (Lovblad & Bantekas, 2010). Affective commitment is a strong determinant of customer loyalty (Evanschitzky et al., 2006) and generally considered as one of the more significant predictors for positive relationship outcomes (Cater & Cater, 2010; Lovblad & Bantekas, 2010), also in supplier-retailer relationships (Biong, 1993).

The affective commitment construct used in business relationship studies is a derivative of the “psychological contract” construct found in psychology, where it is used to capture the interpersonal aspects of a relationship. The construct is further used in organizational psychology as an explanation for employee loyalty (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). The principal argument in business relationship studies is that, over time, the social bond between boundary spanners (or frontline employees as they are called in this study) develops into a psychological contract between the frontline employees that controls their efforts and directs their actions towards continuation of the relationship (Lovblad & Bantekas, 2010).

Affective commitment as conceptualized in this study is an individual psychological construct, to be operationalized at the interpersonal level of analysis (cf. Iacobucci & Ostrom, 1996; Kelley & Thibaut, 1978; Mavondo & Rodrigo, 2001). Furthermore, Kingshott (2006) argues convincingly that psychological contracts between frontline employees comprise the trust element of business relationships, because trust, as a psychological construct, cannot be operationalized at an organizational level (see also Jiang et al., 2009).

Following this strand of research, **affective commitment** is defined in this study as: *the interpersonal emotional attachment between parties to a business-based relationship*.

Affective commitment is operationalized as the interpersonal and trusting relationship that develops between regularly interacting frontline personnel. Although these relationships are instigated because of the underlying business relationship, it is not uncommon for strong personal bonds, i.e. psychological contracts, to develop between the actors (Iacobucci & Ostrom, 1996; Lovblad & Bantekas, 2010). The operationalization of this construct will therefore focus on perceptions of trustworthiness, reliability, social interaction, and friendship. These interpersonal bonds are considered to have a strong impact on relationship performance (Meyer et al., 2002; Murry & Heide, 1998), I therefore posit:

- Hypothesis 4a: Compliance with in-store Shopper Marketing initiatives will increase most strongly when the affective commitment profiles of frontline employees are congruent.
- Hypothesis 4b: Compliance with in-store Shopper Marketing initiatives will reach its highest level when the affective commitment profiles of frontline employees are congruent.

As a consequence of the important role of the store managers for in-store Shopper Marketing execution, already discussed above for Hypothesis 3b, I further posit:

- Hypothesis 4c: Affective commitment of store managers will affect the compliance level more strongly than the sales representatives' affective commitment will.

Intrinsic Motivation

The role of frontline employees in the implementation of marketing strategy is an under-researched area in marketing literature (Cadwallader et al., 2010), and consequently there is little known about the antecedents of the intrinsic motivation of frontline employees involved with strategy execution (Slater, Olson, & Hult, 2010b; Thorpe & Morgan, 2007). Following Deci and Ryan (1985), ***intrinsic motivation*** is defined as a frontline employee's: *determination to perform above and beyond job requirements based on internal motivation, not as the result of external pressure.*

In the context of this research, where much depends on the respondents executing the “extra work” associated with Shopper Marketing events, the intrinsic motivation of frontline employees will therefore likely be a factor in the execution of in-store Shopper Marketing events.

When researching the differences in Shopper Marketing compliance between stores, it is therefore appropriate to include the dyad partners' personal motivation to engage in the execution of Shopper Marketing initiatives (Ailawadi et al., 2009; Ailawadi et al., 2006).

For instance, empirical research by Cadwallader et al. (2010) into the personal motivation of frontline employees implementing a service improvement found that employees who have a clear understanding of their role and responsibilities as well as the general importance of the innovation, will become self-motivated to implement and participate in the new strategy. Research of retail employees tasked with implementing a new store concept by Sonenshein and Dholakia (2011), further details how intrinsic

motivation is a function of the employees' ability to give *meaning* to the proposed change.

It seems therefore that the ability of organization's management to clearly communicate the reasons for a proposed change, innovation, or Shopper Marketing event for that matter, can promote a positive evaluation by the employees and facilitate the internal rationalization of the organizational objectives as the employees' intrinsic goal. Secondly, it seems also important that management stimulates truthful (as opposed to "gossip and rumors") communication between employees. From the so-developed meaning employees give to the new strategy, they will derive intrinsic motivation and become motivated to partake in its execution (Sonenshein & Dholakia, 2011).

Intrinsic motivation is operationalized by investigating the participants' perceptions of the quantity and quality of internal communications about Shopper Marketing events. It is proposed that internal communications explaining the content and the importance of Shopper Marketing initiatives will increase the frontline employees' understanding of the programs and their own personal roles in their execution. Consequently, it is proposed that frontline employees from either side of the dyad will become more determined and motivated to work towards the successful implementation of the in-store elements of Shopper Marketing as their intrinsic motivation rises.

Hypothesis 5a: Compliance with in-store Shopper Marketing initiatives will increase most strongly when the intrinsic motivation profiles of frontline employees are congruent.

Hypothesis 5b: Compliance with in-store Shopper Marketing initiatives will reach its highest level when the intrinsic motivation profiles of frontline employees are congruent.

As a consequence of the important role of the store manager for in-store Shopper Marketing execution, already discussed above for Hypothesis 3b, I further posit:

Hypothesis 5c: Intrinsic motivation of store managers will affect the compliance level more strongly than the sales representatives' behavioral commitment will

Table 1: Hypotheses for Study 2

HYPOTHESES FOR STUDY 2	
Hypothesis 1:	The use of personal selling strategies aimed at establishing interpersonal relationships between CPG sales representatives and store managers has a positive effect on compliance with in-store Shopper Marketing events.
Hypothesis 2:	The use of personal selling strategies aimed at establishing interpersonal relationships between CPG sales representative and a store manager has a positive effect on CPG sales at the individual store level.
Hypothesis 3a:	Compliance with in-store Shopper Marketing initiatives will increase most strongly when the behavioral commitment profiles of frontline employees are congruent.
Hypothesis 3b:	Compliance with in-store Shopper Marketing initiatives will reach its highest level when the behavioral commitment profiles of frontline employees are congruent.
Hypothesis 3c:	Behavioral commitment of store managers will affect the compliance level more strongly than the sales representatives' behavioral commitment will.
Hypothesis 4a:	Compliance with in-store Shopper Marketing initiatives will increase most strongly when the affective commitment profiles of frontline employees are congruent.
Hypothesis 4b:	Compliance with in-store Shopper Marketing initiatives will reach its highest level when the affective commitment profiles of frontline employees are congruent.
Hypothesis 4c:	Affective commitment of store managers will affect the compliance level more strongly than the sales representatives' affective commitment will.
Hypothesis 5a:	Compliance with in-store Shopper Marketing initiatives will increase most strongly when the intrinsic motivation profiles of frontline employees are congruent.
Hypothesis 5b:	Compliance with in-store Shopper Marketing initiatives will reach its highest level when the intrinsic motivation profiles of frontline employees are congruent.
Hypothesis 5c:	Intrinsic motivation of store managers will affect the compliance level more strongly than the sales representatives' intrinsic motivation will.

Shopper Marketing Compliance

The dependent variable in study 2 is the level of compliance with in-store shopper marketing initiatives. The value is expressed on an interval scale that measures the compliance with a set of pre-determined compliance measures such as completion of display, number of product units on display, (proper) placement of other in-store elements such as signage, floor stickers, window displays, etc. The collected values are subsequently compiled to calculate a compliance level expressed on a continuous scale.

Employees of the research sponsor use interactive handheld devices to record these measures. Figure 6 shows a handheld device as they are used by field sales representatives and other frontline employees from the research's sponsor who are specifically tasked with gathering data on in-store execution of sales and product promotions and upload these to the SMA's central database.. The audit questions are presented to the field sales representatives and answered on the handheld devices and are transferred to the SMA's database.



Figure 6: An Interactive Handheld Device (copyright Motorola)

These same hand-held devices are also used to distribute work instructions to the employees and for displaying other questions for various other data gathering purposes. They will also be used to administer study two's survey questions to the sales representatives.

Data Collection – Sampling Procedure

The sample for study two will consist of frontline sales employees from the research sponsors. The field sales representatives interact daily with store personnel to promote increased shelf positions and Shopper Marketing event compliance for the subject CPG brands. The products are sold under different brand names but are clearly recognizable *and* promoted as being part of a portfolio of brands held by a well-respected and successful diversified healthcare and pharmaceutical firm. The sales representatives are tasked with the implementation of the in-store elements of Shopper Marketing initiatives. From the other side of the dyad the respondents will be the retail (department) manager with whom the field sales representatives interact.

A sample pool of approximately 300 stores throughout the United States will be compiled. This sample pool will include grocery stores operating in different market segments, drug stores, convenience stores, and range from regional grocery chains to nationally operating “super-center” stores. A control group of 300 stores, similar in size, customer demographics, and locations is also included in the sample, to assure that the findings are not spurious or due to exogenous factors. Data from these stores will be used in the testing of hypotheses 1 and 2, to be determined by way of a t-test of the observed sales of focal CPG (products that are part of the Shopper Marketing event studied) and compliance levels with in-store Shopper Marketing differ significantly at the 0.05 level from the test group of stores.

In order to gather sufficient data for statistical analysis of the survey data, the objective is to gather 150 sets of matched responses from sales representatives and store managers, i.e. collect data for 150 dyads (Cohen, 1988). The field sales representatives are all exclusively assigned to represent the focal CPG manufacturer. The store managers’ sample pool consists of the store and department managers from the sample store group.

The compliance level will be determined by compiling answers from handheld reports providing audit data regarding promotional displays, product shelf displays etc.

Data Collection - Survey Instrument and Scale Development

The hypothesized relationships between the different predictor variables and the criterion do not allow for the use of secondary data. There are no ready proxies available for the proposed multi-item perceptual measurement scales (Houston,

2004). Non-experimental, cross-sectional survey research is therefore planned (Kerlinger & Lee, 1999).

The use of a cross-sectional survey is warranted for the context of this study because the criterion variable is measured outside of the survey instrument, reducing the risk of common method variance (Rindfleisch, Malter, Ganesan, & Moorman, 2008). Besides, the theoretical framework does not specify a time interval and/or an exact temporal order in which the hypothesized relationship between commitment, intrinsic motivation and the performance measure will manifest itself. This holds that causal inference can be drawn from a cross-sectional survey design (Rindfleisch et al., 2008).

In addition, conducting survey research is an efficient method to gather perceptual data from large number of participants. To warrant the significance of the statistical analysis, the sampling plan calls for the investigation of at minimum 200 dyads. This requires collecting and matching 400 individual sales representatives' and store managers' responses, which can be more easily achieved by using a survey design.

Survey items can be based on existing scale items that have already have been empirically tested to tap focal constructs (Bruner, 2003). However, the noted lack of previous studies into the focal phenomenon necessitates the adaptation of previous scales and their individual scale items. To support measurement development, a pilot study was conducted. This section reports on the results of this pilot study as well as on the subsequent steps that are proposed in the further development and refinement of the measures scales.

Following the “tailored design method” for survey design (Dillman, Smyth, & Christian, 2009), a number of steps will be included to increase the participants’ perceived benefit from participating in the research. This is aimed at improving the engagement of the respondents in answering the survey and reduce the risk of acquiescence (Weijters, Geuens, & Schillewaert, 2010). Steps to improve respondents’ engagement are:

- The survey contains information about the purpose of the study and mentions the approval and support of the respondents’ employers for the study.
- The introduction asks for the respondents’ advice and expert view, appealing to social responsibility and showing positive regard for the respondents’ opinions.
- The survey instrument is clearly marked as originating from the University of Tennessee, and at various points the confidentiality of the responses is guaranteed. Confidentiality is underlined further by using a “pencil and paper” format, with closed-envelope responses mailed to a University of Tennessee address. This will reduce the risk of social desirability bias in the respondents’ answers (Kruglanski & Ajken, 1982)
- The topic of the survey is relevant for the respondents, directly related to their daily work experiences. The questions of the sales representative and store manager versions of the survey instrument will be adapted to represent the respondents respective positions (DeVellis, 1991).

The expected response rate is high for the sales rep respondents because data collection is integrated with daily work tasks already completed by the CPG sales

representatives of the sponsor firm. Store managers will receive the survey in the format of a paper document as part of their routine communications with the CPG sales reps, and will be offered the option of completing the survey per telephone as part of a multiple contact strategy for these respondents.

Scale development techniques were based on Mentzer & Flint (1997), Churchill (1979) and Anderson & Gerbing (1991), following a sequential strategy of item generation, scale purification and assessment. The three focal constructs have been the subject of earlier survey-based empirical research. The measurement items from these studies form the foundation for the scales to be developed as part of this study.

The initial items for behavioral and affective commitment are drawn from a previous experimental study on the relationship between commitment and sales promotion collaboration in retail channel relationships by Murry & Heide (1998), an empirical study of affective commitment between buyers and sellers in an industrial setting (Lovblad & Bantekas, 2010), and an empirical study into channel relationships in a retail context by Davis-Sramek et al. (2009).

The items for intrinsic motivation are derived from the work of Cadwallader et al. (2010) studying retail employees' self-motivation during the introduction of new customer service technology, and from a study investigating retail employee engagement with strategic change by Sonenshein and Dholakia (2011). The initial scales in the pilot study contained ten-items for both behavioral and affective commitment and a four-item scale for intrinsic motivation, all fitted to the context of this study (Nunnally & Bernstein, 1994).

The scales are operationalized using seven-point fully labeled scales from “strongly disagree” (1) to “strongly agree” (7) in order to elicit similar interpretation of the answers by the participants (Dillman et al., 2009). Since the constructs measured by the scale items are considered high-involvement issues for the participants, the discrimination level of a seven-point scale response is expected to be meaningful to the participants (Viswanathan, Sudman, & Johnson, 2004), reducing the risk of extreme responses (Weijters, Cabooter, & Schillewaert, 2010).

As part of the pilot test, a panel of academic experts reviewed these items as an initial test of content validity. Secondly, cognitive interviews concerning the complete instrument were conducted with five grocery store managers in order to identify any issues with the layout, design, navigation, or wording of the survey instrument (DeVellis, 1991; Dillman et al., 2009). This led to some small adjustments in the wording of the items, as well as the removal of two questions on each of the commitment scales that were considered superfluous by the store managers.

A number of variables not directly related to the hypotheses will be added to the survey instrument. These questions deal with specific work experience of the participants, age, gender, and job role. These data will be used for classification and comparison purposes in the final analysis of the data.

Data Collection - Pre-test

The revisions from the content validity and cognitive pilot test will be included in a final version of the survey that will be administered to a test panel of 30 sales representatives and 30 store managers. The sample pool is large enough to allow for such a pre-test without affecting statistical power of the final research (cf. Cohen, 1988).

The purpose of the pre-test (following Churchill, 1979) is to identify any issues surrounding the implementation of the survey, the data collection procedure, and to investigate the uni-dimensionality of the scales (Segars, 1997) and their reliability (Churchill, 1979; Nunnally & Bernstein, 1994) by way of exploratory and confirmatory factor analysis.

Theoretically, all of the proposed scale items are reflective measures of the latent constructs investigated. Therefore, “traditional” analysis can be undertaken to test the validity and reliability of the scales used in this study (Coltman, Devinney, Midgley, & Venaik, 2008; Jarvis, Mackenzie, & Podsakoff, 2003). Since the scales are derived from well-tested scales, but adapted for the relatively under-researched context of frontline relationships, it is reasonable to expect that exploratory factor analysis will indicate a need to purify the scales (cf. Gorusch, 1997). Removal of any scale item will however only take place after careful theory-based justification of the item’s removal (Fabrigar, MacCallum, Wegener, & Strahan, 1999). Confirmatory factor analysis will be conducted to investigate if the pre-test data fit with the theoretical dimensionality of the constructs (Anderson & Gerbing, 1991) again, in light of the difference in research context between prior studies and this research.

Reliability and convergent validity of the measures will be tested following Fornell and Larker (1981). Measurement model loadings and correlation matrices will be analyzed to determine if the square root of average variance extracted for each construct is greater than all corresponding correlations. This is an indication of the convergent validity of the measures (Fornell & Larker, 1981). The item loadings in the theta matrix will be reviewed to assure that no item will load higher on another construct

than on the construct it is supposed to be a measure of, so proving discriminant validity of the scales.

After the pre-test, any necessary scale purification or changes to the survey instrument will be implemented before the final study is conducted. A second round of review by academic and industry experts will assure content validity and the quality and ease of use of the instrument. Upon completion of the survey, the scale measures will be analyzed using statistical software such as SPSS and AMOS. Uni-dimensionality will be evaluated by analyzing the convergence of the items on the construct they are purportedly measuring (Anderson & Gerbing, 1991) and overall fit of the measurement model. Discriminant validity will be analyzed in the manner described above as well as through a review of the Modification Indices as calculated in AMOS software (Byrne, 2009), which can be considered as indicators for possibly problematic cross-loading of items on different constructs. As with the pre-test questionnaire, removal of items from the analysis will only be considered after careful theoretical evaluation.

Polynomial Analysis

Given the manner in which Shopper Marketing events are executed it is reasonable to expect that the relationship between the predictor variables (commitment and intrinsic motivation) and the criterion variable (compliance level) is not a linear relationship. In line with hypotheses 3a, 4a, and 5a, I would expect that when commitment and motivation profiles of the dyad partners are congruent, a steep increase in the compliance level would be recorded. The “angle of attack” for the behavioral-motivated compliance is expected to be steeper than the ones for affective and intrinsic motivation, in line with hypotheses 3b, 4b, 5b.

But, it is also reasonable to assume that there will be a “ceiling effect” (Cohen & Cohen, 1983) in the rate of compliance growth as parties are expected to only make small incremental improvements in compliance when approaching “perfect compliance.” Following Cohen and Cohen (1983: 272) I do not expect that transformation will allow for a more “elegant” linear regression, and therefore expect that a low order polynomial (quadratic) function will fit the “soft data” with expected “floor” and “ceiling” effects (Idem: 237).

I propose therefore to use a curvilinear regression equation, i.e. a “special” form of multiple linear regression, that allows for the expected non-linear relationship between predictor and criterion variables. Polynomial regression equations model non-linear relationships between predictor and criterion variables by raising the predictor variable to integer powers such as IV^2 and IV^3 , hence the name “power polynomials” (Cohen & Cohen, 1983).

Polynomial regression equations are a special format of linear regression, the purpose of the added power terms is to fit the data better than what is possible with a simple linear regression, given the non-linearity of the relationship. The test of polynomial regression equation’s fit consists of adding the power terms to a standard linear regression equation and investigating whether the R^2 increases significantly by adding the power terms.

Although this procedure will result in a (polynomial) regression equation that fits the data well, the interpretation of the coefficients is rather difficult because of the high correlation between the non-orthogonal variables that need to be partialled before their true impact on the criterion variable is understood.

Response surface Methodology (“RSM”) (Hill & Hunter, 1966), allows for a graphical depiction of the multiple regression equation consisting of two predictor variables. In this research, the respective values for the dyad partners’ commitment or motivation profiles *and* the difference scores between the predictor variables and the criterion variable (Shopper Marketing compliance level). An example of a response surface graph is shown below in figure 7. Besides the analysis of the statistical significance of the regression coefficients it is also possible to use the RSM graph to visually check if Shopper Marketing compliance is indeed at his highest level along the line of congruent commitment or motivation profiles, i.e. on the line $X=Y$, which is the main thesis underlying hypotheses 3a, 4a, and 5a.

Hypotheses 3c, 4c, and 5c postulate that store managers’ commitment and motivation profiles will affect compliance more strongly than the sales representatives’ will. A RSM graphic adds however “dimensionality” to that analysis. Given the hypotheses, the surface would have to take the shape of a “ski-slope” surface, where the axis representing the store managers would be the top of the slope.

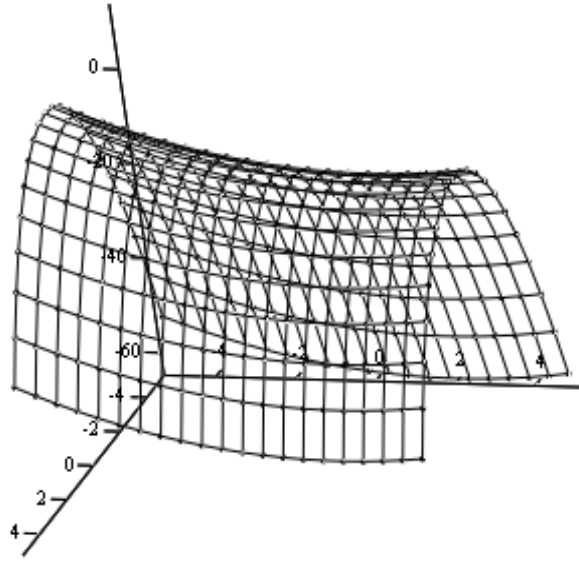


Figure 7: Example of a Response Surface Graph Depicting a Polynomial Regression Equation

Analysis Scheme for Fit as Profile Deviation

Traditionally, fit has been expressed as a single index value or difference score between two constructs (Edwards, 1994b). The premise underlying hypotheses 3a, 4a, and 5a is that matching commitment and motivation profiles will have a positive outcome effect. This holds that the analysis should consider a three-dimensional relationship, between each of the different dimensions of commitment and motivation and compliance separately in order to maintain reliability (Edwards, 1993), such an analysis will not be possible if the fit between the two variables (from the sales representative and the store manager) is expressed as a single distance score.

Another method to measure profile similarity, squared difference scores (Cronbach & Gleser, 1953) also reduce a three-dimensional relationship to a single score (Cronbach & Gleser, 1953; Edwards, 1993, 1994b), which makes it more difficult

to interpret. The main problem being that a squared score is non-directional (Edwards, 1994b: 63-64). Following the general procedure for the study of congruence as proposed by Edwards (Edwards, 1994a, b; Edwards, 1995) three issues were considered in the selection of polynomial regression for the data analysis in study two.

First, profile similarity and outcome variable will have to be considered in three dimensions. Polynomial regression equations containing the separate dimensions of commitment, motivation, and compliance allows for such an analysis.

Second, profile similarity is conceptually equal to the concept of “fit as profile deviation” (Venkatraman, 1989), for which analysis polynomial regression is the appropriate choice (Edwards & Parry, 1993).

Third, to overcome the difficulties of interpreting quadratic regression coefficients, response surface methodology (Hill & Hunter, 1966; Myers, Montgomery, Vining, Borror, & Kowalski, 2004) will be used to graphically depict the regression equation, which allows for the analysis of the response surface’s minimum and maximum points, as well as the slope of the response surface along the line where the component predictor variables are equal, i.e. profile similarity (Edwards & Parry, 1993; Myers et al., 2004).

Following Edwards and Parry (1993) and Griffith and Myers (2005) regression equations using polynomial models will be specified. Shopper Marketing compliance (*Z*) is the criterion or dependent variable. The two dimensions of commitment and intrinsic motivation of the store managers (*STORE*) and sales representatives (*SALES*) are the predictor or independent variables. The proposed models will test deviations on both sides of the perfect fit point, when *STORE=SALES*.

The constrained distance equation (cf. Edwards & Parry, 1993):

$$Z = b_0 - b(STORE - SALES)^2 + e \quad (1)$$

Expanded:

$$Z = b_0 - b(STORE^2) + 2b(STORE)(SALES) - b(SALES^2) + e \quad (2)$$

Again following Edwards and Parry, this model is can be expanded to the following unrestrained quadratic regression equation:

$$Z = b_0 + b_1(STORE) + b_2(SALES) + b_3(STORE^2) + b_4(STORE)(SALES) + b_5(SALES^2) + e \quad (3)$$

The models will be evaluated by considering the significance of the R^2 for the unconstrained equation, whether significant terms exist (Edwards, 1994b: 73). Analysis of the stationary point of the response (compliance rate) surface, i.e. the point where the slope of the surface is 0 in all directions, and of the slope of the surface along the $STORE=SALES$ line will be conducted following the framework and guidelines as laid out by Edwards and Perry (1993) and Myers et al. (2009). Hypotheses 3 through 5 presume a distinct “ridge shape” for sub-a hypotheses and a distinct “ski-slope” shape for the sub-b hypothesis. The graphic depiction of the polynomial regression equations will provide a “quick check” of the hypothesis also, as any deviation from these expected shapes will indicate alternative explanations for the measured compliance rates than those proposed in the hypotheses (Myers et al., 2009).

CHAPTER 4 QUALITATIVE STUDY 1

Introduction

“Did you find everything that you were looking for?” This innocuous question asked of millions of shoppers buying Consumer Packaged Goods every day concisely captures the paradox at the heart of this research: Consumer Packaged Goods are a low-involvement product for shoppers. Meaning that even if shoppers have a physical or mental shopping list, their purchase decisions are easily influenced by diverse factors such as product availability, ease of locating the product, or in-store marketing stimuli that persuade the shopper to evaluate and purchase CPG (Sorensen, 2009). So, unless the product is actually offered in the retail store, presented in an agreeable fashion to the shopper at the time she is wanting to or willing to consider purchasing it, it is highly questionable if she can truthfully answer the cashier’s question.

One of the goals of Shopper Marketing is to create a physical store environment that facilitates the shopper’s in-store purchasing decision. The foundation of Shopper Marketing is a strategic relationship between CPG manufacturers and retailers (Wilkins, 2010). By combining consumer *and* shopping behavior data the channel partners generate “shopper insights,” comprehensive data that initiate the creation of in-store “shopper solutions,” integrated brand and product promotions aimed at enhancing the purchasing and product experience for shoppers (GMA, 2011; Kramer, 2010). For its execution Shopper Marketing relies on the partners’ collaborative development of consumer and shopper “touch points” along the entire path to purchase, meaning marketing stimuli inside and outside of the retail store (Booz & GMA, 2009). Although complemented by media campaigns, in-store promotional events remain the main

marketing platform used to deliver the value proposition to shoppers (Frey et al., 2010; Gomez, Rao, & McLaughlin, 2007).

It is estimated that 80% of shopper marketing budgets are dedicated to in-store events, representing annual expenditures of \$42 to \$48 billion by CPG channel members (GMA, 2010, 2011). A large part of this budget takes the form of so-called “trade dollars,” i.e. retailer-specific rebates, slotting fees, and promotional pricing. However, customized events and non-price based promotions are quickly becoming more common in-store tactics to persuade shoppers to evaluate and purchase certain CPG brands (Ailawadi et al., 2010; Frey et al., 2010). These in-store events are the direct manifestations of the channel partners’ Shopper Marketing strategy and embody the final step in the CPG value chain that stretches from manufacturers to consumer (GMA, 2010; Kracklauer et al., 2002).

In-store Shopper Marketing events seek to “...*stop, hold, and close the individual shopper*” (GMA, 2011, p.27) by using marketing vehicles such as on-shelve and off-shelve displays, product sampling, tie-ins with complementary products, special event-based packaging and so forth (Ailawadi et al., 2009; Ailawadi et al., 2006; Immink et al., 2004; Van Heerde & Neslin, 2008). Shopper Marketing events are often customized, large-scale and intricate when compared to traditional price promotions. As a result, implementation requires close cooperation between manufacturer and retailer, not only in conceptualization and development of an event (Arnett et al., 2010), but equally in the final in-store execution (Fisher, Krishnan, & Netessine, 2006; Murry & Heide, 1998). It is at this point, the frontline of Shopper Marketing, where the actions of “boundary spanning” employees representing manufacturers and retailers (Aldrich & Herker, 1977)

become critical success factors for Shopper Marketing events. It is also at this point where a breakdown in the cooperation can lead to deficient execution of the in-store event, rendering all prior efforts and expenditures moot at the place and time where the shopper makes her purchase decision. In-store execution can thus be considered the final, crucial step of Shopper Marketing.

One of the earlier references on the importance of in-store execution is from the late 1980's (Salmon, 1989), and since then different scholars have pointed to the importance of retail store execution (e.g. Fisher et al., 2006; Immink et al., 2004; Murry & Heide, 1998; Raman, DeHoratius, & Ton, 2001) and to the critical role frontline employees play in retail performance (e.g. Lusch & Serpkenci, 1990). However, the process of in-store execution itself is referred to as a "black box" (Ailawadi et al., 2009). It is furthermore remarkable that the observed compliance rate with in-store Shopper Marketing events in the CPG channel is reported to be between 40% and 60%, meaning that only half of prior agreed-to in-store marketing vehicles are actually implemented as planned (Deloitte, 2008).

With limited exception (e.g. Ailawadi et al., 2010; DeHoratius & Ton, 2009; Wilkins, 2010), execution research in the retail and CPG retail fields focuses mostly on stock-out and inventory replenishment issues (e.g. Fisher et al., 2006; Raman et al., 2001; van Donselaar, Gaur, van Woensel, Broekmeulen, & Fransoo, 2010). In contrast, this study is focused on the "last 80 yards" of the CPG supply chain: the process of moving products, specifically those that are part of a promotional event, from the "back of the store," i.e. the stock room, to the "front of the store."

In answering the overarching research question of this dissertation, why in-store compliance is as low as it is, the first requirement is therefore to improve our understanding of the process of in-store execution. Because of the lack of prior theoretical and empirical research in this area, and the fact that the phenomenon deals with social processes, i.e. people interacting to solve problems, the study presented in this chapter is an inductive, qualitative research project in the grounded theory research tradition (Glaser & Strauss, 1967). The objective is constructing a mid-range theory (Merton, 1968) of the development of frontline interpersonal business-based relationships and the functional processes that comprise in-store execution of promotional events in the CPG retail channel.

Mid range theory is grounded in observable data from specific research contexts and in doing so builds a strong relationship with practice (Maclaran, Saren, Stern, & Tadjewski, 2009). This study follows the principles of grounded theory by taking a holistic approach to data collection, analysis, and theory development (Mohr, 1982; Strauss & Corbin, 1998a; Suddaby, 2006; Van de Ven, 2007). The primary data collected for this study consists of the lived experiences of frontline employees, contextualized and substantiated by additional data collected from managers and other sources such as training materials, internal communications, sales reports, and field observations. The study seeks to develop a narrative explanation of (a) a complex social process over time, (b) map the consecutive interactions of frontline employees, and (c) investigate how this process impacts the execution of in-store Shopper Marketing events.

The developed narrative addresses the “how” question of in-store execution. Different stages of relationship development were found to exist on the frontline of Shopper Marketing, not unlike those found in sales management literature. However, these stages do not necessarily progress all the way through to the final collaborative stage, nor is the order of relationship development necessarily linear, feedback loops exist that allow for “a step back” before a relationship progresses. Furthermore, it was found that even relationships that may not comprise all the elements of a fully collaborative relationship are still considered a good and productive relationship by the participants. Perhaps one of the more interesting findings of the study is the phenomenon that frontline partners in a collaborative relationship work together in establishing a physical store environment conducive to shoppers making the purchase decision, but they do so without being familiar with the concept of Shopper Marketing as such. The limitations and managerial implications of these and the other findings of this study are discussed in the final two sections of this chapter.

Method

Grounded theory emphasizes the use of qualitative data collection techniques to record the lived experiences of social actors involved in the phenomenon under investigation (Glaser & Strauss, 1967). Rejecting both the unequivocal rigidity of logical empiricism and the lack of feasible generalization found in relativism, grounded theory creates mid-level theory that addresses the actors interpretive reality in social settings (Suddaby, 2006, p.634).

Influenced by pragmatism as advanced by Peirce (Peirce, Houser, & Kloesel, 1992; Peirce & Wiener, 1966) and symbolic interactionism of Mead and Cooley

(Suddaby, 2006), grounded theory considers “scientific truth” to exist only through the interpretive meaning actors construct about their daily reality. Where it is possible to observe certain aspects of social phenomena, i.e. record “what is going on,” effective social research will have to investigate and record also the meanings and concepts actors use to make sense of their lived experiences (Glaser & Strauss, 1967; Strauss & Corbin, 1998a). By way of interpretive analysis of these combined data through an iterative process of coding, interpretation, and additional data gathering, the researcher arrives at a higher level of abstraction of the phenomenon. It is from this more abstract level that theory is developed, theory explaining the phenomenon and with a certain predictive capability (Glaser, 1998; Goulding, 2002). This research process requires flexibility and is often referred to as an emergent design; the researcher must allow the data to direct the research in different directions before arriving at the conceptual level from where theory is constructed.

Grounded theory research is both inductive and deductive, but it also has a distinct abductive component (Peirce et al., 1992; Peirce & Wiener, 1966), requiring the researcher to constantly consider different “what-if” scenarios and re-visit the data or even gather additional data to compare these propositions (constructs) against a nascent model emerging from the data (cf. Walsh & Bartunek, 2011). Abduction facilitates the ...*inference from a body of data to an explaining hypothesis, or from effect to cause...*” (Fann, 1970, p. 10). This “constant comparative method” (Glaser & Strauss, 1967) is the cornerstone of grounded theory research and crucial in understanding the actors’ reality at a higher level of abstraction (Cooney, 2010; Strauss & Corbin, 1998a).

There are many works available that provide practical guidance for conducting grounded theory research (e.g. Glaser, 1998; Goulding, 2002; Strauss & Corbin, 1998a), all of which require rigor and extensive reliability checks. But, grounded theory research is purposefully holistic in selecting data sources and data collection, as well as in analytical techniques, allowing the researcher a certain level of flexibility as directed or necessitated by the context of a particular study (Suddaby, 2006). As noted above, this study takes such a holistic approach to data source selection and in using different methodologies. For instance, the extensive use of field observations and the attention for the circumstances and context of actors' daily work life experiences could be considered to be more anthropological methodology (Firth, 2004, 1967).

Finally, the methodology followed here is influenced by "engaged scholarship" as proposed by Van de Ven (2007), which propagates an inclusive approach to social research, with the objective to deliver both rigorous *and* relevant work, similar to Mentzer's stance towards supply chain research (Mentzer, 2008a) and appreciative of the mid-range theory characteristic closeness to practice (Maclaran et al., 2009).

Recently, different scholars have argued that the generative aspect of fieldwork has been underutilized in contemporaneous qualitative research (Easterby-Smith, Golden-Biddle, & Locke, 2008; Locke, 2011). These authors suggest that doubt and confusion are a natural component of qualitative research directly stemming from the complexity of the phenomena under investigation. They argue that researchers seemingly mistake the rigorous methodology required in qualitative research with the structured approach of deductive quantitative research. Locke et al. (2008; 2011) and others (e.g. Suddaby, 2006) consider this to be a fundamental error, leading to

quantitative-style research designs for qualitative studies and their subsequent presentation in journal articles. In light of this appropriate critique, I do note that in this chapter I also present different concepts as well as the framework of the process model before the detailed discussion of the data analysis. In reality these concepts and the process model are the end result of the data analysis. Furthermore, the study is considerably informed by extant literature as presented in chapter 2 of this dissertation, but not *based* on prior theory per-se. For example, as the different code categories for relationship structure developed, additional literatures on strategy implementation and change management from the organizational psychology field were reviewed and the analysis was supplemented by additional primary data collection. This was necessary to delineate frontline relationships from other interorganizational interpersonal relationships and to assure that the findings in this research are indeed adding to the body of knowledge on frontline interfirm relationships in retail channels. Time-consuming as it may be, such an inquisitive sidetrack serves both the accuracy and richness of the data analysis and by extension the quality and generalizability of the findings (Goulding, 2002). The process model itself is initially presented in a more linear fashion than found in the data. Where the different elements of the model were all found, i.e. empirically grounded, the model itself is duly noted to be a purposeful simplification of the complex structure of multiple and simultaneously developing business relationships and associated social ties between frontline employees.

Furthermore, the narrative developed in this study follows extant literature by using cognitive constructs and relational terms to describe interactions at firm-level and at the micro-level of actors' individual business-based social interaction. Recently,

Blocker, Houston & Flint (2012) argued that the use of relationship-based terminology by scholars overvalues the social aspects of business interactions as they are experienced by the managers. They suggest that it would be more accurate to describe consecutive business-to-business interactions as “connections” instead of “relationships.” In this research the participants are not buyers and sellers in the traditional sense, as will be explained later, and the interpersonal features of their interactions are accurately captured using relationship terminology. Other use of the relationship metaphor in the development of the narrative is to provide ready fit with current literature, hopefully making it more convenient for the reader to grasp the grounding of the general process model in the data.

In short, the progression of the logic here presented is in reality based on insights that materialized only but at the end of the analysis, and some of the language is used to provide fit with the existing body of knowledge (cf. Walsh & Bartunek, 2011).

Sources of Data, Sampling, and Description of Participants

Selection of Data Sources

As noted in chapter 3, this dissertation reports on a sponsored research project. The sponsor is a sales and marketing agency (“SMA”) providing sales and marketing services for CPG manufacturers and develops Shopper Marketing events in collaboration with manufactures and retailers. This type of service firm is commonplace in the CPG channel. Sales and Marketing Agents play an important role as intermediaries between manufacturers and retailers. As is the case here, SMAs frequently provide the sales function for CPG manufacturers (Parvatiyar, 2006). For this

reason they are often referred to as “brokers” or “agents.” In the CPG retail channel many manufacturers use a combination of direct and outsourced sales personnel. The decision to outsource the sales function is often based on customer type and/or size or geography (Parvatiyar et al., 2008). Manufacturers contract the services of a SMA to service its customers more efficiently and at a lower cost than building and maintaining its own sales organization (Parvatiyar et al., 2008; Williamson, 2008).

The research sponsor provided unrestricted access to field sales representatives (“sales reps” or “reps”), field supervisors, as well as middle and upper managers located at the company headquarters. In addition, the sponsor and the CPG manufacturer made instruction and training materials, sales data, and sales reports available for analysis.

This study focuses on a “dedicated-team,” consisting of headquarter level account managers, working with the CPG manufacturer, i.e. the client of the SMA, and the field supervisors and sales representatives that represent the interests of the manufacturer in retail stores. For contextual clarity I distinguish between three basic formats of in-store sales representation in the CPG channel and how these three formats differ with regards to in-store execution of Shopper Marketing and other promotional events:

1. The in-store implementation is completely left to the retail store personnel and there is no involvement of manufacturer representatives in the process.
2. So-called Direct Delivery sales representatives from the manufacturer activate in-store events. These sales representatives are often expected “**sell-in**”¹ a certain amount of displays and/or promotional products.
3. Sales representatives from the manufacturer assist store personnel in setting up and maintaining the promotional event. In contrast to the direct delivery representatives described under 2, these sales representatives are tasked to “**cut-in**” product wherever and whenever they can – utilizing the inventory on-hand in the store’s backroom or on the in-store shelf location, or even by convincing store personnel to order additional product.

The participants in this study are sales representatives of the third variety. To distinguish further between the different sales representative active in retail stores, the participants described the work of traditional CPG merchandisers and direct delivery sales representatives, who are handling products more as “**shelf-fluffers**,” a somewhat derogatory term focusing on the activities of sales representatives to improve the physical display of products. Most of the participants in this study consider the work of type 3 sales representatives to be more complex, more involved and interactive with store personnel and thus at a “higher” level of relationship management. For example, a store manager of a convenience store in New York City described the work of sales representatives the subject of this research work as “**helping hands**” but described

¹ The bolded terms used here and throughout this chapter are in-vivo codes, terms taken directly from the language used by the actors (Strauss, 1987).

type 2 sales representatives as “**order takers.**” Sales representatives and their supervisors consider being self-motivated and the ability to make friends as an essential job requirement for type 3 sales representatives. Consequently, they pride themselves in these character traits and many of their work anecdotes are centered on relationship building and how these relationships positively affect their performance.

The participants’ personal awareness and the different perceptions they hold of themselves in their functional roles is a consistent theme in the data. This indicates that the actors’ self-perception plays a role in store-level frontline relationships and therefore deserves further attention.

The CPG manufacturer in this study is a large firm, consisting of more than 250 divisions, located in 57 countries with annual sales in FY 2010 of nearly \$62 billion. The company develops, manufactures, and markets a wide-range of health and beauty products, baby and infant care products, nutritionals, over-the-counter (“OTC”) medication, prescription medication, and medical devices. The consumer products segment consists of a portfolio of 60 different A-brands (as defined by Das, Stenger, & Ellis, 2009) supported globally by integrated brand and product marketing campaigns. The different brands have considerable name recognition and the firm is widely considered to hold high brand equity in all of the segments within which it is active (see Rego, Billett, & Morgan, 2009 for an innovative method of determining brand equity). The firm does not engage in the manufacture of private label products, all of its efforts are directed at supporting its own products and brands.

The dedicated team members who participated in this research represent the interests of the manufacturer nationwide in grocery, convenience stores, and in larger,

stores such as Walmart and Target. The team is responsible for part of the manufacturer's product portfolio, mainly in the OTC, health and beauty aids, oral care, family planning, and infant and baby care product categories. The dedicated team consists of 250 to 275 members, including headquarter-based management and support staff such as account representatives who interact with the manufacturer, business analysts, and administrative support staff.

In addition, additional CPG and retail firms provided access to grocery store managers, CPG product managers, and CPG sales managers responsible for large retail accounts. This latter group of participants was selected through a process of snowball sampling, whereby participants provided introduction to other participants. Mostly these additional participants provided contextual insight and dimensionality at a later stage in the data gathering process, after the initial data were collected at store level. In this manner the final data are diverse, multi-dimensional, and from both sides of the dyadic relationships studied. A summation of the data sources and the different types of data, which include 22 formal interviews, 9 days of work-along immersion sessions and various documents and video files is presented in table 1 and discussed in more detail below.

Table 2: Data Sources, Collection Methods, and Description

Data source	Description
6 daylong work-along sessions with sales representatives, members of a dedicated CPG field sales team	Participant observation, data collected through field notes, memos, photographs, video recordings.
3 daylong work-along sessions with grocery store managers	Participant observation, data collected through field notes, memos, photographs, video recordings.
8 semi-structured interviews with sales representatives	45 to 60 minutes interviews, audio recorded for later transcription and analysis.
4 semi-structured interviews with “big box store” department managers	45 to 60 minutes interviews, audio recorded for later transcription and analysis.
1 semi-structured interview with the store manager of a large convenience store	45 minutes interview, audio recorded for later transcription and analysis.
3 semi-structured interviews with field sales supervisors	60 to 90 minutes interviews, audio recorded for later transcription and analysis.
2 semi-structured interview with the Vice President of a regional grocery store chain in the South East	130 minutes total interview, audio recorded for later transcription and analysis.
1 semi-structured interview with Vice President Sales, responsible for a large grocery store chain account.	120 minutes interview, audio recorded for later transcription and analysis.
1 semi-structured interview with the vice President purchasing for a local chain of convenience stores	70 minutes interview, audio recorded for later transcription and analysis.
1 semi-structured interview with a regional sales director for a large soft drink company	60 minutes interview, audio recorded for later transcription and analysis.
1 semi-structured interview with the manager of the dedicated sales team	45 minutes interview, extensive field notes.
Archival materials on prior field sales activities of the manufacturer and the formation of the dedicated sales team	Various internal memos and PowerPoint presentations. Coded as part of initial data analysis.
Audit data from sales representatives handheld units	Sales report data for a two-year period. Individual answers from every store visit, filed via the sales representatives' handheld devices. Questions pertain to displays placed, SKU's available for sales, reasons for not placing displays, etc.
Training materials for field sales representatives	Different types of documentation providing product training, procedures for store visits, detailed explanations of in-store events. Coded as part of initial data analysis.
Sales plans	Sales plans is somewhat of a misnomer for detailed work instructions, issued monthly to each sales representative, also containing audit questions to check SKU distribution and on-shelf stock positions.
Dedicated Team Web-Portal	Internet site and e-community board for the dedicated sales team members. Used for internal communication, announcements, instruction, and communication between the sales representatives. Coded as part of initial data analysis.

Work-Along Sessions

Following grounded theory research tradition, data were first collected from actors directly involved with the focal phenomenon, i.e. store-level, frontline relationships between CPG sales representatives and store employees. A large part of these data were collected through so-called “work-along” sessions where the researcher spent full days working with CPG sales representatives. This provided the opportunity to observe the day-to-day work activities and witness interactions with store personnel. During the day extensive field memos were created. At the end of each day, the sales representatives were interviewed using a semi-structured interview technique (Holstein & Gubrium, 1995; Kvale, 1983; Patton, 2002). Store employees were informally interviewed during the store visits and ample notes about these conversations were added to the research file. Besides these notes the research file further contains all other field notes, photographs, and video recordings made as part of the primary data collection process (cf. Moustakas, 1994; Strauss & Corbin, 1998a) as well as research memos added to the file during data analysis (Strauss & Corbin, 1998b) .

On three occasions, the work-along sessions were with grocery store managers, observing their interactions with sales representatives from different CPG manufacturers and more importantly, with department manager in the store. In addition, non-frontline managers from CPG manufacturing and retail firms were interviewed in order to provide further context and dimensionality to the data.

Interviews

At the end of each work-along session the primary researcher conducted a semi-structured interview with the participants, which was recorded for later transcription and coding. The interviews started with the open-ended questions (listed on the interview guide included in Appendix B). These opening questions were developed to quickly learn about the daily tasks and the many relationships frontline sales reps develop and maintain with their retail store counterparts. In accordance with the grounded theory research tradition, the main topics and general direction of the interviews were largely controlled by the participants (cf. Kvale, 1983; McCracken, 1988a; Patton, 2002). Later in the research process, after different cycles of inductive and deductive analyses, interview questions became more directed at clarifying different aspects of the nascent process model. This phase of the research process occurs while in the selective coding stage, following open and axial coding of the data. The qualitative data collection from study participants started in February 2011 and lasted through December 2011.

Other Materials and Records

During the work-along sessions, if the participants and store policies allowed, the primary researcher took photographs and made video recordings. Together with training materials, internal communication documents, sales planning, and performance reports these materials provide background information and became an important source for outlining the development of a process model for frontline relationship structure during data analysis.

Access was also provided to the dedicated team's web-portal, an e-community board used by the SMA to communicate with the geographically dispersed sales team, as well as by the sales representatives to communicate with supervisors, headquarters, and each other. This allowed the researcher to become more familiar with the day-to-day issues relevant for the participants but also with the many different acronyms, work instructions etc. as they are used in the participants' daily experience. Access to the dedicated team and team resources was given in May 2011 and continues to this day.

Data Analysis Procedures

The coding of the different data followed the methodology of open, axial, and selective coding propagated by Strauss and Corbin (1998). Open coding was used to develop codes line-by-line and word-by-word for the transcribed interviews and written materials. The core phenomenon that emerged from the coding and re-coding of the data was the progression of frontline relationships through different stages of increasing cooperation and collaboration driven by the context conditions, the actions *and* interactions of the actors. This dynamic phenomenon is labeled as "Partnership Structure Stage."

Triangulating interview data, observational data, and the other source materials allowed for "rich and thick" description of this core phenomenon. It also allowed for consistent code development throughout the process. By comparing the developing codes across cases, i.e. between different interviews, and within the different data sources pertaining to particular dyads, the codes were found to be supported throughout the data (cf. Walsh & Bartunek, 2011).

The first round of inductive coding resulted in 347 first-order codes. Following Walsh and Bartunek (2011) a subsequent round of deductive analysis included additional literature review to find concepts and/or theoretical frameworks that would aid in the explication of the different code categories developed. This analysis led to second-order theoretical grouping of 12 main code categories with 125 sub-categories more succinctly capturing the temporal progress of frontline relationship structure.

The format of the frontline relationship determines how dyad parties interact and execute in-store promotional events. Labeled *Relationship Structure Stage* emerged as the central theme (or core category) around which the other categories revolved. Frontline relationships progress through 4 structural stages, which were labeled: *working alongside, building respect, helping hands, and collaborative partnership*.

A second round of inductive analysis re-evaluated the data informed by additional review of interfirm relationship and supply chain management literatures (e.g. Mentzer et al., 2000; Palmatier, 2008; Wilcox King, 2007; Zenger, Felin, & Bigelow, 2011), as well as business-to-business marketing, sales management, and retail literatures on the interpersonal aspects of business-to-business relationships and relationship marketing, (e.g. Ailawadi et al., 2010; Goldring, 2010; Hogg, Terry, & White, 1995; Iacobucci & Ostrom, 1996; Ramaseshan, Yip, & Pae, 2006; Runyan, Sternquist, & Chung, 2010; Vieira, Yoshizaki, & Ho, 2009).

From this analysis the remaining codes were aggregated into 3 theoretical dimensions that constitute the mechanisms by which relationship structure moves between the 4 structural stages listed above. These are: *shared work experiences, affective relationship experiences, and self-perception*. The frontline employees share

different work experiences with their counterparts moving from a self-centered focus to consideration of each other's work requirements. As the relationship structure changes over time, the affective relationship experience as lived by the frontline actors develops towards stronger interpersonal bonds. In tandem, the self-perception of the actors progresses to a stronger sense of pride found in the relationship and their respective work performances. Table 2 shows the different order codes and the grouping of the codes in theoretical dimensions.

Table 3: Data Structure

First-Order Codes	Theoretical Categories	Theoretical Dimensions
Statements describing working on own tasks with limited interaction with dyad partner. Statements that describe acknowledgement of the dyad partner and his/her role.	Working Alongside	Frontline Relationship Structure
Statements describing parties reaching out” to dyad partner and interacting while still focused on executing own tasks. Statements that describe the parties’ intent not to interfere with the dyad partners’ work.	Building Respect	
Statement that reflect the parties understanding of each other’s targets and objectives.	Helping Hands <i>(Helping each other succeed)</i>	
Statements that recount joint successes. Statements that describe the goals and objective of the dyad partners as being reciprocities	Collaborative Partnership	

Table 3 Continued: Data Structure

First-Order Codes	Theoretical Categories	Theoretical Dimensions
Statements that describe interactions with dyad partner as interruptions. Statements that describe daily tasks in terms of own KPI's only	Focus on own KPI's	Shared Work Experiences
Statement that describe working together as a lever for success. Statements that reflect awareness of the timing of other/competitive promotional events in the store	Coordinated Execution	
Statements that describe ad-hoc events. Statements that describe cutting in product on small displays and/or in cross-category store locations. Statements that describe resolving problems with sales plans	Creative Off-Sales plan	
Statements that describe workload issues of dyad partners. Statement that recognize the imposition of in-store events on the dyad partners. Statements that consider promotional events from the viewpoint of the dyad partner.	Considerate	

Table 3 Continued: Data Structure

First-Order Codes	Theoretical Categories	Theoretical Dimensions
Statements that describe getting to know dyad partners.	Acknowledge Presence	Affective Relationship Experiences
Statements that describe “getting to know” the dyad partner. Statements that acknowledge the personality of the dyad partner or use of the dyad partner’s name.	Social Bonding	
Statements about the dyad partner not work-related. Statements describing the efforts and work ethic of the dyad partner in a positive light. Statements expressing respect for the dyad partners.	Mutual Regard	
Statements that recount positive experiences in working with dyad partner. “War Stories” about making the store look good and consequent sales success. Statement that describe the dyad partner as dependable, trustworthy and/or as friend.	Celebration <i>(Of joint successes and “friendship”)</i>	

Table 3 Continued: Data Structure

First-Order Codes	Theoretical Categories	Theoretical Dimensions
Statements that convey doubt and confusion about one's role. Statements that convey pride in one's own brand, and are more indifferent of dyad partner's brand.	Establishing Image	Self-Perception
Statements that convey want to make a "good impression" on dyad partner.	Considerate Co-workers	
Statements that describe the cooperation as a team effort for dealing with the challenges and problems of daily work life. Statements that differentiate between the "corporate world" of management and the "real world" in which the respondents have to work with each other.	Us versus Them	
Statements that describe work in terms of a struggle or battle for success against the odds. Statements that describe "calling in favors" or "owing one" to the dyad partners.	Relationship Pride (And pride in performance)	
Statements that note how supervisors/managers do not "understand" how in store execution works. Considering one as expert or more capable.		

Development of the Process Model

Frontline sales representatives are often involved in multiple relationships with department managers in the same store. These relationships will not all be at the same stage of development, nor is it certain that all of them *will* progress to the final stage of ***collaborative partnership***. The process model is the end product of the data analysis, embodying findings at a higher level of abstraction and in a temporal sequence found in the data, and may not be easily distinguishable upon first review or classification of a particular frontline relationship (Sutton, 1987; Van de Ven, 2007; Voege, 2011).

In order to develop the timeline underlying the progression of frontline relationships, procedural concept mapping was used as a technique to temporally structure the different concepts that constitute the three theoretical dimensions acting as the mechanisms for the progression of relationship structure from one stage to the next (Daley et al., 2010). Following Moon et al. (2011) the different theoretical dimensions were classified as linear or recursive and then associated with one of the four main phases of relationship structure. This provided a visual diagram of the complex relationships between actors, data, and artifact data as these play out over time (Moon et al., 2011, p.54). The resulting concept maps became the basis for the general process model and are discussed in more detail below.

As discussed in Chapter 2, commitment is a key building block in the relationship marketing, industrial marketing, and interfirm relationship literatures. Commitment is both considered as a desired end-state of a relationship as well as the mechanism by which business partners become more interdependent and continue to commit effort and resources in the continuation of their business relationship (Dwyer et al., 1987;

Goldring, 2010). The findings of this study align with earlier work to the extent that reciprocal commitment was found to exist in each stage of relationship structure, and that commitment increased over time (cf. Dwyer et al., 1987; Gu, Kim, Tse, & Wang, 2010; Heide & Miner, 1992).

Moreover, three dimensions of commitment discussed in earlier empirical research; calculative (or behavioral), affective, and cognitive (or intrinsic and normative) were found in the data structure here too (see Goldring, 2010 for an overview of extant literature). Recent scholarship conceptualizes yet additional dimensions of commitment (e.g. Kingshott, 2006; Sharma et al., 2006; Tellefsen, 2002; Zhao, Huo, Flynn, & Yeung, 2008). One could however contend that these additions are a refinement of the three elementary commitment dimensions developed in the earlier research including studies by Gundlach, Achrol & Mentzer (1995), Jiang, Henneberg, & Naude (2009), and Goldring (2010), and that the three traditional or basic dimensions seem to satisfactory fit the data structure here.

This study does not automatically fit with prior research though. Extant literature on buyer-seller relationships mostly collects data from knowledgeable key informants that have functional responsibility and/or decision power over the subject relationships, and are often responsible for making business decisions that affect the dependent variables, i.e. relationship quality, business performance and so forth. The participants in this study have much different positions: These employees are charged with the in-store execution of Shopper Marketing or promotional events already agreed-to by their respective employers. These respondents, as a rule, do not make the decisions on the Shopper Marketing events that are taking place in their store.

Despite the prior agreement by the channel partners to implement a promotional event, there remains flexibility with regards to the actual in-store execution. There are factors outside of the manufacturer-retailer's agreement that can (and will) affect its implementation, the most obvious of which is the requirement that CPG and display materials have to be timely delivered to the store's inventory. More importantly though, product and display materials need to be brought from the **“back of the store”** to the **“front of the store.”** Frontline personnel control these “last 80 yards” of the supply chain. In many stores a department manager determines which products will be stocked on the shelves first and where in the department additional promotional displays can be placed. In large part department managers are bound by the planogram, a pre-planned detailed map of the store showing where different SKUs will be placed on the shelf. Planograms are often very detailed and include photographs, showing how the shelves are supposed to look when stocked. Nevertheless, department managers differ in their adherence to planograms, allowing for the addition of product and promotional materials in the store, or for running promotional events longer than originally agreed to.

Given the key differences in the tasking and responsibilities between the participants of this study and the respondents found in most literature, it is remarkable that the concepts and constructs of prior literature can be recognized in these findings. This caused initial concern about predisposition or bias of the primary researcher. To control for bias the entire study was subject to the quality control measures discussed below. Besides these, there is also a more theoretical explanation for the similarity in findings. The origins of business-to-business marketing, sales, and relationship

marketing literatures are in sociology, psychology, and social psychology (Bartels, 1968; Maclaran et al., 2009). Even though constructs like “trust” are used for describing interfirm relationships, these are cognitive constructs. This research focuses on micro-level, business-based interpersonal relationships. It is therefore reasonable to expect that the social and cognitive constructs fundamental to marketing theory can be found providing structure to these data too.

Evaluative Criteria

There exist established criteria for qualitative research: credibility, transferability, dependability, confirmability, and integrity (Flint, Woodruff, & Gardial, 2002a; Hirschman, 1986; Strauss & Corbin, 1998a). In addition, grounded theory adds further quality controls, which following Flint et al. (2002) are; fit, generality, understanding, and control. The various quality control measures taken during the data collection and the analysis phase of this research project are presented in Table 4 below.

Table 4: Trustworthiness of Study 1 and Findings

Criteria	Method to Address Trustworthiness
Credibility	• Researcher spent 8 months on fieldwork. • Researcher interacted with committee members and other Shopper Marketing researchers throughout the data collection and interpretation to acquire additional insights and interpretations of the data. • Different “what-if” scenarios or alternative interpretations of the data structure were discussed with industry experts to strengthen the core category and support the emerging theoretical dimensions.
Transferability	• A wide and diverse sample was compiled using theoretical sampling. • Participants represented different organizations from both sides of the manufacturer-retailer dyad and representing different CPG brands and retail store formats. • Participants are from small and large organizations and from different hierarchical levels, adding dimensionality to the data.
Dependability	• The participants reflected on long-term relationships. Most have extensive experience in the CPG channel. • All factual statements were crosschecked against archival data. • Regular research updates were shared with the research sponsor to assure that the representations of the operational aspects of frontline relationships were presented correctly.
Conformability	• A research presentation was given at an industry event to solicit feedback from both industry experts and academics in the Shopper Marketing field.
Integrity	• The research was conducted professionally and with the approval of the Institutional Review Board of the University of Tennessee. • All participants received detailed explanation of the anonymity and privacy procedures in place. • All participants granted (written) consent to be recorded or photographed. • Photographs or video recordings of participants are not included in any report or publication of this study.
Understanding	• A summary of findings was presented to a panel of participants and non-participant sales representatives to confirm that the interpretation reflected their words. • Similarly findings concerning the retailer perspective were presented to department managers and retail store managers to confirm that the interpretation reflected their words.
Generality	• All interviews and work-along sessions were kept sufficiently long to assure that complex aspects of the phenomenon and its concepts could be obtained.
Control	• The participants remained in complete control of the interview process and were free to elaborate on any aspect that they deemed important enough to share with the researcher.

Research Context and Theoretical Framework

To better interpret the findings of this study, it is helpful to first understand the context of frontline relationships in the CPG retail channel. Following is an overview that provides insight into the “ground” or shared circumstances in which the findings of this study occurred.

Firm Level Context

It is commonplace in the CPG retail channel that manufacturers and retailers establish annual agreements that, among other issues, determine which products each store will carry and at what time. The contracts further determine operational matters such as the different packaging/unit sizes (“SKU”) for sale, their location on the store shelves (captured in the planograms discussed above), product pricing (for the retailers), and to a certain extent, promotional events planned for the contract’s term (Murray et al., 2010).

Even within the confines of each agreement between channel partners there is a considerable amount of customization needed for its implementation because stores do not all have the same floor plan or shelf space available. In addition, not every store serves the same demographic shopper base. Other more idiosyncratic circumstances also influence the execution of the agreements. For instance, certain stores visited as part of this study were repacking products in anti-theft containers that do not fit in promotional displays. These stores are so practically prevented from complying with a national promotional event, irrespective if their headquarters agreed to participate in the event in the first place.

Manufacturers therefore compete against each other at each retailer not only to be included in the store's product assortment, but also for more shelf space, and for their products' location on the shelves. Often manufacturers pay so-called "slotting fees" or have to give additional rebates (Bloom et al., 2000) to secure the best retail space. Because retail space is limited relative to the large amount of CPG offered, space allocation is the subject for a distinct strand of retail operations research aimed at developing econometric models to aid retailers in determining the most profitable, most efficient space allocations for CPG (e.g. Gajjar & Adil, 2010; Hansen, Raut, & Swami, 2010; Murray et al., 2010).

Shelf space planning processes and/or the associated manufacturer-retailer negotiations falls outside the scope of this study. It is however important to appreciate the central role space and product display planning play throughout the CPG retail channel. Study participants involved with CPG purchasing activities at the headquarter level describe the annual contract negotiations as mainly focused on setting the planogram. A senior CPG sales director used the below language, using "planogram" almost as a verb:

At the end of each year we negotiate out the planogram. We do that from a chain perspective, determine the typical ad support we are going to be looking at based on historical data, winter, summer trends - and then figure out what new products or special promotions we are going to be running for the next 12 months in market. The retailer will then planogram it out with us, divided by A, B, or C stores. [...] That's just the code [*retailer brand*] uses to classify each store. Each letter stands for approximately how big the store and what they carry from our brands.

Shopper Marketing events are sometimes part of the annual contract/planogram or they are agreed upon under separate agreement between manufacturer and retailer. The latter events are more detailed and often integrated with directed marketing

campaigns centered around a specific Shopper Marketing event, as opposed to general allocation of promotional budget to a retailer, or “trade dollars” found in the traditional agreement between manufacturers and retailers expressed in the planogram (Gomez et al., 2007).

The manufacturer in this study supplies A-brand CPG and regularly runs national integrated marketing campaigns such as multi-brand, large display events centered on back to school shopping or flu season. The complexity of these events requires rather specific instructions and detailed execution planning for each store location, much beyond what is done for “regular” price or product promotions. Instructions for the latter are often already included in annual agreements and planograms. Therefore, these large Shopper Marketing initiatives are normally subject of separate promotion agreements between manufacturer and retailer (cf. Dreze & Bell, 2003) .

Frontline Context of the Actors’ Interactions

The store-level relationships most relevant for this study are those between sales representatives and department managers. In day-to-day store operations the department managers have the biggest influence on the execution of in-store promotional events and general merchandising. Their supervisors, the store managers, are important gatekeepers for compliance with the general planogram and promotional events. As it turned out, sales reps and department managers mainly looked to store managers to get “buy-in” for merchandising activities but did not involve store managers in their day-to-day work all that much. Sales reps would sometimes try to engage store managers in the enforcement of event compliance when department managers were not willing to cooperate, or to obtain advance approval for large events involving

different departments or premium space such as the main aisle of the store. There are of course differences in the extent to which different store managers involve themselves with the day-to-day running of the different departments. In general however, store managers did not make detailed decisions, nor did they interact to any large degree with sales representatives.

Store managers seemed mostly focused on the overall appearance of the store and more concerned with preventing or correcting empty shelves and displays (“**stock-outs**”) than with the details of products placement. These latter issues were left to department managers and the planogram. A store manager admitted for instance that his attention was directed more towards departments dealing in perishables and fresh foods because those are more complex to manage and represent higher margins than CPG. He described other departments as *“pretty much running themselves as long as you have a motivated manager.”*

The planogram thus plays an important role in the daily work experiences of the frontline employees dealing with CPG. It features prominently in this study’s data too, albeit in different operational and contextual roles:

First and foremost it was found in its intended function of providing rigid guidelines for product placement in the store. However, planograms are seldom store/situation specific and department managers and sales representative likely encounter the need for improvisation and flexibility in order to overcome lack of space, different shelving layout, or a situation where lack of floor space makes it impossible to place displays. As a result, creative interpretation of the planogram or execution in “the spirit” of the planogram was equally prominent in the data. Specifically in the

collaborative stages of the relationship the ability to be creative becomes an important part of the dyads parties relationship dynamics.

Second, planograms were used in case of temporary space allocations and displays, such as during Shopper Marketing events. For department managers these planograms represented additional workload associated with the implementation of Shopper Marketing events. To overcome any protests against this extra work, sales representatives were observed using this type of planograms as a persuasion tool, evidence that store management had agreed already with the event. The argument the sales reps used was basically that the department managers were left no choice but to free up the necessary space and/or add a display. In similar instances store personnel were observed on the other side of the argument, using the general planogram as the reason for *not* implementing Shopper Marketing events, claiming that there wasn't any space to do so. In these situations there developed what can be described as a "battle of the forms" or more correctly, a "battle of the planograms." Sales reps were seen using this potentially contentious situation as the opportunity to offer assistance setting up the event, alleviating the additional workload that comes with implementing Shopper Marketing events and improving their image with store personnel, being perceived as **"helping hands."**

Third, and closely related to the foregoing, planograms were used as a symbol of corporate reality, as opposed to the participants' daily reality, or what they called the **"real world."** In the real world multiple promotional programs from different manufacturers are running at the same time all competing for the same retail space. Specifically in the grocery channel it is not uncommon that retailers agree to more

simultaneous promotional events than there is space in the stores. Often store personnel are not even aware of the full gamma of promotional events committed to at any given time. For instance, on different occasions I observed sales representatives bringing specific events to the attention of a department manager, who did not even realize that display materials or promotional products were already in the backroom. In these instances the planogram operated as the lever for establishing companionship, by creating an “us versus them” attitude, referring to the relationship between the frontline actors and their respective upper managements. Basically, it created opportunities to discuss how much management is unaware of the frontline reality of event execution.

The sales representatives participating in this study covered a territory consisting of different store brands. They worked on a monthly visit cycle whereby frequency and the allotted time per visit were pre-determined, based on each store’s sales, sales potential, and the breadth of the assortment. Large outlets, such as Walmart and Target stores were normally visited weekly, smaller grocery, convenience, and drug stores on monthly or bi-weekly. Large stores were allotted between 90 to 120 minutes per visit and the smaller stores 40 minutes.

There are different tasks the sales reps had to complete during each store visit. These were listed in detailed sales plans that were updated each month. Every sales plan and all training materials also required the sales representatives to “**build rapport**” with the department and store managers. The interpretation of this indeterminate directive was left to the field sales representatives, in contrast with more straightforward instructions such as checking if certain SKU’s are present in the store and in what quantity. It was observed that this could cause confusion for the sales reps,

specifically those new to a sales position. A sales representative who started his job straight out of college and at the time of the interview had about 15 months of experience evidently struggled with the “what and how” of building rapport:

In all the training the number one thing is building rapport. At the same time I've also been told you know, not too spend too much time chitchatting, you need to be there for what you are there for, which is obviously to get things done. But, as long as you get your stuff done and can build rapport at the same time. I think you basically need just common sense and balance, use balance. [...] Yeah, the reason I have a good rapport is definitely not because of [*manufacturer brand name*], because lately they have had a negative rapport because of all the recalls. The reason that people care is because you go in there and you treat them how they should be treated.

Building rapport or relational selling techniques are a staple of business-to-business sales literature. But in the context of this study, the sales representatives are not selling in the traditional meaning of the word. They are “**cutting-in**” product and supporting promotional event compliance. Because there is no opportunity to conduct a conventional business transaction, rapport becomes a vital factor in persuading store personnel to comply with in-store events, display product promotions and so on.

There is a wealth of research into relationship sales in the manufacturer-retailer context (Schellhase, Hardock, & Ohlwein, 2000). Additionally, there is considerable empirical and theoretical research on interpersonal communication in B2B settings (Boles, Brashear, Bellenger, & Barksdale Jr, 2000). For example, relational communication theory (Soldow & Thomas, 1984) and related studies of “communications techniques” such as neuro-linguistic programming (Thompson, Courtney, & Dickson, 2002), advocate the need for researchers to analyze both verbal *and* nonverbal communication together. The motivation for this research approach is

the theoretical argument that it is the *combination* of verbal and nonverbal communication that constitutes the mechanism for interpersonal relation development. Nonverbal communication contains the “underlying messages” the parties exchange when developing relationships. This search for underlying meaning in nonverbal communication is similar to the quest for social actors’ interpretive reality in grounded theory research.

The need for contextual background in the interpretation of parties’ verbal and nonverbal communication was achieved through the analysis of field notes, photographs, and video recordings for non-verbal communication. For instance, there are different entries into the field notes that describe how sales representatives engaged in conversations about upcoming physical inventory counts. These are time-consuming events that take considerable effort, often to the detriment of day-to-day activities and task fulfillment of store personnel. However, inventory counts do not directly involve the CPG sales representatives. Nonetheless, sales representatives were frequently observed listening to stories about inventory count preparations, their facial expression mimicking the stressful expressions of the store personnel. During these conversations they often dropped the urgency from their own brand or product-related topics, and instead talked in conciliatory terms such as: *“but this can wait until after your inventory.”* Upon leaving the store they would wish their customers *“Good Luck with the inventory mess!”* or language to that effect.

During the analysis of these entries in the field notes, and after review of sales literature and behavioral science studies in communication, it became clear that the sales reps engaged regularly in emotional and posture mirroring (Iacoboni, 2008) in

order to win their counterparts' trust and confidence. Realizing how the need to establish committed relationships was a constant theme in the data was also the first step towards the establishment of Frontline Relationship Structure as the core category. Initially it "overpowered" the dimensionality and granularity of the data and seemed to be the "only thing going on." However, successive rounds of inductive and deductive analysis and data gathering uncovered the theoretical dimensions, *shared work experiences*, *affective relationship experiences*, and *self-perception*, in the data structure. These dimensions are the mechanism by which the relationship progresses over time. The so constructed framework supports the abstract description of the process of in-store execution presented in the process model.

Each store visit followed a consistent pattern of tasks, set out in detailed sales plans (work instructions) provided monthly to the sales reps and downloaded onto a handheld device similar to a personal digital assistant or PDA. These **handhelds** not only display the sales plan, but also ask the sales representatives to scan the barcodes of specific SKUs on the shelves, and answer questions related to the tasks on the sales plan, such as "was the displays placed correctly?" and "why not?" in case it wasn't.

1. In the store parking lot the sales representative gathered up sales displays and other merchandising equipment. In most cases a shopping cart was used to carry all the materials during the visit, unless store policies prohibit sales reps from using a shopping cart.
2. Upon entering the store the sales representatives signed in. This is normally required by the store. In addition, field sales supervisors use the sign-in sheets as an audit tool when they check the work of the sales reps on their team.

3. Most sales reps first tried to locate the different department managers they work with in order to let them know that they were in the store, and to check on any projects or issues left open after the last visit or to let them know about any particular promotional event that they intended to focus on during the visit.
4. Sales representatives did not visit stores on set days, nor did they make appointments with department managers in advance. They did however try to visit stores during those times when they had the best chance to meet department managers. It was common for sales reps to inquire about a department manager's work schedule in order to make sure that the next visit would be planned during the department manager's shift.
5. As noted, the sales plan require specific actions such as checking to see if promotional events are fully implemented, if the agreed-to displays are set up in the correct locations, if promotional products were displayed and price and signage were in agreement with the event plan.
6. Sales reps are expected to correct any issues with promotions they may find. They did this by first bringing them to the attention of the department manager and then locating missing display materials or product in the store's backroom and personally bringing it to the front of the store and building displays.
7. Similarly, they looked for opportunities to add small product displays where they could and where department managers would allow. For instance, many reps would place displays containing first-aid products close to children bicycles or OTC allergy medication in travel-size packaging close to camping equipment.
8. Finally, the sales reps checked if specific SKUs were on the shelves, available for sale. If products were missing and not available in the **back of the store** the sales reps would try to persuade the department manager to order more products. It has to be noted that re-ordering products is not possible in each banner. The replenishment procedures for certain retailers do not allow for department or even store managers to order product. For instance, Target stores have an automated order system aimed at minimizing inventory, as evidenced by the below quote from a sales representative:

Target is set, nothing they can do for you, and they don't even have department managers. Team leaders they are called and it is always somebody else. So, you cannot be creative with them, they just let the computer order for them, stock the store overnight and that's that. I don't like it, your not really talking at anybody all the time you are in there.

Since each one of these in-store activities was included in the sales plan similar to work instructions, the reps recorded all of their actions and success, i.e. product cut-ins, displays built, on their **handhelds**. They have to answer all questions before they can sign out of a particular store visit and move on to the next. Together with store identification and time stamps, this data is uploaded each evening to the SMA's headquarters for analysis and sales management purposes.

As was noted in the earlier quote, all of these different tasks are time consuming and can impede on building rapport with store personnel. Particularly during shorter visits the workload did not allow much time to get to know the different department managers. To frustrate the prospects for rapport building even more, the stores that are allotted less visit time are also the stores visited less frequent, which participants indicated as an important reason building rapport was very difficult in those cases.

Meeting with sales representatives is only a small part of department managers' work. Responsible for one particular part of the store, their main focus was on merchandising, making sure that their department is well stocked, neat and clean and offers a welcoming environment for the shoppers. Department managers spent most of their time trying to make sure that there are **no holes on the shelf**, because stock-outs count negatively for their performance review. The data shows that these managers

take great pride in their departments and often view them as a **store within a store**.

They were continuously busy re-setting shelves, re-pricing, cleaning, etc. Setting up end-cap displays and other promotional events is certainly part of their responsibilities, but not a task for which they have much time. The help of a sales rep can certainly be welcome in these situations. Department managers were therefore found to be generally interested in working with the sales representatives.

Although it would save them time to ignore sales reps, the department managers readily admitted that by building rapport with the sales reps their job actually becomes easier. They perceived a good sales rep to be helpful, knowledgeable about his products, but above all willing to help when they are in a pinch. At later stages of the relationship the department managers will start to rely more on the sales reps in meeting the department merchandising goals. If and when the relationship transitions to the final, most collaborative stage, department managers will eventually consider sales reps as **part of their team**. A department manager called in the help of the sales rep during one of the store visits:

I don't like them to walk in here and start telling me what to do, I do not need you to tell me that I am behind, I am always behind, I am short two assistants this week and when I got in this morning it was a such a mess from last night. That's why I asked you guys to re-stock that [CPG brand name] display. Thanks, that helped me out. [Name of sales rep] is a great girl, she is always ready to help and she makes sure I have everything up I need to have up. You know what? For [Manufacturer brand name]? I don't even bother looking anymore. [Laughs], you should put that in your report.

General Process Model Development

Figure 8 shows the general recursive process model of frontline relationship structure development. The three theoretical dimensions of the data that constitute the mechanisms through which the relationships structure progresses are included in the discussion of each stage, indicated in ***bolded italics***, italics indicate theoretical categories. As noted in the method section, the linear model of figure 8 is at a higher level of abstraction. Figure 9 shows an earlier, non-recursive version of the model. The feedback loops allow for repeated instances of the same stage of relationship structure in a self-similar way until the loop is ended and the relationship truly progresses to the next stage.

This model initially emerged from data detailing relationships with pharmacy department managers because one of the OTC brands from the manufacturer was subject to repeated recall before and during data gathering. The interrupted supply as well as the haphazard way in which the supply came back on-line with intermittent shipments, different package sizes and sub-brands of the drug, created problems and additional work for the sales reps and retail store managers.

First, the recall created **holes on the shelves**, an important Key Performance Indicator for department managers. Second, the sales reps were not able to tell department managers if and when product would be available again. Third, temporary solutions the stores developed involved using similar-sized store brand products to fill the holes but when the manufacturer came back on-line larger package sizes and different versions of the OTC medicine were shipped first, requiring time and labor for temporary re-setting the shelves. In these situations a **Helping Hands** or **Building**

Respect relationship could “fall backwards” and the dyad partners would have to re-establish trust and commitment.

For instance, during a store visit a pharmacy manager reacted to the sales rep announcing a shipment of “slug inventory,” a term for temporary replacement product in a different package size:

Oh [expletive], there they go again. Nothing against you, I like you, but if you want this [points to picture of temporary planogram] you can go do it yourself. I am being talked to all the time by [name of store manager] about the holes in [OTC brand name], so I fill it up with [name of store brand OTC]. If *you* want to do it, go ahead, but you’d better move all [name of store brand OTC] back to home, and find someone to print labels - I have no time right now for that.

What is interesting in this exchange is that there are still **Building Respect** codes present, but the final two sentences seem to return the relationship to Working Alongside where the depart manager *focused on her own KPI* and was less cooperative. She still distinguished between the sales rep as a person and “they” by which she seemingly referred to the manufacturer’s OTC brand. This means that she *acknowledged the pressure* on the sales representative. These are all indications that the mechanisms for (re)-progression of the relationship were still active.

Figure 10 is a less linear depiction of the model, a version that emerged from the data before using the procedural concept mapping technique to add linearity to the model. It shows two stages over time. The earlier stage of the relationship on the left shows how **Working Alongside**, **Building Respect**, and **Helping Hands** are active at the same time, each feeding and supporting the other elements of the relationship which are not yet considered as successive stages but as a complex of interdependent relational factors. **Collaborative Partnership** is not yet an element of this complex but

develops over time as shown in the second stage on the right. At this point **Working Alongside** and **Building Respect** have become feeders for a **Helping Hands** relationship that in turn feeds the development of a **Collaborative Partnership**. The dimensions of **Collaborative Partnership** still strengthen **Helping Hands** and vice-versa in a non-recursive fashion.

All versions of the model emerged from the data, and are accurate depictions of the data structure. The model in figure 8 emerged after different rounds of analysis and is the most comprehensive fit to the whole of the data. It is interesting to note that many relationships that actors considered to be positive and productive did not necessarily fall within the two final stages from this model. This has some interesting managerial implications, which will be discussed later in this chapter. The following discussion of the different stages of relationship structure is based on the linear progression model in figure 8.

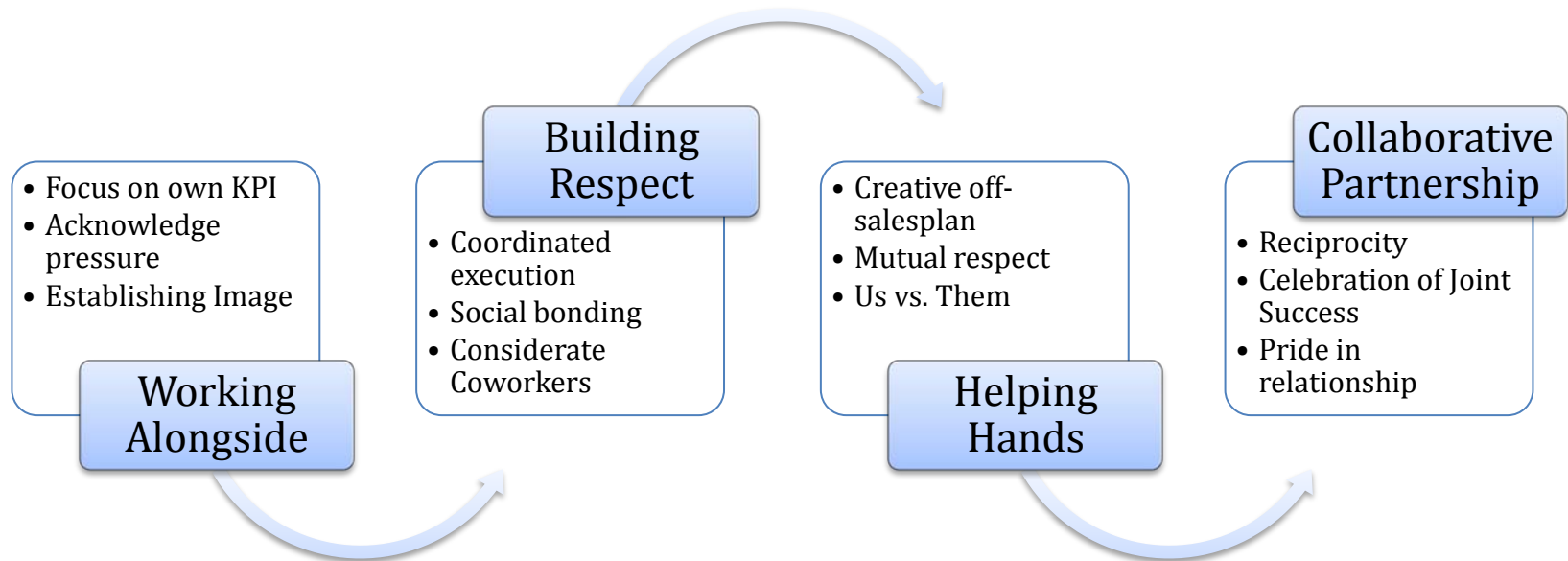


Figure 8: Linear Process Model Temporally Ordered



Figure 9: Non-recursive Model

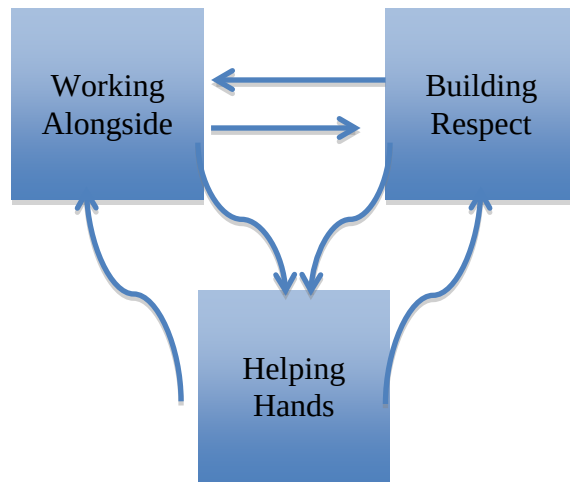
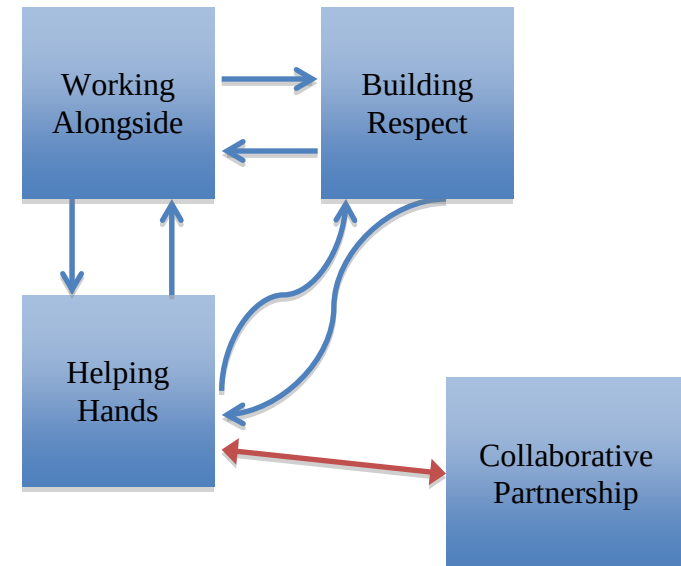


Figure 10: Two-Stage Model



Working Alongside

The starting point of the model represents the early stages of relationship development between sales reps and department managers. The sales reps described this time period as one of uncertainty, when they try to assess *the level of access* they will be able to obtain in a particular store. Department managers are an important determining factor for the sales representatives' performance. Most of the sales reps' tasks require if not the direct assistance at a minimum permission from the department manager.

Replenishing product displays, moving product locations, placing displays, or adding small additional product displays such as "clip strips" are all activities for which sales reps need to first secure permission from a department manager. Consequently, sales reps used their first encounters with department managers to introduce not only themselves but also the scope of their activities. Since there are three different categories of sales reps, as discussed earlier, it is important that store personnel understand what to expect when the sales rep visits the store, i.e. what type of work they can anticipate from the sales representative.

During this stage of the relationship, the sales reps mainly focused on assuring that the stores were in compliance with the general planogram and with any special promotional events. The sales reps paid particular attention to performing their duties without impacting shoppers or disrupting store workers. In this way they created minimum interruption for the department managers and

projected an image of assisting rather than trying to “sell or pushing” products on the department managers. One of the sales reps described it as follows:

Yeah, it takes a good amount of time to figure out a store sometimes. Figuring out what kind of person you are working with, how they work, what works best for them. Some store people think you are there to steal their job. Some people think you are there as a checker to police them, you know. And then they will realize you are there to help them. Some people get that right away, it just depends on whom you are dealing with.

What the sales rep is trying to accomplish is establishing a “**working relationship**” with the department manager, or as a department manager explained it from his viewpoint:

Huh, depends, new sales guy is always a bit of strange thing. I normally just explain how I like to work with them. You see I have two departments and that is way too much for one person. So, if they get it and they are like, I am off and let me do this for you and this, I will be more ok and go like, well all right then welcome, let’s go to work.

Shared Work Experiences: At this early stage in the relationship there was little or no reciprocity between the actors. Both were more focused on their own individual Key Performance Indicators (“KPI”). As is the case with many frontline functions, the KPI for retail operations are typically goal-directed, focusing on operational issues, especially on preventing stock-outs (Fisher et al., 2006; Waller, Williams, Tangari, & Burton, 2010b). Since “**holes on the shelves**” are such an important negative performance measure for department managers, the sales reps would often try to assist department managers filling these holes. By locating additional product in the backroom or other in-store locations, they tried to at least create the appearance of a well-stocked department. This evidently helped the department managers with their

performance metrics. In addition, the sales reps report the number of units “**cut-in**” during each store visit, so these actions were just as beneficial for their evaluation.

These activities do not require the department managers to take any action, only permitting the sales rep to stock the shelves. The department managers normally welcomed these activities, which they considered to be an expression of professionalism. The actors were therefore still mostly *focused on their own KPIs* with limited shared work experiences between them. Their actions did show that they *acknowledged the work pressures* their dyad partners are experiencing. A department manager that was recently put in charge of the Health and Beauty department at a large box-store explained it as follows:

I've heard about [*name of sales rep*] before from other department managers here in the store. They said that she was good to work with 'cause she doesn't get in your way and she knows more about your department than you do. She doesn't have it easy, gosh; [*CPG brand name*] products are all over this store, [*mentions 3 different department codes*] all have her stuff, plus the display in the baby department. Really, she helped me out in the beginning with the [*OTC brand name*] recall, nobody could tell me what to do, but [*name of sales rep*] figured it all out, it took her a good hour to reset this sections [*points to OTC medication aisle*]. That helped 'cause it was one big hole after the recall and I did not have any [*mentions generic store brand*] or anything else to put there, it looked so bad, so bad.

Self-Perception: Self-perception theory (Bem, 1972) describes how individuals come to understand their own affective emotional state by inferring from their own behavior and the circumstances in which it occurs. This places the individual in the same position as an outside observer, having to infer an

internal state from external communication cues (Bem, 1972, p.2). Furthermore, Calder & Staw (1975) use self perception theory to support their contention that intrinsic and extrinsic motivation do not combine additively but interact. In the context of the frontline relationships investigated in this study, this means practically that frontline employees will eventually internalize an initially low-interest work task such as in-store compliance if they receive sufficient extrinsic reward to complete the task. Extrinsic rewards include standard work-related motivators (KPI-based bonuses, etc.), but also “soft factors” such as perceived approval from a dyad partner (Barnes et al., 2005). Self-perception and the perceived perceptions of others feature prominent in the data and thus provide an import component in explaining the core phenomenon.

In the early stage of the relationship when the parties were *working alongside* each other, the participants were focused on *establishing their image* with their counterparts. Department managers wanted to be considered as being in charge of the department. The sales reps, looking to establish rapport, emphasized their willingness to help the department manager reach his or her goals. A drug-store manager in New York explained it as follows when I interviewed him during his first week in the store:

I was sent here from [*other location of the same chain*] to get this place organized. I tell all the reps immediately that this is my store. Don't go putting up all kinds of cardboard and clip strips; I will throw all that [*expletive*] out as soon as I see it. There is not enough room, look how narrow these aisles are [*stands in the center of an aisle and stretches arms; he nearly touch the shelves on both sides*]. No, this is the way I run my stores, when you come in here you work my rules. I don't care what kind of stupid memo's you have from corporate [*referring to memos from*

the retailers purchasing or marketing departments reps often bring to stores to force compliance], I'll work with you, but it is my store. I am a bit of a [expletive], but that's tough, I don't want to be liked, just respected.

Building Mutual Respect

The next stage of the frontline relationship is characterized by the start of a *social bonding* process between the actors and consequent coordinated efforts for meeting both of the actors' performance goals. The participants described a "détente" in the earlier more contentious relationship when each party remained focused on their own KPIs and objectives. A sales rep described it as flowing naturally from her efforts to build a trust-based relationship with the department managers:

It's strange; one day you will be walking in and the manager will come up to you and tell you that they put your [mentions mouthwash brand] at the end of pharmacy and not in HBA (Health & Beauty Aids). And then you know your hard work is paying off I guess. When they do that I normally know they are warming up. And it helps of course that you got a good location.

Empirical research has shown the importance of social bonding between boundary spanning employees for positive relationship experience, in turn strengthening both the affective and behavioral (calculative) commitment between the partners (e.g. Chang, Wang, Chih, & Tsai, 2011; Schakett, Flaschner, Gao, & El-Ansary, 2011). It is interesting to note that this also happens in case of the frontline relationships studied here, albeit expressed in the currency of these actors: retail space, shelf space, promotional materials and displays, etc.

At this stage of the relationship **shared work experiences** started to take a more conspicuous position in the data. Mainly the actors describe more frequent interaction in their daily work activities. One of the first indicators was the time that the sales reps and department managers spend communicating. Although it may still be mostly focused on work-related issues, there was definitely more dialogue taking place than a mere acknowledgement of the sales representative's presence in the store. For instance, a discussion between a sales rep and two department managers (the visit took place during a shift change in the store) was observed whereby the participants went into great detail on how to best include a promotion for an OTC allergy medication within the seasonal aisle in the pharmacy department. A competing brand had a large end cap display as part of a Shopper Marketing event centered on summer allergies. One of the department managers later described working with sales reps like this discussion as a **lever for success**. Besides talking about the topic at hand, all three actors used iconic gestures to add detail to the various options for placing the display, where each package size would go and where other signage could be placed. Gesturing is an important component of interpersonal communication and by extension in relationship development (Wu & Coulson, 2007). Next to this nonverbal communication is also considered an interpersonal selling skill (Rentz, Shepherd, Tashchian, Dabholkar, & Ladd, 2002). This *social bonding over work issues* acts as the first step to the creation of a stronger **affective relationship experience** by the actors. They are starting to build a trust-based relationship, and although they remain focused on their individual objectives, start to be more

considerate of their dyad partners. The more engaged communication is an indication of the relationship between the frontline actors becoming closer

Specifically with regards to the **self-perception** dimension there is an important shift that takes place during this stage. Instead of asserting their own position and seeking to establish a desired image with their counterparts, the participants become more considerate and conciliatory in their choice of language for describing their interactions. They consider themselves to be *considerate co-workers* striving to reach their goals. One of the sales representatives interviewed noticed:

Well, I received all the materials about the [*name of event*] promotion. But honestly, here in this store where do we put it all, I mean this is the other way around, here they have too much room [*points toward central aisle*]. I cannot expect [*name of department manager*] to keep this up, the displays were not stocked enough, it all sold in like, three days. She is going to get it from her manager if it's all half-empty. The store manager wanted to replace it with [*other category products part of the same Shopper Marketing event*]. Well, I made her a deal, I will help stock it and you keep at least two pallets in place. This is how we make it work for everybody, she got her boss off her back and I kept my spot.

Helping Hands

The development of mutual respect and the associated social bonding process allows for the next stage in the frontline relationship, characterized by a less egocentric approach of the frontline actors. There is a desire to help each other succeed, and the parties described their **shared work experience** in terms of teamwork and *creative off-planogram* work. Focusing on more general goals of increased exposure for the CPG brand, the execution of promotional events becomes less of the focus, instead there was more attention for opportunities to

add product distribution, correcting deficient promotions, and maintaining promotions longer than the originally planned. A good example of this off-planogram work, still very much within the spirit of cooperation between manufacturer and retailer is the following example from a sales rep:

One of my stores, it's been probably a couple of months ago came to me and they wanted to do a feature of something for Mother's day I think it was. Well, it was around allergy season and I suggested [OTC allergy medication]. I called up my boss and asked what [Manufacturer brand] could help us with. Basically the best they could do was send out a bunch of free pens, but I also used an old display, and I built a table, and used my allergy guides, which is like a coupon book I still had, and I put the pens on that. So stuff like that, we go kind of out of the box. The store loved it and my pharmacy manager was really happy with it. So with these people I really work well now.

The increased cooperation and the success it brings also change the ***affective relationship experience***. The social bond that develops between the actors is one of mutual respect. A grocery store manager discussed working outside of the planogram with a sales manager of a soft drink manufacturer:

The difference is that when we have a promotion from [competitor soft drink brand] I will allow only the minimum required floor space you know, cases to be stacked. Hmm...its not a bad guy, but we work better with [name of sales rep]. He is an upstanding guy, family man, and hardworking. If we are running a promotion, he is here on Sunday, after church, checking on everything and nothing you ask is too much trouble. We work well together; you noticed the display when you walked in – I let him put that up together with the meat department, cause I know he will do a good job and he did not have that much going on with us. *[This store was visited in the summer and had a large barbecue theme multi-category solution-type display immediately upon entering the store, close to the produce, deli, and meat & fish departments.]*

What is interesting about this particular vignette is that the soft drink brand in question did not schedule any events with the retailer during the time I visited the store. The products were added to a banner-wide Shopper Marketing event centered on fresh barbeque foods and CPG condiments, not beverages. The trust and respect established between the soft drink representative and the store manager led to the soft drink brand being included in the promotion. Much of the data pertaining to this stage is based on relational mutuality, described in vivo as **respect**, but also as **friendship**, **trust**, or **dependence**. Most of these in vivo codes carry like meanings as cognitive or psychological constructs, indicative of the social capital (Adler, 2002) established between actors as relationships develop over time. Whereby social capital is used here in its most general of meanings as: “... *the goodwill engendered by the fabric of social relations and that can be mobilized to facilitate action.*” (Adler, 2002, p.17)

This phenomenon is known to exist in intra-organizational settings where the theory of relational coordination suggests that effective coordination between team members occurs when these members are “...*connected by relationships of shared goals and mutual respect.*” Consequently, these relationships form “...*the basis for collective identity and for coordinated collective action.*” (Gittell, 2006, p.75). The **helping hands** relationship stage is therefore theoretical (and in certain ways also practically) the equivalent of team formation, a team consisting of boundary spanning actors.

With regards to the actors' **self-perception** there was a significant shift in this stage of the relationship. The desire to help each other succeed, driven by

mutual respect and exemplified in the creative approach to in-store execution and un-scheduled events, created a similar mutuality in the self-perception of the actors. The frontline employees developed an “*us versus them*” attitude and start describing their roles in terms of the partnership with their dyad partner and having to deal with daily work reality together. The actors become convinced that as dyad partners they are at least sharing some goals and objectives, which means that working together will help their team effort. It is not always clear from the data who these “them” are:

There is a lot more improvisation involved than you think. Huh, like our deliveries, these people sent us whatever they have it seems. I have been asking for [mentions OTC in specific unit size], with people out camping and fishing I sell a ton of it. They never send it, and then they put this whole promotion together for allergy season. And still I am not getting it. [Name of sales rep] has been talking to her boss even, today we are doing this [taking product from the home location and putting another unit size in its place], so at least the promotion is up and we’ve done what we need to do.

In this case it seemed that the culprit was the distribution operation from the retailer itself. Or at least, that is whom the participant blamed as responsible for not having product available in her store. In addition, it seems that the allergy event was not sufficiently communicated, which would be yet another internal operational issue of the retailer. The solution the frontline employees came up with to deal with this was however time-consuming and implies a great joint commitment to meet each other’s goals. Changing packaging size in the case of this particular OTC medication meant adjusting the shelves dividers, spring system, and pricing labels. Given that eventually the general planogram requires

all to be returned to the original situation, these actions certainly indicate dedication from both parties.

Collaborative Partnership

The final stage of frontline relationships structure is, at least in its initial appearance closely related to **Helping Hands**. During initial analysis only three theoretical dimensions of relationships structure emerged. However, this model only provided a relatively crude fit of the data, indicating that there remained more data collection, analysis, and literature review to be completed (cf. Suddaby, 2006). Additional primary data collected from more experienced sales representatives, department managers, and middle managers added further rich descriptions of **close relationships**. Relationships characterized by a level of collaboration extending well beyond *helping hands*. This “higher” level of collaboration had an observable positive effect on in-store presentation and shelves space for the subject CPG brands.

These later interviews were aimed at probing at the cognitive, behavioral, and affective mechanisms that facilitate the transition to this final, collaborative stage of in-store execution. Additional literature review conducted during this phase of the study focused on empirical and theoretical research into the role of micro-level social mechanisms in interfirm relationships (e.g. Boudon, 1998; Hedstrom & Swedberg, 1998; Jap & Ganesan, 2000). Trust research was (re)-reviewed as it pertains to the use of trust and power as mechanisms to coordinate expectations and control social relationships between individual and

organizational actors (e.g. Sandberg, 2006). And finally, review of earlier researchers work on collaborative relationships in the retail channel (e.g. Barratt, 2003; Corsten & Kumar, 2005; Davis-Sramek et al., 2009; Whipple & Russell, 2007) and supply chains in general (e.g. Emberson & Storey, 2006; Glenn Richey, Tokman, & Dalela, 2010; Spekman & Carraway, 2006) provided the necessary frameworks and concepts to finalize the process model as it is presented in figure 8 above.

A significant difference with earlier stages of frontline relationship structure is that in case of **collaborative partnership** the ***affective relationship experiences*** of the dyad partners are very much characterized by the high comfort level that exist between the actors. The routine tasks took less time, in large part because department managers paid more attention to the promotional displays and home locations of the sales representatives' products in the first place. Practically speaking most was already "in place" by the time the sales reps visited the store.

During store visits less time was spent on checking compliance with promotional events. More time was spent on interaction with store personnel and discussing ad-hoc promotional events with department managers such as; improvements of product display and shelve positioning (facings), and upcoming promotional events. The engagement of actors in these exchanges was rather high. For example, many of the participants when describing relationship in the collaborative partnership stage used the first name of their dyad partner and had some knowledge about their counterpart on their personal circumstances. Also,

the actors clearly looked forward to their meetings. A pharmacy department manager from a mega-market grocery store explained:

[...] No, its normal, we see [*name of sales rep*] every Wednesday. I missed him last week 'cause my daughter was sick; same bug that's going around because Wednesday before last [*name of sales rep*] told me his son had the same thing. They are both fourth graders, different school since [*name of sales rep*] lives in [*name of neighboring town*] and I am from around here. Anyhow, I am like, I am behind, because we were going to do this end-cap of [*OTC allergy medication*] and I came back and I didn't have a back-up and the department is a mess. Now [*name of sales rep*] has to do it on his own, I am too busy, poor guy, now he has to work for his money [*laughs*].

Obviously these two actors shared personal information as part of their business relationship, interestingly enough; the sales rep and the department manager had agreed to build the display outside of any scheduled event. Participants also regularly shared joint success stories, “war stories” almost, often containing some type of joint struggle, having to overcome obstacles to reach success. There was a distinct *pride in the relationship and the strength of the performance*. The success stories the parties recounted were not measured in KPI or individual goals. Rather, the participants focused on what **works for the store** and **works for each other**. For instance, a field supervisor described a relationship of a sales person that maintained **collaborative partnerships** with different department managers as follows:

This is the way it is with [*name of sales rep*]. He is one of my best reps. He is great. He's got all of these department managers swooning as soon as he walks in the door, and he hands out the swag too, like he gives them pens and planners and stuff and talks to them about their families and everything. And then they go hey [*name of sales rep*], look what I did

I set this thing up! They do it for him because they know he is coming in. It's like; he got a crazy relationship going there. [...] He is just a schmoozer, super schmoozer. Not that he doesn't do the work, but he just got such a great personality, and such great relationships with everybody that he works with. They want to please him. They talk to me like; Mark will be so happy when he comes in and sees this. They hone in on our products because they know he is coming in.

To underline how this relationship structure differs from the more functional/operational approach; the sales representative in question did not score very well in the different bonus programs, or sales contests. These traditional sales management and motivational tools were all developed for relationships more akin to the **Working Alongside** or **Building Respect** stages. The measure of the sales reps' success in these programs is normally the number of items "cut-in." If, like in the vignette above, all promotional displays are already in place, kept in place longer, and ad-hoc promotions are organized, the "cut-in rate" this sales person can accomplish is low. There were no performance bonuses for building rapport in place during the time of the study.

The **shared work experiences** of the partners at this point are more considerate of the partners' objectives and goals. This does not mean that the parties did not maintain individual and shared goals, but it did mean that they took action on the objectives of the other party. On occasion store personnel would undertake action solely for the benefit of the sales rep's brand. For instance, a back to school Shopper Marketing event consisted of two shipments of large displays, pre-built on pallets delivered to retail stores six-weeks apart. The displays were to be placed in the stores supported by a national and local

media campaign. The agreed-to in-store locations were prime locations, part of a larger cross-category back to school themed area in the store.

In one store, the responsible department managers were unaware that the second shipment would consist of the same pre-stacked, pre-build displays. The first shipment displays were sold-out quickly and the store managers decided to make sure that the “...*sales rep would not loss **his** spot.*” They wrapped the empty displays in plastic and put them in storage in anticipation of the second shipment, so that the product could once again be featured “stand-alone” in the main aisle. The interesting fact in this example is that the much-desired real estate in the store’s “action-alley” is *not* the sales representative’s spot as such. The manufacturer made a considerable investment in this Shopper Marketing event up to and including paying slotting fees to secure prime retail space for both shipments, but not necessarily in the main aisle. Yet, the two department managers seemed to appreciate their relationship with the sales representative enough to do extra work meeting expectations more associated with friendship, essentially protecting *their friend’s* preferred location in the store for the length of the event.

The word **friend**, or terms with similar connotations start to appear regularly in the data during this relationship stage. The ***affective relationship experiences*** of the parties can be classified as “mini” celebrations of joint successes and (again) friendship or similar terms.

This research centers on compliance with in-store Shopper Marketing events. The most surprising finding of this qualitative study was that none of the

frontline employees or first line managers were familiar with Shopper Marketing. It seems that the participants' respective organizations have not been successful in communicating the concept of Shopper Marketing, let alone impressing upon their employees the strategic importance of Shopper Marketing events in the development of the CPG and banner brands.

Perhaps an even more remarkable finding for was that, even without claiming adherence to firm-level Shopper Marketing strategy, **collaborate partnerships** were characterized by the dyad partners' focus on creating a physical store environment that facilitates shoppers' purchasing certain products. By trying out different marketing vehicles and by focusing on those that had a proven track record, frontline employees were really engaged in Shopper Marketing without calling it Shopper Marketing. Where this perhaps speaks poorly of the ability of the manufacturer and retailer organizations to convey strategy to the frontline. It does seem to support the argument that Shopper Marketing is a "natural" extension of retail demand and channel management (Booz & GMA, 2009; Harris, 2010).

Conclusion

The theory of frontline relationship structure development that emerges from the data in this study is presented as a general process model that shows the four theoretical dimensions through which frontline relationships between individual sales representatives and department managers progresses. It

attends specifically to the affective and cognitive dynamics that act as the mechanism for progression of the relationship from one stage to the next.

The frontline employees that are the subjects of this study do not have formal decision power over the in-store elements of Shopper Marketing events. However, they are responsible for implementing agreed-to events, and as such play a crucial role in the ultimate success of the Shopper Marketing event. On first review the work tasks of frontline employees seem very regimented. However, it was found that there was quite some flexibility and creativity involved with the in-store execution of promotional events. This relative flexibility was used for the benefit of those relationships where the partners consider themselves and act as collaborating partners.

Since sales representatives and department/store managers are party to many such relationships and actors sometimes change, not many relationships will be in the final collaborative stage at a given point in time. Furthermore, in light of the many different contextual or personality-based factors that prevent the progression of the relationships or set it back as shown in the recursive model in figure 2, not all relationships will even achieve the final relationship stage shown in the model.

In the helping hands and collaborative frontline relationship stages, the dyad partners did take a “shopper marketing-like” approach to merchandising and promotional merchandising. Without being familiar with the concept Shopper Marketing or with the Shopper Marketing strategies and tactics of their respective organizations, the dyad partners intuitively appreciated the importance of

creating a store environment that facilitates the shoppers' purchase decisions. They used mostly "tribal knowledge" in making merchandising decisions.

Practical Implications

For manufacturers and retailers this study unearthed a problem in the implementation of Shopper Marketing at a tactical level. The participants' lack of familiarity with the concept of shopper Marketing and its strategic role in the relationship between their respective firms indicates that firm strategy was not sufficiently "translated" to the frontline. This could reduce the motivation of frontline employees to implement Shopper Marketing initiatives as these could just be seen as "additional work" rather than the final step in the implementation of an important business strategy.

Sales representatives were upset by the different questions they had to enter in their **handhelds**. The important role such data play in setting and executing Shopper Marketing strategy is unknown to them. Compensation and bonus programs for sales reps and department managers were frequently not aligned with Shopper Marketing goals and traditional performance metrics did not match the customized approach to merchandising of Shopper Marketing.

Such disconnects between management and frontline personnel in the execution of business strategy are not unique. The phenomenon is studied extensively in strategic management, sales management, and marketing literatures (Gummesson, 1998; Richardson, 2008; Slater et al., 2010b; Thorpe & Morgan, 2007) and it presents an area for improvement here also. One of the

reasons for lacking strategy execution found in literature is insufficient engagement of mid-level and frontline employees (Richardson, 2008). In line with Thorpe & Morgan (2007), a more careful analysis of the daily lived reality of frontline employees as was done in this study highlights critical factors for the implementation of Shopper Marketing (strategy) and Shopper Marketing events (tactics) at store level. A combination of bottom-up development of the tactical elements and top-down imposition of strategy once it is developed, could offer an improvement in the noted low compliance with in-store promotional events.

At the same time, study participants still described relationships that remained in the first two stages of relationship structure as positive and beneficial. Certainly, it has yet to be determined if frontline relationships characterized as collaborative partnerships inevitably lead to better business performance. It is plausible that optimizing a business relationship in the Working Alongside stage may well deliver on the channel partners business goals. If however such relationships deliver the required level of Shopper Marketing execution channel partners expect remains to be investigated.

Limitations

The findings of this study are limited with regards to their generalizability outside of the CPG retail channel. If the model is an accurate description of frontline relationship in other circumstances is a question that needs to be answered by future hypothetic-deductive research in other research settings. Also, the sample was restricted to a strong A-brand CPG and a type 3 sales

force. A comparative study with a different CPG brand and sales team could investigate if the findings hold in such a different context. This would help to determine the generalizability of this study's findings (cf. Walsh & Bartunek, 2011).

Many of the behavioral, affective, and cognitive patterns underlying the participants' actions investigated in this study occurred earlier. The data collection thus relied on the participants' recollections and interpretations of these events. It is well possible that participants filter out details or engage in retrospective sensemaking when they describe past events. With the benefit of hindsight their accounts and even word choice can be altered to fit with a post fact created reality. For instance, participants could overstate the success of their individual activities or joint actions or the business impact of ad-hoc promotional events. In order to reduce this risk, I triangulated the interview data with observational data as well as historical sales reports and POS sales data made available by the research sponsor. I also confirmed, whenever possible, any factual (or seemingly factual) statements made. In addition, the length of the data gathering process allowed monitoring the parties' activities and sales over time, adding another check point for the parties' claims (cf. Bansal & Corley, 2011; Walsh & Bartunek, 2011).

CHAPTER 5 QUANTITATIVE STUDY 2

Introduction

The objective of the qualitative study in Chapter four was to increase our understanding of the social and functional interactions between sales representatives from CPG manufacturers and department managers from retailers at the store level of analysis. In extant literature the important role these actors play in the implementation and execution of marketing and sales strategy is recognized, yet there remains a gap in the body of knowledge about the inner workings of these frontline relationships, how they develop over time, and to what extent the type or strength of these relationships affect performance. An added complication in the study of frontline relationships in the CPG value chain is that B2B or retail marketing and sales management literatures are mostly concerned with interactions between decision makers or based on data obtained from knowledgeable or “informed respondents.” In contrast, the frontline employees subject of this study are not involved with making any decisions about the subject Shopper Marketing events, they are merely tasked with their implementation. This means that theoretical frameworks from these fields are not necessarily applicable to the context of this study. Furthermore, in fields where the role of frontline actors is studied, such as marketing strategy and strategic management literatures, the focus is often on frontline actors as obstructionists of full implementation.

Chapter 4 presented a more complex description of the lived reality of frontline actors and the mid-range theory that emerged from the data analysis provided a dynamic model of four relationship stages that influence the performance of the respective dyad partners in the execution of in-store Shopper Marketing and/or promotional events. These findings then logically raised the next research question that motivated this study 2: to what extents do frontline relationships affect dyad performance? The knowledge gained from the qualitative study allows us to refine this broad question into two different levels of analysis. At the macro level we can rephrase the research questions as “is the type 3 sales function described relevant?” And at the micro level of analysis, “to what extent does relationship strength affect performance outcomes?”

The quantitative study in this chapter seeks to answer these questions by investigating the 5 hypothesis formulated in Chapter 3 (see table 5 below) whereby Hypotheses 1 and 2 postulate at the macro level and Hypotheses 3 through 5 at the micro level.

Table 5: Hypotheses Study 2

Hypothesis 1:	The use of personal selling strategies aimed at establishing interpersonal relationships between CPG sales representatives and store managers has a positive effect on compliance with in-store Shopper Marketing events.
Hypothesis 2:	The use of personal selling strategies aimed at establishing interpersonal relationships between CPG sales representative and a store manager has a positive effect on CPG sales at the individual store level.
Hypothesis 3a:	Compliance with in-store Shopper Marketing initiatives will increase most strongly when the behavioral commitment profiles of frontline employees are congruent.
Hypothesis 3b:	Compliance with in-store Shopper Marketing initiatives will reach its highest level when the behavioral commitment profiles of frontline employees are congruent.
Hypothesis 3c:	Behavioral commitment of store managers will affect the compliance level more strongly than the sales representatives' behavioral commitment will.
Hypothesis 4a:	Compliance with in-store Shopper Marketing initiatives will increase most strongly when the affective commitment profiles of frontline employees are congruent.
Hypothesis 4b:	Compliance with in-store Shopper Marketing initiatives will reach its highest level when the affective commitment profiles of frontline employees are congruent.
Hypothesis 4c:	Affective commitment of store managers will affect the compliance level more strongly than the sales representatives' affective commitment will.
Hypothesis 5a:	Compliance with in-store Shopper Marketing initiatives will increase most strongly when the intrinsic motivation profiles of frontline employees are congruent.
Hypothesis 5b:	Compliance with in-store Shopper Marketing initiatives will reach its highest level when the intrinsic motivation profiles of frontline employees are congruent.
Hypothesis 5c:	Intrinsic motivation of store managers will affect the compliance level more strongly than the sales representatives' intrinsic motivation will.

Macro-Level: Hypotheses 1 and 2

Hypotheses 1 and 2 propose that the use of a type 3 sales force (as described in chapter 4), tasked with establishing rapport or interpersonal relationships with retail managers (i.e. department and store managers) will positively affect dyad performance measured at store level. Using two of the more relevant performance indicators for the CPG retail industry, Hypothesis 1 deals with in-store compliance expressed as the distribution of core SKUs, and Hypothesis 2 investigates whether the use of CPG sales reps positively affect the sales performance of individual stores.

Sample Composition for Hypothesis 1 Analysis

To investigate the effect of dedicated brand sales reps on in-store compliance it was necessary to compare stores visited by sales reps and stores that were not. The sample used for analysis consisted of stores owned and operated by a large retail organization in the United States. This retailer operates four store banners in the consumer CPG channel of interest. Table 6 provides detail about the number of each store type and average outlet size operated by the retailer in the United States. The banners included in the sample were all from the “Market” or “Large Market” categories. As shown in table 6, these two stores types are consistently sized. Equally, the layout, atmosphere (physical store environment), and product assortment are largely standardized across the United States, specifically where it concerns the CPG studied here. This provided a homogeneous sample for the analysis.

Table 6: Sample Retailer's Store Types in the United States (March 2012)

Store Banner*	# Stores	Avg. Size (Sq. Ft.)	S.D. Size (Sq. Ft.)
Compadre	29	25,716	7,956
Corner store	199	40,777	8,866
Market	626	100,278	4,664
Large Market	3066	181,129	3,489

**The store names used are pseudonyms*

Table 7 provides more information about the stores included in the sample. The number of stores investigated fluctuated by month over the period between January 2011 and December 2011, and included only continually operating stores. Stores that were in the process of being re-modeled or moved were excluded from the sample in order not to bias the compliance data. The final sample mimics the store mix in the United States between market and large market type stores. Stores that are visited by sales reps are labeled as “test stores,” those that are not are labeled as “control stores.”

Table 7: Sample Composition for Hypothesis 1 Analysis

Month	Total Sample	Market Stores	MS%	Large Market	LM%	Market Test Stores	MS Test%	Large Market Test	LM test%	Total # Test	Market Control Stores	MS Control %	Large Market Control Stores	LM Control %	Total # Control Stores
01	1493	213	14%	1280	86%	103	13%	717	87%	820	110	16%	563	84%	673
02	1442	201	14%	1241	86%	94	12%	705	88%	799	107	17%	536	83%	643
03	1432	202	14%	1230	86%	93	12%	691	88%	784	109	17%	540	83%	649
04	1433	202	14%	1231	86%	93	12%	784	89%	877	110	17%	539	83%	649
05	1376	175	13%	1201	87%	94	12%	692	88%	786	81	14%	509	86%	590
06	1397	197	14%	1200	86%	105	13%	674	84%	798	92	15%	526	85%	618
07	1459	210	14%	1249	86%	117	14%	724	86%	841	93	15%	525	85%	618
08	1504	219	15%	1285	85%	119	14%	742	86%	861	100	16%	543	84%	643
09	1598	254	16%	1344	84%	119	13%	766	87%	885	135	19%	578	81%	713
10	1778	278	16%	1500	84%	142	14%	907	86%	1049	136	19%	593	81%	729
11	3817	777	20%	3040	80%	639	21%	2539	82%	3088	138	19%	591	81%	729
12	1813	293	16%	1520	84%	150	14%	912	86%	1062	143	19%	608	81%	751

In-Store Compliance Measure: SKU Distribution

It would have been impractical and cost prohibitive to measure in-store compliance with the in-store components of Shopper Marketing events in the control stores where no regular audits by the SMA took place. Therefore, a proxy measure was used to measure in-store compliance across test and control stores. Denoted as “Core SKU distribution” it calculated the proportion of a list of pre-specified SKUs that sold 1 or more units over a one-month period. The core SKUs on the list were all on the HQ-level planogram and represented CPG the manufacturer and retailer agreed-to prior to have available for shoppers in all test and control stores included in the sample. Each month’s list contained only “core SKUs,” product and package sizes representing the mainstay of the manufacturer’s CPG brands. The SKUs analyzed varied slightly from month to month, adjusting for promotional events and seasonal influences.

The sales reps were specifically charged to check the availability of these (and other) core SKUs during their store visits and to assist store personnel in making sure the SKUs are available on the store’s shelves. This assistance is the **helping hands** activity described in Chapter 4. As such, this measure thus represents the success of the sales reps and the department managers in completing the “last 80 yards” of the CPG value chain.

Exploratory data analysis of the monthly core SKU distribution revealed that the data were strongly negatively skewed and leptokurtic. Since normalization did not improve normality of the data distribution, Welch’s test

(Ruxton, 2006; Welch, 1938, 1947) was used to compare the difference in core SKU distribution between the test and control stores.

The month-by-month comparison of the test and control stores' means percentages of core SKU distribution is shown in table 8. However, given that the "Large Market" stores make up a larger proportion of the test group than they do in the control group, a similar comparative analysis was conducted on the mean values of core SKU distribution for each of these two store types separately. Tables 9 and 10 tabulate the results of these analyses.

Table 8: Month-by-Month Comparison of Core SKU Distribution

Month	Control Stores Mean SKU Distribution % (s.d.)	Test Stores Mean SKU Distribution % (s.d.)	Welch's test statistic	Effect Size
January	84.89 (22.07)	94.46 (2.60)	$t_{(688.29)} = 11.04^{***}$	$d = .57$
February	88.02 (20.39)	96.19 (2.50)	$t_{(657.59)} = 10.11^{***}$	$d = .54$
March	85.74 (18.55)	94.70 (3.41)	$t_{(683.31)} = 12.13^{***}$	$d = .64$
April	85.76 (18.54)	94.71 (3.41)	$t_{(684.32)} = 12.14^{***}$	$d = .64$
May	90.22 (7.76)	92.53 (3.19)	$t_{(738.98)} = 6.80^{***}$	$d = .37$
June	85.85 (8.50)	88.97 (3.25)	$t_{(788.63)} = 8.77^{***}$	$d = .47$
July	85.81 (6.18)	88.47 (2.45)	$t_{(759.71)} = 10.11^{***}$	$d = .54$
August	86.18 (10.30)	91.87 (3.77)	$t_{(771.59)} = 13.42^{***}$	$d = .70$
September	89.04 (17.90)	96.59 (3.11)	$t_{(46.58)} = 11.12^{***}$	$d = .56$
October	87.35 (19.80)	96.42 (2.75)	$t_{(747.53)} = 12.28^{***}$	$d = .59$
November	87.93 (17.83)	95.49 (3.85)	$t_{(796.95)} = 11.42^{***}$	$d = .54$
December	86.25 (19.10)	94.24 (3.37)	$t_{(783.10)} = 11.34^{***}$	$d = .54$

Table 9: Month-by-Month Comparison of Mean Percentage of Core SKU Distribution “Market” Stores

Month	Control Stores <i>n</i>	Control Stores SKU Distribution % (s.d.)	Test Stores <i>n</i>	Test Stores SKU Distribution % (s.d.)	Welch's Test Statistic
January	110	65.02 (32.67)	103	92.78 (3.55)	$t_{(111.75)} = 8.86^{***}$
February	107	66.02 (33.52)	94	94.53 (3.57)	$t_{(108.73)} = 8.74^{***}$
March	109	66.83 (29.28)	93	92.77 (4.52)	$t_{(114.01)} = 9.12^{***}$
April	109	66.83 (29.28)	93	92.77 (4.52)	$t_{(114.01)} = 9.12^{***}$
May	81	84.79 (9.88)	94	91.34 (3.29)	$t_{(95.23)} = 5.70^{***}$
June	92	80.31 (11.05)	105	87.29 (3.10)	$t_{(103.54)} = 5.86^{***}$
July	93	79.02 (11.39)	117	87.2 (2.76)	$t_{(100.61)} = 6.77^{***}$
August	100	73.47 (17.04)	119	89.88 (4.49)	$t_{(110.58)} = 9.36^{***}$
September	135	71.11 (28.84)	119	95.06 (3.39)	$t_{(138.19)} = 9.57^{***}$
October	136	67.23 (30.83)	142	94.73 (3.16)	$t_{(137.73)} = 10.35^{***}$
November	138	70.50 (27.69)	141	93.56 (3.71)	$t_{(141.81)} = 9.70^{***}$
December	143	66.17 (29.63)	150	92.51 (4.01)	$t_{(111.11)} = 10.54^{***}$

Table 10: Month-by-Month Comparison of Mean Percentage of Core SKU Distribution "Large Market" Stores

Month	Control Stores <i>n</i>	Control Stores SKU Distribution % (s.d.)	Test Stores <i>n</i>	Test Stores SKU Distribution % (s.d.)	Welch's Test Statistic
January	563	89.26 (15.60)	717	94.70 (2.34)	$t_{(581.82)} = 8.19^{***}$
February	536	92.41 (12.65)	705	96.42 (2.23)	$t_{(560.45)} = 7.25^{***}$
March	539	89.57 (12.43)	691	94.96 (3.15)	$t_{(592.17)} = 9.84^{***}$
April	540	89.58 (12.42)	691	94.97 (3.14)	$t_{(593.13)} = 9.85^{***}$
May	509	91.08 (7.00)	692	92.69 (3.14)	$t_{(659.33)} = 4.85^{***}$
June	526	87.42 (4.16)	674	89.24 (3.15)	$t_{(951.29)} = 8.36^{***}$
July	525	87.02 (3.55)	724	88.67 (2.33)	$t_{(843.42)} = 9.33^{***}$
August	543	88.49 (6.11)	742	92.19 (3.55)	$t_{(806.66)} = 12.64^{***}$
September	578	93.23 (10.47)	766	96.82 (2.99)	$t_{(648.53)} = 8.00^{***}$
October	593	91.96 (12.30)	907	96.68 (2.58)	$t_{(626.25)} = 9.21^{***}$
November	729	87.93 (17.74)	1047	95.53 (3.80)	$t_{(774.78)} = 11.38^{***}$
December	608	90.97 (11.32)	912	94.52 (3.17)	$t_{(670.7)} = 7.55^{***}$

Results Analysis

As is clear from tables 8, 9, and 10, the test stores visited by sales reps show consistent and significant higher mean values for core SKU distribution. Interestingly enough, the impact potential of the sales reps' work seems to be higher for the "Market" stores, where the distribution of the core SKUs is significantly lower ($t_{(13.057)} = 9.28, p < .0001$) than in the "Large Market" control stores group.

Hypothesis 1 postulates about the positive effect of sales reps on in-store compliance with Shopper Marketing events. Based on these results and from the definition of the Core SKU distribution measure above, we conclude that **Hypothesis 1 is partially supported**. Although the nature of the data does not allow for supporting the contention that Shopper Marketing events will be better implemented in covered stores per-se, the consistent higher SKU distribution supports the argument that fielding a dedicated CPG sales force will have an overall positive impact on completing the "last 80 yards" of the CPG value chain, which could reasonably be extended to Shopper Marketing event compliance.

Prior empirical research describes the difficulties store personnel face in correctly executing the store planogram and in-store promotional events (DeHoratius & Ton, 2009). The sales reps thus provide an important service to overcome the problems associated with stock-outs and "phantom stock outs," i.e. those situations where deficient in-store execution results in product being unavailable to shoppers (DeHoratius & Raman, 2008; Raman et al., 2001). The

improved distribution of core SKUs from utilizing a dedicated sales force is an improvement in the process outcome of in-store compliance. Of course it remains to be investigated to what extent, and for which one of the two dyad partners the associated outcome measures are most positively affected. In other words, will the cost of fielding a dedicated sales force be outweighed by increased revenue for the manufacturer, or will the retailer benefit more from the “free labor” the manufacturer provided?

Hypothesis 2

The analysis for Hypothesis 1 showed that the use of personal selling techniques with a focus on offering **helping hands** support to store department managers offers manufacturers significant benefits in marketing their products to shoppers, i.e. having their products available on the store shelves. The macro-level positive performance effects from a dedicated sales force can reasonably be expected to materialize irrespective of the performance measure chosen (Iacobucci & Ostrom, 1996). In the context of this dissertation research the second concern after in-store compliance is obviously the “first moment of truth,” i.e. the purchasing decisions made by shoppers in the store aisle. The follow-on Hypothesis 2 therefore postulates that the positive impact of the personal selling techniques and **helping hands** efforts by the frontline sales force extends to store sales.

Earlier retail research (Ton & Raman, 2010) studies the effects of execution factors on store sales most often by comparing stores sales of relatively homogeneous samples such as stores from one retail organization, like the analysis of SKU distribution for hypothesis 1 of this study. However, the sales force investigated here operates across a wide variety of store banners. Since this presents apparent confounding factors that could affect the analysis of store sales, a more consistent sample of like stores was preferred.

Sample Composition for Hypothesis 2 Analysis

Nielsen Account Planner and Spectra databases (both owned and operated by Nielsen) combined with proprietary data from the research sponsors was used to categorize 17,183 retail stores in six categories: a) Drugstore, b) Banner A, c) Banner B, d) Banner C, e) Banner D, and f) Other Grocery. Next, the following data were compiled for each store: a) Annual Sales, b) All Commodity Value (“ACV”)², c) Number of households serviced by the store, and d) Average income of the households serviced by each store.

For each store category a separate K-means clustering procedure was used to narrow the sample for the purpose of selecting similar stores. Ten or twelve clusters were formed for each store category on the four cluster factors listed above. A heuristic approach was then used to select the clusters for each store category from which to select the sample stores. Coefficients of variation were calculated for each cluster by dividing the standard deviation of each cluster factor over the mean value of that same factor. Clusters with overall smaller coefficients of variation (i.e. on each of the four factors) were chosen to comprise the pool for sample selection. Table 11 provides details on the clustering and sampling process. Table 12 gives an example decision matrix for one store category. In this case clusters 2, 4, 5, 6, 8, and 10 were selected to comprise the sample pool for this store category. From these sample pools the number of test

² ACV is an index value providing a constant to allow for equalization across differently sized markets and/or retailers. By dividing store sales over market size, the ACV shows the stores' exposure to consumer spending in the class of trade investigated.

(visited by sales reps) and control (not visited by sales reps) stores shown in Table 11 were randomly selected. The sales coverage for stores that were selected to be control stores was suspended.

To check the similarity between test and control stores, sample stores were compared on each of the cluster factors. Table 13 shows the result of this analysis. For one factor in the “Banner D” store category, average household income, *t*-test returned a significant result. Banner D however still includes relatively diverse store types and locations as a result of the retailer in question having grown through acquisitions of smaller regional chains. The significant difference on this cluster factor is therefore understood and not worrisome, particularly because the (weighted) ACV measures for the test and control stores in this category are not significantly different between test and control stores.

Table 11: K-Means Clustering Process for Sample Selection

Store Group	# of Store in Sample	# Covered	# Not Covered	# Clusters	# Clusters used for sample Selection	# Stores in Sample Selection Clusters	# Test Stores Selected	# Control Stores Selected
Drug Stores	6308	1000	5308	12	4	2668	67	67
Banner A	3708	3074	634	10	5	2633	67	67
Banner B	1737	1643	94	10	7	1286	66	66
Banner C	2232	1364	868	10	6	854	66	66
Banner D	1188	807	381	10	4	344	65	65
Other Grocery	2010	921	1089	10	5	529	66	66
<i>Totals</i>	<i>17183</i>	<i>8809</i>	<i>8374</i>	<i>62</i>	<i>31</i>	<i>8314</i>	<i>397</i>	<i>397</i>

Table 12: Example Decision Matrix Cluster Selection "Banner C"

STATISTI C	CLUSTER	Cluster size	SALES	WEEKLY ACV	HOUSE HOLDS	Avg. HH INCOME	sales Coefficient of Variance	acv Coefficient of Variance	hh Coefficient of Variance	inc Coefficient of Variance
Mean	1	1	\$413,718.81	\$1,675,000.00	11487	\$85,667.51	0.00%	0.00%	0.00%	0.00%
Mean	2	132	\$135,659.57	\$782,575.76	5218	\$60,371.47	27.66%	10.83%	11.04%	17.40%
Mean	3	397	\$103,278.76	\$595,340.05	3846	\$59,228.44	34.58%	11.21%	10.00%	17.37%
Mean	4	135	\$235,616.83	\$734,328.36	4667	\$84,038.67	21.66%	12.22%	12.24%	23.78%
Mean	5	296	\$149,775.44	\$556,949.15	3112	\$91,938.59	23.59%	12.22%	11.17%	20.52%
Mean	6	64	\$285,166.63	\$954,687.50	7013	\$71,727.79	23.97%	13.63%	10.80%	19.20%
Mean	7	349	\$40,875.15	\$250,630.37	1533	\$60,264.78	53.74%	27.62%	27.55%	25.52%
Mean	8	236	\$99,898.86	\$386,546.61	1999	\$108,983.24	28.63%	17.41%	17.46%	18.92%
Mean	9	620	\$70,955.41	\$424,637.10	2637	\$60,955.34	37.18%	12.21%	12.98%	19.09%
Mean	10	2	\$585,420.54	\$1,212,500.00	10372	\$74,883.24	4.09%	5.15%	7.37%	7.69%
Std Dev	1		\$0.00	\$0.00	0	\$0.00				
Std Dev	2		\$37,522.17	\$84,719.87	576	\$10,506.81				
Std Dev	3		\$35,710.63	\$66,750.39	385	\$10,288.25				
Std Dev	4		\$51,041.06	\$89,706.80	571	\$19,986.68				
Std Dev	5		\$35,330.22	\$68,072.85	348	\$18,864.45				
Std Dev	6		\$68,353.12	\$130,119.76	757	\$13,772.80				
Std Dev	7		\$21,966.48	\$69,228.48	422	\$15,381.54				
Std Dev	8		\$28,603.98	\$67,307.81	349	\$20,622.95				
Std Dev	9		\$26,380.48	\$51,868.99	342	\$11,634.93				
Std Dev	10		\$23,955.97	\$62,500.00	764	\$5,755.58				

Note 1: Cluster 1 consisted of only one store

Note 2: Clusters 2, 4, 5, 6, 8, and 10 heuristically chosen for sample selection

Table 13: Likeness Test and Control Stores

Store Category	Cluster Factor	<i>t</i> Test Statistic Test and control Stores Comparison
Drugstore	Sales	$t = 0.4273$
	Weekly ACV	$t = 0.4273$
	# Households	$t = 0.2124$
	Avg. Household Income	$t = 1.0760$
Banner A	Sales	$t = 0.0227$
	Weekly ACV	$t = 1.3250$
	# Households	$t = 0.8680$
	Avg. Household Income	$t = 0.3004$
Banner B	Sales	$t = 0.1990$
	Weekly ACV	$t = 0.4796$
	# Households	$t = 0.1692$
	Avg. Household Income	$t = 0.5291$

Table 14 Continued: Likeness Test and Control Stores

Store Category	Cluster Factor	<i>t</i> Test Statistic btwn Test and control Stores
Banner C	Sales	$t = 0.4688$
	Weekly ACV	$t = 0.3054$
	# Households	$t = 0.1154$
	Avg. Household Income	$t = 0.4796$
Banner D	Sales	$t = 0.7247$
	Weekly ACV	$t = 1.1835$
	# Households	$t = 0.5182$
	Avg. Household Income	$t = 2.9876^{**}$
Other Grocery	Sales	$t = 0.0118$
	Weekly ACV	$t = 0.3116$
	# Households	$t = 0.3171$
	Avg. Household Income	$t = 0.0982$

Response Variable: Store Sales

To evaluate the impact of the sales force's helping hand activities on store sales, sales data were collected for the sample stores over the period between September 2009 and September 2011. Store banner A was excluded from the sample because sales data were not made available for the time period under investigation. Weekly sales for the manufacturer's CPG were sorted into seven product categories; Baby Care, First Aid, Oral Care, Sun Care, Health & Beauty Aids, OTC Medication. From the OTC Medication category all SKUs pertaining to one brand were removed to compensate for a product recall in effect before and during the analysis period.

Although the selected sample stores were similar within the different store categories, differences across store categories were significant as expected. In order to compare sales between test and control stores across these divergent categories, the response variable store sales was expressed as a ratio by dividing Year 2 sales, i.e. between September 2010 – September 2011, over Year 1 sales, September 2009 – August 2010, to construct the sales measure Y_2/Y_1 .

Welch's test for equality of means (Welch, 1938, 1947) returned a result of no significant difference in sales between the test and control groups, $F_{(467.17)} = 3.1840$. Hypothesis 2 is therefore **not supported**.

This finding of no support for Hypothesis 2 is certainly surprising in light of the earlier findings that stores visited by sales reps report a higher distribution of

core SKUs. Of course the measure for SKU distribution does not provide any insight into the sales potential that such an increased distribution holds. It would be for instance possible that additional SKUs in the front of the store represent product that sells less compared to the product it replaces. In such instances the addition of SKUs would have a negative and unintended side effect on sales through cannibalizing shelf space available for higher selling CPG.

Also, the overall sales performance of the CPG manufacturer in the United States declined during the analysis period. The manufacturer reported a 0.6% to 1% decline in stores and indeed, on a store-by-store basis, sales for year 2 were lower than year 1 throughout the sample.

In order to further investigate the unexpected results additional post-hoc analysis was conducted on sales data from Banner A for a different time period (January 2011 – September 2011) for which the retailer in question made the sales data for the sample stores available. The t-test for this sample equally returned a non-significant difference between the mean sales values of the test and control stores.

For Banners A, B and C, the mean sales values were higher for the test stores than for the control stores, in accordance with the hypothesized effect. However for Banners D and “Other Grocery,” the test stores recorded lower mean values for sales than the control stores. This is a worrisome finding, and may be a consequence of sample selection and ultimate sample composition.

Micro Level Hypotheses 3 - 5

Introduction

The findings in the qualitative study and the macro level analysis for hypothesis 1 show support for the contention that the CPG sales function of the type investigated in this study certainly has a relevant role to play in improving in-store product placement, and by extension for in-store marketing efforts and promotional compliance. The micro level hypotheses (3 through 5) seek to investigate the manner in which the strength of relationships between sales reps and store department managers affect performance at the store level of analysis.

The research interest underlying this part of the study is therefore to investigate how the social and functional mechanisms of business-based relationships as these are described in literature coalesce with the results from the qualitative study and, secondly, how the strength of relationships between sales reps and store department managers affect in-store compliance.

As discussed in Chapters 2 and 3, retail and sales management literatures recognize the important role frontline personnel play in the execution of in-store promotional events and the availability of CPG for shoppers (e.g. Cadwallader et al., 2010; DeHoratius & Ton, 2009; Raman et al., 2001). At the same time, in-store execution remains a “black-box” (Ailawadi et al., 2009), offering up ample opportunity for future research (DeHoratius & Ton, 2009).

The structure of the micro-level Hypotheses 3 through 5 is the same for each sub-hypothesis a through sub c. The theory-based argument offered in these hypotheses is that matching (or congruent) commitment and motivation

profiles of individual dyad partners will cause higher in-store compliance. The other side of this argument is that in those instances where the commitment and motivation profiles of the dyad partners are not congruent, in-store compliance will necessarily be sub-par.

In this section we will discuss the measurement instruments for the independent variables, i.e. the dyad partners' behavioral and affective commitment profiles, and their intrinsic motivation. Next, the measure for the dependent variable, "in-store willingness to comply" is discussed. Finally, after an examination of the analysis results, the theoretical and managerial implications of the findings and opportunities for future research will be discussed.

Independent Variables

To measure the affective commitment, behavioral commitment, and intrinsic motivation profiles of frontline dyad partners, two separate survey instruments were developed for sales reps and store department managers, following the "tailored design method" (Dillman et al., 2009). The final survey for department managers consisted of 9 items measuring Affective Commitment, 6 items measuring Behavioral Commitment, and 4 items measuring Intrinsic Motivation. The sales representatives' survey consisted of similar question, but contained 5 questions each for Behavioral Commitment and Intrinsic Motivation. The items were based on existing and well-tested scales for Affective and Behavioral Commitment, adapted from Davis-Sramek et al. (2009), Murry &

Heide (1998), and Lovblad & Bantekas (2010). The items assessing intrinsic motivation were based on recent research by Cadwallader et al. (2010) and (2011). Following the earlier research listed, seven-point Likert scales ranging from 1 = strongly disagree to 7 = strongly agree were used.

Sales representatives left hard-copy surveys with department managers during their visits to the test stores. After completing the survey, the department managers could return them using an included postage-prepaid envelope. In total 967 surveys were distributed and 292 usable surveys were returned for a 30.2% effective response rate. The sales reps answered their survey questions using the handheld devices, for a 100% response rate. By matching sales rep and department managers' responses, data representing 200 dyads, from 87 sales representatives and 243 department manager respondents were analyzed.

For 30 of the dyads, two department managers returned surveys and for 6 dyads three department managers responded. Interrater reliability was tested using Pearson bivariate correlation coefficient for the first group and the Interclass Correlation Coefficient for the latter. Table 14 displays the results from this analysis. The significant correlation coefficients denote high reliability of the measures for the department manager respondents.

Table 15: Interrater Reliability Department Managers by Dyad

<i>Dyad#</i>	<i>Pearson Correlation Coefficient</i>
8	.475**
24	.355* (sig. .05 level one-tailed)
40	.741***
43	.797***
49	.628***
57	.476**
60	.419**
71	.500***
86	.411**
106	.943***
114	.459**
119	.599***
133	.814***
147	.437**
152	.644***
153	.500**
156	.687***
159	.548***
166	.854***
167	.861***
174	.874***
178	.901***
181	.619***
183	.489**
185	.878***

Confirmatory Factor Analysis and Final Measurement Model

Explanatory and confirmatory factor analysis using SPSS and AMOS software programs was conducted on all items and constructs to examine the adequacy of the construct measures. After studying the factor pattern matrix and assessing the items' factor loadings, the final construct measurement items used in this study are listed in Table 15 and 18, which tables also provide Cronbach's Alpha reliability coefficient and standardized factor loadings.

Confirmatory factor analysis provided evidence for model fit. For the store model the item's standardized loadings and *t*-values exceeded the minimum recommended values for measurement quality. Fit indices indicated reasonable fit of the Store Managers' measurement model ($\chi^2 = 53.822$, *d.f.* = 39, *p* = .057, $\chi^2/d.f.$ = 1.380, GFI = .962, CFI = .988). The Sales Representatives' measurement model performed marginal, indicating issues with the measurement scales ($\chi^2 = 115.034$, *d.f.* = 43, *p* = < .001, $\chi^2/d.f.$ = 2.675, GFI = .962, CFI = .879).

Tables 16, 17, 19, and 20 list the results from the hurdle tests using composite reliability estimates: Average Variance Extracted, Maximum Shared Variance, and Average Shared Squared Variance to assess convergent and discriminant validity. Reliability estimates range from .752 to .895 for the Store Managers measurement model and from .802 to .895, while average variance extracted range from 51% to 63% for the Store Managers model and from 59% to 68% for the Sales Representatives measurement model. Fornell and Larker (1981) suggest that discriminant validity is established when the shared variance

between all pairs of constructs is lower than the average variance extracted for individual constructs. For the store managers' measurement model all constructs meet this criterion. However, for the sales reps' measurement model we note that this is not the case.

The worrisome results for the sales representatives' measurement scales indicate a lack of discriminant validity between the Affective Commitment and Behavioral Commitment constructs and necessitated further analysis: The construct measurement items remaining as well as the items that were removed during factor analysis were compared with scales from earlier business-to-business relationship and sales management research. This analysis suggested that the final construct measurement items had been repeatedly and successfully used to measure two distinct dimensions of business-to-business relationships.

However, as noted repeatedly, the respondents in this study are managers without much decision authority over the in-store events. Other than the leeway these actors are provided based on practical factors such as floor or shelf space availability, frontline actors here were solely tasked with execution. It seems therefore warranted to conclude that in the context of type 3 CPG sales representatives, affective and behavioral (i.e. rational) commitment to the relationship with their counterpart department managers morph into one and the same construct.

Furthermore, from the items that remained it seems that any affective commitment from the sales reps stems more from the reps' evaluation of the department managers' character traits and "fairness" than it is generated through

a social bonding processes. This seems to hold that affective commitment retains a very functional or practical undertone for sales representatives. This may well be indicative of a more opportunistic, result-orientated approach to the inherently social process of **building rapport** and progressing from the *working alongside* to *helping hands* relationship stages discussed in Chapter 4.

The morphing of the Affective and Behavioral Commitment constructs found here is contrary to extant theory of business-to-business relationships and indeed contrary the theoretical framework underlying Hypotheses 3 through 5. At the same time, these findings are in line with recent research by Blocker et al. (Blocker et al., 2012) who argue that parties place more importance on the rational/functional aspects of business-to-business relationships than they do on the social aspects of the same relationship. Actually, these authors argue that “relationship” is a misnomer and that “connection” is a more apt term to describe the consecutive interactions between business partners (Blocker et al., 2012).

Table 16: Department Managers Construct Measurement Scales

Store Department Managers Construct Measurement Scales	
(Likert Scales: 1 = strongly disagree, 7 = strongly agree)	
Affective Commitment (Cronbach's Alpha = .883) <i>(Adapted from Lovblad & Bantekas, 2010; Murry & Heide, 1998)</i>	This sales rep makes my job easier. (.73) I trust this sales rep. (.73) This sales rep goes the extra mile (.89) This sales rep is honest. (.86) This sales rep cares about the people that work in my store. (.75)
Items removed from the Affective Commitment construct measurement scale	I like to work with this sales reps more than with other sales reps. I like this sales rep. This sales rep is like a friend A lot of know-how would be lost if this sales rep no longer works my store.
Behavioral Commitment (Cronbach's Alpha = .745) <i>(Adapted from: Davis-Sramek et al., 2009; Murry & Heide, 1998)</i>	I like to work with [CPG brand] more than with other brands. (.68) Working with [CPG brand] makes it easier to meet my sales objectives. (.87) More shelf space for [CPG brand] products would increase my department's sales. (.56)
Items removed from the Behavioral Commitment construct measurement scale	It would be too much effort to replace [CPG brand] products with another brand. A lot of sales would be lost if this sales representative would no longer work in my store
Intrinsic Motivation: (Cronbach's Alpha = .812) <i>(Adapted from: Cadwallader et al., 2010; Sonenshein & Dholakia, 2011)</i>	The top-down communication in this company is effective; from the headquarters all the way down to my department. (.93) Internal communication is usually very timely within (.78) My supervisor provides me regular feedback if I am meeting my performance goals. (.61)
Item removed from the Intrinsic Motivation construct measurement scale	The different departments in my store work well together.

Table 17: Department Managers Construct Measurement Scales Summary Statistics

	Composite Reliability	Average Variance Extracted	Maximum Shared Squared Variance	Average Shared Squared Variance
Store Intrinsic Motivation	0.825	0.618	0.151	0.101
Store Affective Commitment	0.895	0.633	0.417	0.234
Store Behavioral Commitment	0.752	0.510	0.417	0.284

Table 18: Department Managers Construct Measurement Scales Correlation Matrix

	Store Behavioral Commitment	Store Affective Commitment	Store Intrinsic Motivation
Store Behavioral Commitment	0.786		
Store Affective Commitment	0.226	0.795	
Store Intrinsic Motivation	0.389	0.646	0.714

Note: Numbers in boldface denote the square root of the average variance extracted (AVE).

Table 19: Sales Representatives Construct Measurement Scales

Sales Representatives Construct Measurement Scales	
(Likert Scales: 1 = strongly disagree, 7 = strongly agree)	
Affective Commitment (Cronbach's Alpha = .903) <i>(Adapted from Lovblad & Bantekas, 2010; Murry & Heide, 1998)</i>	I like this department manager. (.83)
	A lot of know-how would be lost if this department manager would no longer work in this store. (.78)
	This department manager goes the extra mile. (.86)
	This department manager cares about the people that work in his/her store. (.75)
	This department manager is honest. (.73)
	A lot of sales would be lost if this department manager would no longer work in this store. (.67)
Items removed from the Affective Commitment construct measurement scale	I like to work with this department manager more than with other managers in this store.
	This department manager makes my job easier.
	This department manager is like a friend.
Behavioral Commitment (Cronbach's Alpha = .787) <i>(Adapted from: Davis-Sramek et al., 2009; Murry & Heide, 1998)</i>	Working this store makes it easier to meet my VOR objectives. (.83)
	I trust this department manager to get the job done even without my support. (.82)
	Working with this department manager makes it easier to me meet my performance objectives. (.84)
Items removed from the Behavioral Commitment construct measurement scale	Other [name of SMA] personnel besides me check this store's compliance with [CPG brand] in-store promotions.
	A lot of sales would be lost if this department manager would no longer work in this store.
Intrinsic Motivation: (Cronbach's Alpha = .775) <i>(Adapted from: Cadwallader et al., 2010; Sonenshein & Dholakia, 2011)</i>	The top-down communication in the D-team is highly effective; from the headquarters all the way down to my level. (.80)
	Internal communication is usually very timely within [name of SMA]. (.99)
	This is not a job it's a career. (.53)
Items removed from the Intrinsic Motivation construct measurement scale	My supervisor provides me regular feedback if I am meeting my performance goals.
	I communicate often with my immediate team members.

Table 20: Sales Representatives Construct Measurement Summary Statistics

	Composite Reliability	Average Variance Extracted	Maximum Shared Squared Variance	Average Shared Squared Variance
Sales Intrinsic Motivation	0.802	0.595	0.094	0.076
Sales Affective Commitment	0.895	0.588	0.790	0.425
Sales Behavioral Commitment	0.864	0.680	0.790	0.442

Table 21: Sales Representatives Construct Measurement Scales Correlation Matrix

	Sales Intrinsic Motivation	Sales Affective Commitment	Sales Behavioral Commitment
Sales Intrinsic Motivation	0.771		
Sales Affective Commitment	0.243	0.767	
Sales Behavioral Commitment	0.306	0.889	0.825

Note: Numbers in boldface denote the square root of the average variance extracted (AVE).

Dependent Variable: Willingness to Comply

The dependent variable, in-store compliance with promotional events, was measured using proprietary store audit data obtained from the research sponsor for the period January - March 2012. Using handheld devices, sales reps completed questions concerning the status of specific in-store promotional events.

For each reporting month two different in-store events were chosen for audit. To best match the “out-of-the-ordinary” character of Shopper Marketing described in Chapters 1 and 4, the promotional events selected shared some important characteristics. All contained flexible product and promotional displays representing the in-store component of a national CPG marketing campaign. All were part of long-term national A-brand campaign that highlighted product attributes other than price. The in-store displays/promotions featured the campaign’s message, using traditional and innovative (i.e. multi-media) display elements. As such these events/promotions were sufficiently different from the merchandizing the research participants were “normally” engaged in.

All the events/promotions audited were pre-authorized for the sample stores. The extent of the campaigns and the products used for collecting the data did differ sometimes between store banners in their layout and timing, but were largely comparable across the different store categories. It is important to note that, as discussed in Chapter 4, a general authorization from HQ level for placing an in-store promotion still allows for adaptation in the execution, based on practical reasons such as the available space in the store, other promotional

events etc. Actually, this flexibility is one of the reasons for fielding a dedicated sales team such as the dedicated sales force studied here, to assist department managers in executing the event as best as possible in each individual store.

Sales representatives used the following construct measurement scale to **reverse score** the department managers' willingness to comply with the in-store elements of the event/promotion. The measurement scale signifies increasing effort and workload for the sales reps and vice-versa increasing obstruction of in-store compliance by store personnel as described in the vignettes in Chapter 4. The willingness to comply scores for each store were added over the three-month analysis period to form a final score between 1 and 7 for each of the 200 dyads investigated.

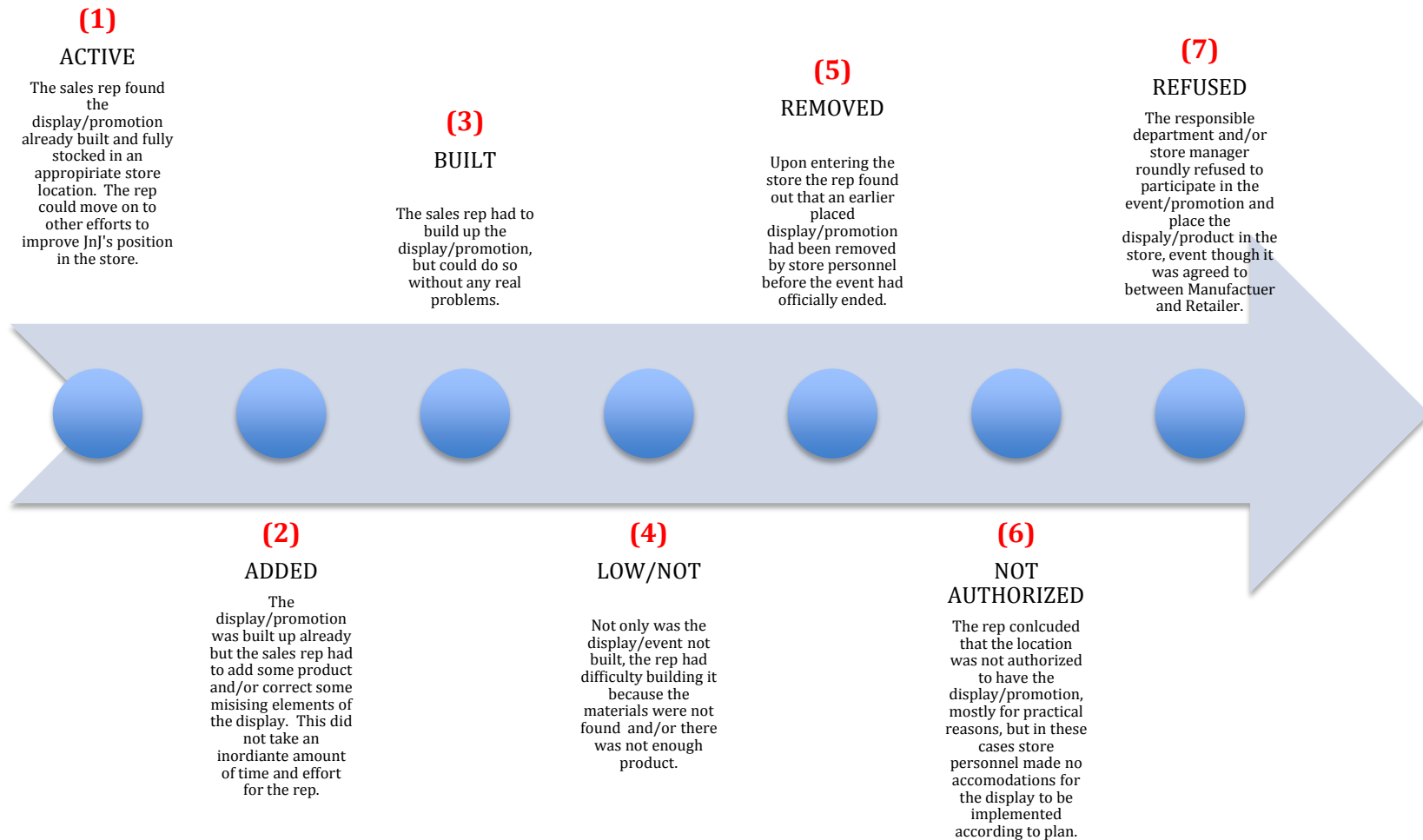


Figure 11: Dependent Variable Construct Measurement Scale: "Willingness to comply" (reverse scored)

Table 22: In-Store Willingness to Comply Measurement Scale Summary Statistics

Measure	Mean	S.D.	N
Compliance Jan1	5.12	1.96	200
Compliance Jan2	5.38	1.96	200
Compliance Feb1	6.12	1.44	200
Compliance Feb 2	6.37	1.24	200
Compliance Mar1	6.52	1.00	200
Compliance Mar2	6.56	0.98	200

Data Analysis & Results

In a seminal paper, Venkatraman (1989) argues convincingly that in B2B fit or congruency research, the analytical framework is often wrongly specified. In order to overcome these issues and following Venkatraman's framework, the context and theoretical foundation of this study were evaluated in order to assure selection of the appropriate analysis framework. "Fit as Profile Deviation" was chosen as the theoretical framework for analysis of the micro-level dyadic hypotheses 3 through 5.

As was discussed in Chapter 3, existing theory recognizes the three dimensions of relationship strength investigated in this study. The same theoretical framework proposes, supported by empirical research, that relationship (i.e. dyad) performance is optimized when the dyad partners' commitment and motivation profiles are congruent. The difference score the researcher is thus interested in is the deviation from the ideal profile of congruency between sales reps and department managers' commitment and motivation profiles (Cadwallader et al., 2010; Gundlach et al., 1995; Iacobucci & Ostrom, 1996; Lovblad & Bantekas, 2010).

Edwards & Parry (1993) discuss how difference scores for Fit as Profile Deviation or are often expressed as algebraic or squared difference scores for two component relationship measures. Table 24 lists the coefficients for the difference scores of commitment and motivation profiles as predictor variables for dyad performance, fitting these "traditional" theoretical models to the data in the following (general) formats:

$$Z = b_0 + b_1(\text{STORE- SALES})^2 + e \quad (4)$$

$$Z = b_0 + b_1(\text{STORE- SALES}) + e \quad (5)$$

Research by Edwards (Edwards, 1993, 1994a, b; Edwards, 1995) and Edwards & Parry (1993) shows however that unconstrained polynomial regression provides researchers with an improved methodology to study difference scores over the “traditional” methods discussed above. Polynomial regression equations enable the complex, three-dimensional relationships between the paired commitment and motivation profiles and dyad performance to be depicted (Griffith & Myers, 2005) and achieve higher R^2 scores by expressing the implicit curvilinear and interactive terms included in equation 4 in lower-order terms. Practically, polynomial regression allows researchers to investigate specific theory-based claims about the positive effects of dyad partners’ matching or shared motivations on a given performance measure by releasing the constraints.

Another important contribution from Edwards and Parry’s work is the development of an interpretative framework for (organizational) fit research, i.e. studies that investigate the “fit” between parties’ different factors of interest. Specifically, the authors develop guidelines for interpreting and calculating the principal axes of the surfaces (drawn using RSM) corresponding to the quadratic regression equations.

Following Edwards & Parry's (1993) methodological framework, unconstrained polynomial regression equations were specified for the two theoretical dimensions of commitment, affective commitment or ("AC") and Behavioral Commitment ("BC"), and for Intrinsic Motivation (IM"). The general form of this equation for each component factor, in accordance with Edwards & Parry (1993), was:

$$Z = b_0 + b_1(STORE) + b_2(SALES) + b_4(STORE)(SALES) + b_3(STORE^2) + b_5(SALES^2) + e \quad (6)$$

For department managers and sales reps respectively, the factor scores are denoted "STOREBC," "SALESBC," "STOREAC," and so forth. Following Edwards & Parry (1993) and Griffith & Myers (2005), Response Surface Methodology or "RSM" (Myers et al., 2009; Myers et al., 2004) was used to visualize the three-dimensional relationships between the dyad partners' commitment and motivation profiles and performance.

In accordance with existing theory, Hypotheses 3 through 5 propose that dyad performance (i.e. in-store compliance) will increase and be highest in instances where the respective component factors of the parties' commitment and intrinsic motivation are congruent. In terms of the Response Surface Graphic: we expect to see a ridge with its first principal axis running along the line $Y = X$ as is proposed in Hypotheses 3b, 3c, 4b, 4c, 5b, and 5c separately for each component factor. The stationary point, or maximum, will be achieved on this ridge $Y = X$. Hypotheses 3a, 4a, and 5a propose as much.

Table 22 lists the results from fitting the Edwards and Parry model. We note that the Beta-coefficients for the fit-as-profile-deviation parameters are small and not significant. In addition, the response surfaces (figures 12 through 14) for each relationship component factor do not show the anticipated convex surfaces with a ridge along the $Y = X$ line.

Indeed, the “traditional” theoretical models in table 24 referenced earlier, have equally low predictive power, also indicating that the hypothesized effects of the parties’ commitment and motivation congruence are not supported by the data.

The results of the analysis make it clear that Hypotheses 3 through 5 are not supported. At the same time however, these disappointing results contain a number of theoretical and managerial challenges discussed at the conclusion of this chapter. First though, there seem to be a number of opportunities to simplify the fit analysis by specifying a model that provides the ability to assess the fit parameters from analyzing single beta-coefficients. This alternative model, as well as a more parsimonious model to fit the data of this study in light of the finding of non-support for Hypotheses 3 through 5 is discussed in the next section.

Table 23: Analysis Results Edwards & Parry Model

Coefficients Full Theoretical Model							
	Store	Sales	(Store)(Sales)	Store²	Sales²	F	R²
<i>Dependent Variable: In-Store Compliance</i>							
Behavioral Commitment	.090***	.122***	-.005	.005	-.001	21.44	.36
Affective Commitment	.029***	.054***	-.001	-.001	-.001	18.02	.32
Intrinsic Motivation	.374***	.410***	-.016	.007	.004	9.40	.19

$$Z = b_0 + b_1(STORE) + b_2(SALES) + b_4(STORE)(SALES) + b_3(STORE^2) + b_5(SALES^2) + e$$

All Models Significant P < .0001

All Models' Residuals normally distributed

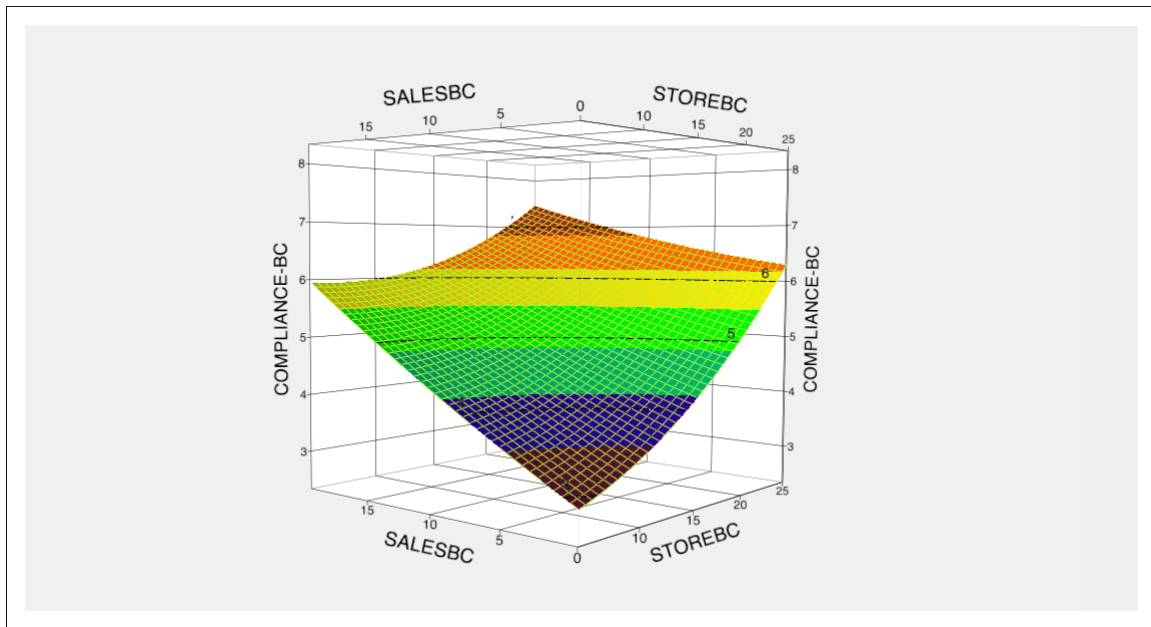


Figure 12: Response Surface Behavioral commitment Full theoretical Model

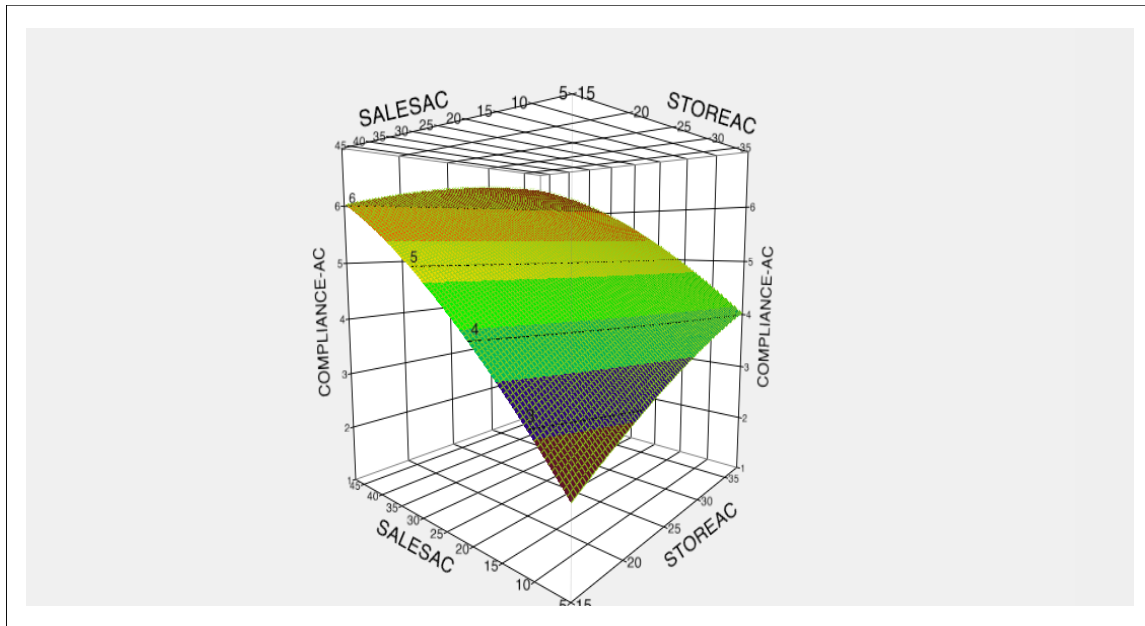


Figure 13: Surface Plot Affective Commitment Full Theoretical Model

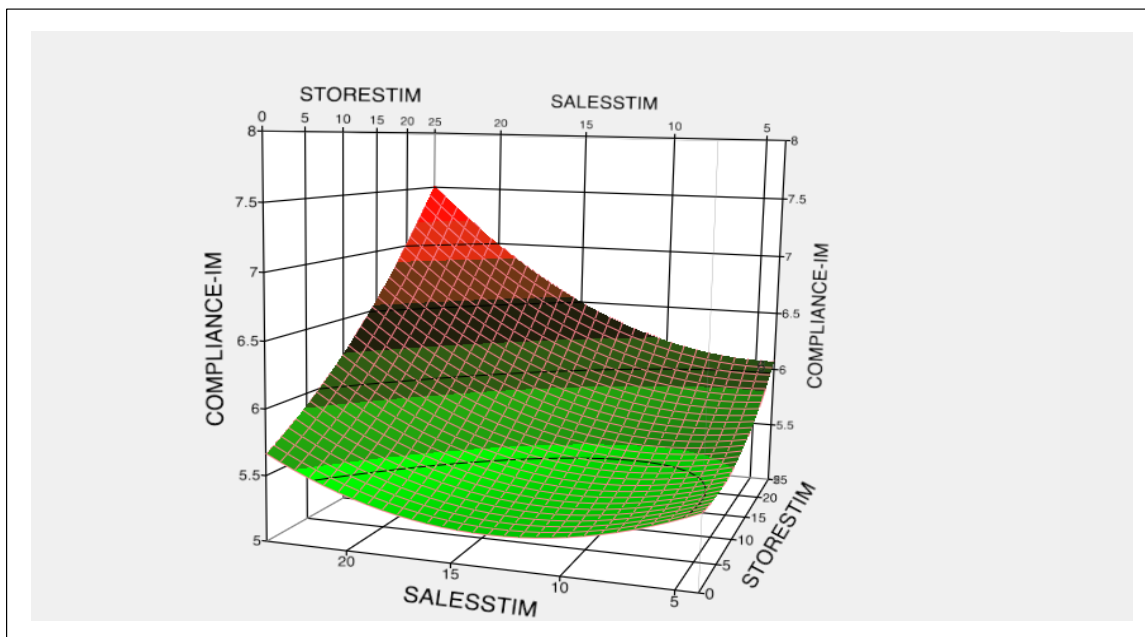


Figure 14: Surface Plot Intrinsic Motivation Full Theoretical Model

An Alternative Polynomial Model for Difference Score Research

In their 1993 and subsequent papers, Edwards & Parry and Edwards (Edwards, 1994a, b; Edwards, 1995) develop a methodology for analyzing the shape and curvature of regression response surfaces. Based on earlier work by Khuri & Cornell (1987) the authors develop a set of equations that use the coefficients of their model to calculate certain features of the response surface.

The response surface features relevant for congruency research of the type conducted here, i.e. in case of “Fit as Profile Deviation” (Venkatraman, 1989), are the principal axes of the surface, and their position and slope relative to the line $Y = X$, the “ideal profile” the deviation from which is the difference score of interest. The characteristics of the principal axes will provide support for the claims of optimal performance along the line $Y = X$.

Given the theoretical relevance of the joint commitment and motivation scores of frontline actors *in combination* with the differences between these same scores, a more succinct polynomial model can be developed. We argue that the analysis based on the full theoretical model proposed by Edwards and Parry in equation 6 can be simplified by developing an alternative mode model that will have as it starting point, i.e. its factors, the principal axes of interest. The coefficients of such a model would represent the features of the response surface more directly, so simplifying the analysis and calculation of the surface features. The principal axes of interest in this study can be expressed as rotated lines from the X and Y axes, in the alternative model we are thus interested in the

response surface relative to the $X + Y$ line (the sum of STORE and SALES scores) and relative to the $X - Y$ line (the difference of STORE and SALES scores). The alternative model can be expressed following the same basic polynomial structure as the Edwards and Parry model.

$$Z = b_0 + b_1(STORE) + b_2(SALES) + b_4(STORE)(SALES) + b_3(STORE^2) + b_5(SALES^2) + e \quad (6)$$

Basic form of the alternative model, where the factors are sum and difference:

$$Z = a_0 + a_1(Sum) + a_2(Diff) + a_3(Sum^2) + a_4(Sum)(Diff) + a_5(Diff^2) + e \quad (7)$$

Expressed in terms of STORE and SALES component factor scores:

$$Z = a_0 + a_1(STORE + SALES) + a_2(STORE - SALES) + a_3(STORE + SALES)^2 + a_4(STORE + SALES)(STORE - SALES) + a_5(STORE - SALES)^2 + e \quad (8)$$

To compare the alternative model with the structure of Edwards and Parry's model we substitute the X and Y factors in the Edwards and Parry model from equation 6 with the corresponding values of the principal axes of interest, i.e.

$$X = \frac{Sum + Diff}{2} \text{ and } Y = \frac{Sum - Diff}{2}. \text{ Re-parameterizing the model in this way, as}$$

shown in equation 9, will render a more interpretable model, as each coefficient now speaks immediately to a characteristic of the response surface, i.e. is able to address different fit-based hypotheses the researcher formulated.

As is shown in equations 7 and 8, coefficients a_1 and a_2 will speak to the general shape of the surface. Coefficients a_3 and a_5 address any possible curvature, while a_4 will show if the surface's first principal axis is located on a

hypothesized line. For instance in this study a value of 0 for a_4 would be required in support of the micro-level hypotheses that are based on congruency, i.e. on the line $Y = X$.

$$Z = b_0 + \left(\frac{b_1+b_2}{2}\right)Sum + \left(\frac{b_1-b_2}{2}\right)Diff + \left(\frac{b_3+b_4+b_5}{4}\right)Sum^2 + \left(\frac{b_3-b_5}{2}\right)Sum \times$$

$$Diff + \left(\frac{b_3-b_4+b_5}{4}\right)Diff^2 + e$$

(9)

To clarify this argument further, we will review one set of Edwards & Parry's proposed equations for calculating the principal axes (expressed as lines in the X, Y plane) and for locating the coordinates of the stationary point's X and Y coordinates, X_0 and Y_0 . Edward and Parry (1993) describe the following steps, using the Beta-coefficients from their model:

The equation for the stationary point's X coordinate, X_0 :

$$X_0 = \frac{b_2 b_4 - 2b_1 b_5}{4b_3 b_5 - b_4^2} \quad (10)$$

And for the Y coordinate, Y_0 it is:

$$Y_0 = \frac{b_1 b_4 - 2b_2 b_3}{4b_3 b_5 - b_4^2} \quad (11)$$

The equation for the first principal axis is:

$$Y = p_{10} + p_{11}X \quad (12)$$

Whereby the equations for p_{11} is:

$$p_{11} = \frac{b_5 - b_3 + \sqrt{(b_3 - b_5)^2 + b_4^2}}{b_4} \quad (13)$$

And the equation for p_{10} :

$$p_{10} = Y_0 - p_{11}X_0 \quad (14)$$

The equation for the second principal axis is:

$$Y = p_{20} + p_{21}X \quad (15)$$

Whereby the equation for p_{21} is:

$$p_{21} = \frac{b_5 - b_3 - \sqrt{(b_3 - b_5)^2 + b_4^2}}{b_4} \quad (16)$$

This is the same equation as for p_{11} , only with a reverse sign preceding the expression $\sqrt{(b_3 - b_5)^2 + b_4^2}$.

Once these equations are solved, p_{20} can be calculated as:

$$p_{20} = Y_0 - p_{21}X_0 \quad (17)$$

This constellation of equations can be used to determine the location of the stationary point and principal axes, it will also provide information specifically relevant for the analysis of the micro-level hypotheses of this study, which claim

that the response surface should display a ridge along the line $Y = X$. Following the above analysis therefore a ridge along the first principal axis, i.e. $p_{10} = 0$ and $p_{11} = 1$, or in equation form:

$$p_{10} = \frac{b_1 b_4 - 2b_2 b_3}{4b_3 b_5 - b_4^2} - \frac{b_5 - b_3 + \sqrt{(b_3 - b_5)^2 + b_4^2}}{b_4} \left(\frac{b_2 b_4 - 2b_1 b_5}{4b_3 b_5 - b_4^2} \right) = 0 \quad (18)$$

$$p_{11} = \frac{b_5 - b_3 + \sqrt{(b_3 - b_5)^2 + b_4^2}}{b_4} = 1 \quad (19)$$

Substituting the value 1 for p_{11} :

$$p_{10} = \frac{b_1 b_4 - 2b_2 b_3}{4b_3 b_5 - b_4^2} - \frac{b_1 b_4 - 2b_2 b_3}{4b_3 b_5 - b_4^2} = 0 \quad (20)$$

If we consider the instance where the coefficients for b_3 and b_5 are equal, the principal axes will take on the value $|b_4|/b_4$. The values for p_{11} and p_{21} will then be 1 or -1 depending on the sign of b_4 whereby p_{21} will be the opposite sign on p_{11} . In case b_4 equals 0, the relative size of coefficients b_3 and b_5 will determine the slope of principal axes as shown in these equations. Equation 9 shows that the interaction term in the re-parameterized Edwards and Parry model (i.e. expressed in principal axes) equals $b_3 - b_5/2$. In this alternative model, the same response surface characteristic could thus be analyzed by considering the value of the interaction coefficient a_4 .

Table 24: Alternative Model Using Factor Sum and Difference Scores

	SUM	DIFF	SUM ²	(SUM)(DIFF)	DIFF ²	F	R ²
H3: Behavioral Commitment	.1059***	-.0158	.00023	-.00180	.00262	21.44	.36
H4: Affective Commitment	.0418***	-.0125	-.00086	-.00024	-.00025	18.02	.32
H5: Intrinsic Motivation	.0654***	-.0030	.00190	-.00122	.00057	9.40	.19

$$Z = a_0 + a_1(STORE + SALES) + a_2(STORE - SALES) + a_3(STORE + SALES)^2 + a_4(STORE + SALES)(STORE - SALES) + a_5(STORE - SALES)^2 + e$$

The results of the analysis using the alternative model displayed in table 25 further underline the earlier conclusion that the combined scores of the dyad partners for each component factor are the significant predictors for in-store compliance in this study. This means that a higher combined score will lead to higher in-store execution, in turn supporting the argument that the dyad partners can compensate within a particular dyad for their partners' lower levels of commitment or motivation. Within the context of this study, where the desired outcome is highly process-orientated (products on the shelf being the desired process' outcome), this is in line with the general macro-level contention that a CPG sales force is still relevant in the CPG retail channel.

At the micro-level of analysis, these findings are helpful in at least partially explaining in what sense the theory-based congruency hypotheses were not supported. Again, this offers an interesting starting point for future store execution research.

Although not significant, the negative coefficient sign for the difference scores implies that if sales reps have higher component factor scores than their department manager counterparts this will have a positive impact on in-store compliance. This aligns with the findings in Chapter 4 about the role of sales reps as **helping hands** correcting deficient in-store execution by store personnel.

The non-significant coefficients for the interaction terms are low negative values indicating that the first principal axes of the response surfaces are not located on the line $Y = X$. Curvatures are also minimal, as shown by the non-significant polynomial terms, whereby it is further noted that only the response surface for the affective commitment component factor shows a slight resemblance with the convex ridge hypothesized. The stationary points for all surfaces are located outside of the observed data ranges. Given the findings of non-support, future research needs to investigate if, within the context of frontline relationships as investigated here, if the existence of a maximum stationary point can be theoretically and empirically justified. In light of the large impact of the sum of the component factor scores of the dyad partners, it seems that the stationary point would it even be in the observable data range, is not very relevant for performance outcome focused research.

More Parsimonious Alternative Models

The five-factor polynomial regression models that, based on theory, provided the analysis framework for this study did not find support for the micro-level, fit-based hypotheses. The obvious follow-up question then is if a more

parsimonious model, not considering the congruency of relationship component factors will provide a similar or even better fit with the data. Considering the direct effect on in-store execution from the dyad partners' combined commitment and motivation scores, an alternative model was developed that uses the sum score for each component factor of sales reps and department managers as predictor variables.

In this model the degrees of freedom are reduced from 5 to 1 compared to the unconstrained model. The general form of this alternative model is as follows for each component factor:

$$Z = a_0 + a_1 (STORE + SALES) + e \quad (21)$$

As evidenced in table 26, this model performs nearly identical to the five factor theoretical models, with similar R^2 values and is thus indeed an effective model, fitting the data rather well. This alternative model further supports the argument for direct and strong effect of Behavioral Commitment scores (i.e. functional aspects of the business relationship), Affective Commitment (i.e. the use of interpersonal selling tactics), and Intrinsic Motivation (i.e. good internal communication). This represents both a theoretical development and relevant insights that will form the foundation for future research, as discussed in the next section.

Table 25: Algebraic and Squared Difference Scores of Relationship Dimensions

Alternative Models - Theoretical Models				
<i>Dependent Variable: In-Store Compliance</i>				
	(Store-Sales)	d.f.	F	R ²
Behavioral Commitment	-.015	1	1.72	.01
Affective Commitment	-.030 ^{***}	1	15.65 ^{***}	.07
Intrinsic Motivation	.006	1	.49	0
$Z = b_0 + b_1(\text{STORE- SALES}) + e$				
<i>Dependent Variable: In-Store Compliance</i>				
	(Store-Sales) ²	d.f.	F	R ²
Behavioral Commitment	6.03	1	.47	0
Affective Commitment	-.00009	1	3.03	.02
Intrinsic Motivation	-.003	1	8.34	.04
$Z = b_0 + b_1(\text{STORE- SALES})^2 + e$				

Table 26: Summed Scores Sales Reps and Dept. Managers

Alternative Model				
<i>Dependent Variable: In-Store Compliance</i>				
	(STORE + SALES)	d.f.	F	R ²
Behavioral Commitment	.101 ^{***}	1	100.64 ^{***}	.34
Affective Commitment	.053 ^{***}	1	82.353 ^{***}	.29
Intrinsic Motivation	.058 ^{***}	1	45.476 ^{***}	.19
$Z = a_0 + a_1(\text{STORE} + \text{SALES}) + e$				

Table 27: Main Effects of All Dimensions; Average and Main Component Factor Models

Alternative Models							
Dependent Variable: In-Store Compliance							
	SUM_BC	SUM_AC	SUM_IM	d.f.	F	R ²	
Component Factor Coefficient	.054 ^{***}	.030 ^{***}	.046 ^{***}	3	64.120 ^{***}	.50	
	StoreBC	SalesAC	StoreIM	SalesIM	d.f.	F	R ²
Component Factor Coefficient	.061 ^{***}	.060 ^{***}	.049 ^{***}	.050 ^{***}	4	46.57 ^{***}	.49

Implications of the Research Findings

The qualitative study revealed that ***Working Alongside*** and ***Building Respect*** are relationship structures that frontline actors still consider to be beneficial and leading to higher dyad performance. Furthermore, the confirmatory factor analysis discovered that for frontline CPG sales representatives affective and behavioral commitment morph into one construct and that “traditional” socially charged construct measurement items like questions that used words such as “friend” did not meet minimum requirements for measurement quality. These results present an interesting theoretical challenge and from that challenge, in turn, they offer different managerial implications to consider.

With regards to the theoretical challenge, recent research by Blocker et al. (2012) argues that even though business partners tend to use social relationship metaphors as much as researchers do, the actual business interactions businesspeople describe are far less socially charged than the use of interpersonal language seems to indicate. Through extensive qualitative data collection and analysis, Blocker et al. (2012) arrive at the conclusion that

consecutive interactions between business partners are more correctly described as “connections.” Even though these connections are not without social dimension, they cannot be too quickly qualified as representing true friendships. Actually, the authors propose, overly aggressive attempts at creating social bonds may be counterproductive in “relationship management” (Blocker et al., 2012)

In the current research’s context business-to-business actors are not decision makers as is mostly the case in prior research, but they are only tasked with strategy execution. The fact that this new connection theory seems to hold equally for actors involved with store execution thus introduces an alternative theoretical framework, diametrical to the relationship paradigm commonly used in extant retail and sales management literatures and used in this study for the formulation of the ill-supported micro-level hypotheses.

The application of connection theory in the evaluation of this study’s results does however also provide a departure point for additional data analysis and future research. Re-analysis of the data informed by the alternative theory may unearth additional, or revise the social and functional mechanisms for the business connection (formerly: business relationship) development process as described in Chapter 4 and quantitatively analyzed in Chapter 5. Future research will need to examine how sales tactics and techniques based on connection theory need to differ from “traditional” relationship marketing techniques and tactics that are so prevalent in retail management, business-to-business, and sales management literatures. For instance, the results seem to

indicate that a more tactical and function-based approach will have higher performance effects than affective or social bonding sales techniques will.

Besides the theoretical consequences, applying connection theory offers additional managerial implications when it is combined with the findings of earlier empirical store execution research.

The limited body of store execution research is normally conducted from the viewpoint of the retailer and focuses on inventory control measures (DeHoratius & Ton, 2009). Four different studies by DeHoratius, Raman, and Ton (DeHoratius & Raman, 2007, 2008; DeHoratius & Ton, 2009; Raman et al., 2001) determine that systemic organizational issues in retail organizations obstruct in-store product availability, i.e. cause the majority of deficient store execution. Poor operational process design, understaffing, and insufficient employee training are root causes for retailer execution deficiencies (DeHoratius & Ton, 2009).

These problems manifest themselves in failures to timely replenish inventory, timely re-stock shelves from the back (storage) room, or misplacing product in the wrong location. In all of these instances shoppers will be unable to locate CPG at the first moment of truth (Lofgren, 2005). In addition, day-to-day practical issues, such as large assortment variety, employee turnover, wrongly focused reward and bonus systems for store employees are all exacerbating these systemic problems and will yet further obstruct in-store execution (DeHoratius & Ton, 2009). Dehoratius & Raman (2007, 2008) calculate that lost

earnings due to such inadequate execution amounts to 3.38% of a retail chain's gross profit.

In the context of this study, the more relevant finding from this earlier store execution research is that higher assortment variety; lack of training, and high workload are all factors negatively affecting store employees' in-store execution performance. In addition, it is also found that store employee awareness of certain products, such as for instance products subject to high shrinkage or of high value, will directly and significantly improve in-store execution (and inventory control) for the high-attention products.

The causes for deficient execution are therefore directly related to the inability or unwillingness of store personnel to properly execute functional processes. Given this situation, it is obvious that a dedicated brand sales team like the one examined in this research, focused on providing at least ***helping hands*** but even ***collaborative partnership***, is a perfectly appropriate solution to resolve the process execution issues encountered by store personnel.

Moreover, the parsimonious model using the summed component factor scores in table 26 supports the notion that the parties can compensate for lack of commitment or motivation of the other party. Future research should investigate to what extent such compensation remains effective and at what level of unwillingness in-store execution will be effectively zero.

From the stepwise regression analysis of each component factor (table 26) as simple predictors it seems that department managers' behavioral (i.e. rational-driven) commitment, sales reps affective (i.e. functional-driven

perceptions of the department manager), and the dyad partners' motivation are the most relevant factors to investigate. By extension, these are the factors future researchers should focus on first as they seem to present the “low-hanging fruit” for manufacturers and retailers to first focus on in devising sales management, connection development, and employee training.

Therefore, based on both theoretical and empirical arguments, we can thus conclude that a dedicated CPG sales team with a **helping hands** charter will “fill the gaps” of the retailers' deficient processes, understaffing, and lack of training will deliver the necessary manpower to assure higher levels of in-store execution.

Moreover, the high employee turn-over and understaffing at most retailers, seems to further support the connection theory argument that functional focus will play a bigger role in dyad performance than social bonding techniques will. Besides a simple lack of time to accomplish social bonding and the creation of psychological contracts, results from the qualitative study and the department managers' survey provide a promising foundation for future research.

Applied research on the topics of the tasking and management of a CPG sales force, the evaluation of opportunities for sales force success, and a revised focus on connection management could possibly develop the strategy and tactics for achieving higher SKU distribution and in-store compliance with promotional events.

Finally, future research needs to be implemented in conjunction with studies that investigate financial performance effects of frontline interactions.

This study provides insight into the actors and processes involved with in-store execution. As such this study is focused on **process outcomes**. It remains however purposely silent on financial **performance outcomes**. There is an immediate need to express any future improvements in frontline execution in financial terms.

Current retail and marketing management research seems to be lacking in adequate measures for recording store-level-of-analysis financial performance effects of improved in-store execution, i.e. improved frontline cooperation. This is not so much a lack of study design as it seems to be a matter of data availability. However, dyad partners will need to consider if the additional costs associated with improved execution deliver a desired return on investment based on correct performance measures. This is certainly a highly relevant research question since manufacturers and retailers will have to determine which party's financial performance benefits the most from far-reaching initiatives such as fielding a dedicated sales force. Will the manufacturer's expense of the sales force lead to sufficiently higher sales that will offset the costs, or will the retailer benefit disproportionately from the "free labor" supplementing its own understaffing?

Answering these research questions will increase the theoretical development in the Shopper Marketing field. Also it will assist CPG value chain members and shoppers to enjoy the inherent benefits of Shopper Marketing.

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APPENDICES

Appendix A: Informed Consent Form

Shopper Marketing Research Informed Consent Form

Thank you for meeting with us today. We want to make sure that you are comfortable with our research procedure, and assure you that your name and company will remain confidential.

The subject of our research is in-store shopper marketing, specifically we are interested in the experiences of participants like yourself, who have “hands-on” experience with shopper marketing.

We are having open-ended conversations with participants that last for about 45 minutes to an hour. In order to stay focused on the conversation, we normally audio-tape it and transcribe it later for further analysis. Again, no references to your identity will be included in the transcript.

We foresee no risk associated with your participation in this study. During the research only the researchers will know your identity. After each stage of the research any remaining references to your identity will be completely removed from all records. There will be no references in any reports or publications that could link a participant to the study.

The records pertaining to this research will be kept electronically by:

Marcel M. Zondag, JD MBA
Department of Marketing and Logistics
310 Stokely Management Center
University of Tennessee
Knoxville, TN 37996

Dr. Daniel Flint
Department of Marketing and Logistics
304 Stokely Management Center
University of Tennessee
Knoxville, TN 37996

Your participation in this study is completely voluntary. If you participate in this study you may withdraw from the study at any time. If you do so before the data collection is completed, your data will be destroyed. If you have any questions about these procedures, please contact Marcel Zondag (mzondag@utk.edu), telephone: (865) 441-6515.

Consent

I have read the above information and agree to participate and allow my conversation with the researcher to be recorded:

Sign:

Print Name:

Date:

Phone:

Appendix B: Interview Guide

Interview Guide Shopper Marketing Implementation

introduction:

Thank you for taking the time today to meet with me today. Our conversation will probably last between 45 minutes to one hour. As explained before, the University of Tennessee is currently conducting research into the implementation of what is called shopper marketing in retail stores. We are talking to industry experts, like you, who are involved in shopper marketing.

I am interested to learn about your day-to-day experiences with shopper marketing, and your thoughts and opinions about it. Again, you are the expert, so your experience and opinions are important for our research. There are no 'right' or 'wrong' answers. I am here to learn from you, so when I continue to ask questions about a topic it is because I am trying to grasp the issue, even as it may be second nature to you.

I want to be as accurate as possible; with your permission, I will be recording our conversation. Please note that your identity and the company that you work for will only be known to the researchers. You are guaranteed anonymity, we will not divulge your identity ever. You are free to not answer any questions that you are uncomfortable with or end our conversation at any time.

After the research is completed I will send you my summary of our conversation and I will ask for your reaction and input.

If you agree with this; I have a document for you to sign. it is an "informed consent form." It states in so many words that you agree for us to have this conversation today, and that I am allowed to record our conversation, transcribe it, and analyze it later. We can go over the consent form in more detail if you want to, there is no rush.

Questions/Topics Guide:

- I. Please tell me about your day-to-day work activities?
- II. In your opinion, what is shopper marketing?
- III. How does shopper marketing fit into your job responsibilities?
- IV. Please tell me about a recent shopper marketing event you were involved in:
 - A. What was the event (*note: make sure this is a true shopper marketing event!*)
 - B. How were choices made about choosing this particular event?
 - C. Who was involved with it from your company
 1. and who was involved from other companies?
 - D. Who else did you interact with - where these same people involved throughout the event? Follow up with:

- 1. Can you tell me about other people who were involved?
- E. What problems arose during the event?
- F. How did you deal with them?
- G. Can you describe for me how the event ended and how you judged its success?
- V. Can you tell me about shopper marketing events that was not successful?
- VI. Was this initiative implemented at all - how far along did it go?
- VII. Tell me about some of the issues surrounding that event?
- VIII. Where the same people involved as with the shopper marketing event we just talked about?
 - A. Who were the other players? (or alternatively in case of the same actors: What was different this time?)
- IX. How did you go about solving _____ (fill in one of the issue described above)

Note: Make sure you record a lived experience about badly implemented and never implemented initiatives that the respondent was aware of!

Probes:

Constantly probe using non-verbal (Active listening cues) and verbal cues such as; "tell me more about that," "what did that mean to you," "that seemed important to you, why?" etc.

Wrap-up:

Thank you for your time. This research will continue for ____ more months. I will send you my summary of our conversation for your input. If you wish I will also send you the report we will be writing about this research. Please contact me with any questions you may have (provide business card). May I contact you with any further questions?

Do you have anything else to share with, something important that we did not get to talk about or talk about enough?

VITA

Marcel Zondag holds a J.D. from Erasmus University Rotterdam, the Netherlands and a MBA (Aerospace Executive) from the University of Tennessee, Knoxville. After a 20-year career in the Aerospace & Defense industry, Marcel joined the marketing PhD program at the University of Tennessee, Knoxville in 2008.

Marcel's research interests focus on B2B marketing and sales management, marketing strategy, supply chain management, and international business studies with an emphasis on the Consumer Packaged Goods value chain.

In June 2012, Marcel completed the requirements for the Ph.D. degree in Business Administration with a Major in Marketing and a minor in Management. He is presently employed as an Assistant Professor of Marketing at Western Michigan University in Kalamazoo, Michigan.