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Role of Sales versus Brand Managers in Brand Decision Making: A Field Analysis in SMEs

Phani Tej Adidam* **Dale T. Eesley****

Who should manage and oversee a brand within an SME? The obvious answer seems to point in the direction of the brand manager. However, does the sales manager have a role to play in this process? Extant literature is not converging on a suitable answer to this question. In this study, we investigate and analyze the various factors that drive the roles of brand and sales managers within SMEs. While there are several roles unique to each manager, there are indeed quite a few common activities in which these two managers could cooperate. Our framework provides a comprehensive snapshot that discusses the distinct and common roles of brand managers and sales managers in SMEs.

Keywords: Brand Management, Brand Manager, Sales Manager, Roles, Power.

The objective of brand management is to increase the product's value to a consumer, which may result in an increase in profits. Compared to the role of marketing managers, brand managers possess line-management responsibility for a brand's profitability. In other words, brand management is seen as a broader and more strategic activity than marketing itself in many worldwide organizations (Keller 2008; Lew 2008).

Although a brand manager is viewed as the best brand equity overseer, due to resource constraints, there are several small and medium enterprises where sales managers manage brands (Kapferer, 2008). However, little research has been conducted on sales department's role in branding, and especially on the advantages of sales managers over brand managers managing brands in business-to-consumer SMEs. Factors behind this management decision are also fairly unknown. The right decisions on who to assign to branding in business-to-consumer SMEs are the key to making the brand successful.

Research Problem

Daye and van Auken (2006, 2007) reveal that quite a few SMEs are struggling with issues related to brand management. Some of the key reasons are as follows: First, no person is responsible for the brand, and branding lacks internal focus and supervision. Second, decisions that affect the brand are made outside of the brand management function by, for example, sales managers and this dilutes the brand strategy and equity. Third, not fully understanding customers' needs and motivations and not delivering the communicated brand promises damage the whole business. Lack of integration with marketing functions and ignoring brand equity management in other business processes and customer contacts are also viewed as common brand problems. In addition, too often SMEs focus on short-term profitability at the expense of long-term brand equity and revenue growth.

In addition, extant research focuses more on branding strategies on how to best attract customers and in the majority of literature, it is almost generalized that branding is always assigned to a brand manager. Nevertheless, a specific need for the involvement of other departments in the branding process has been expressed. Schultz (2008) argues that brand delivery will become more important than brand development, and that the real challenge is that brand managers should concentrate investigations on the consumer experience of the brand and expand the view from the traditional branding organization to identify where the brand experiences really occur. Boyle (2007) criticizes that

**Ph.D., Executive Education Professor, Director, Center for International Initiatives padidam@unomaha.edu*

*** Ph.D., Assistant Professor of Marketing and Management, Director, Center for Innovation, Entrepreneurship, and Franchising College of Business Administration University of Nebraska at Omaha College of Business Administration University of Nebraska at Omaha 6708 Pine Street. Omaha, NE 68182-0048*

brand loyalty and post-consumption associations are beyond the control of brand managers, and pricing is not often properly managed. She emphasizes that the role of brand managers needs to be reevaluated. Although the role of brand managers has been criticized in literature, there are few suggestions for sales managers managing brands.

According to Keller (2008), branding is especially important for services because consumers cannot evaluate, for example, quality due to intangible elements. De Chernatony and Cottam (2008) also highlight the fact that employees and customer service play a key role in a consumer's choice between different brands. Hence, although there is a little information related to the importance of customer service and employee involvement in terms of branding, the sales manager's role in managing brands with regard to both services and products is a fairly untouched topic.

In addition, the factors affecting the choice of who to assign the task of managing brands in SMEs has not been researched enough. Beverland, Steel and Dapiran (2006), however, argue that differences in the values of sales and marketing departments are potential obstacles towards the integration between these two departments. The article also says that from the perspective of many marketers it is difficult for salespeople to take up a more branded focus and implement the branding idea.

Due to the importance of the decisions related to the choice of whether sales or brand managers should be involved in overseeing brands, and due to the paucity of research in this field, we are attempting to take a first step in critically investigating this topic. Thus, our research objectives are to find out whobrand manager or sales managershould manage brands in an SME, and which factors affect a certain decision.

We thus focus on several research questions. First, what are the factors affecting the choice of a sales manager/brand manager managing brands in an organization? Second, what are the advantages / disadvantages of sales manager / brand manager managing brands? Third, does a sales manager have higher power in managing brands? How? Fourth, how do sales and brand managers share the brand management process? Fifth, which aspects of the brand management process are generally left to sales managers? Finally, who has the final word on which branding issues?

The Role of Brand and Sales Managers in SMEs

Brand manager

According to Aaker (1996) the role of a brand manager is both tactical and strategic, and includes responsibility for the brand's position and identity, securing investments in order to maintain the identity and ensuring that media actions are consistent with the identity. Veloutsou (2002), in turn, argues that brand managers are involved in tactical decisions but have no involvement in many strategic decisions. In addition, the development and implementation of short-term programs are seen as brand managers' responsibilities. This argument, however, contradicts the perceived long-term view of brand managers. Kotler (2003:73) identifies six duties which brand managers are responsible for:

1. Product planning and competitive strategy
2. Preparing annual marketing plans and sales forecasts
3. Working with advertising and merchandising agencies to create programs and campaigns
4. Stimulating support among sales reps and distributors
5. Ongoing research into product performance, customer and dealer attitudes, opportunities and threats
6. Initiating product improvements to meet changing market needs

Kotler and Keller (2006) also recognize these six duties of a brand manager, and add that brand managers act as hub-and-spoke people intermediating information out to different departments. Veloutsou (2002) states, however, that the development of forecasts and estimation of future prospects in the market are not the main responsibilities of brand managers.

Brand managers act as middle managers because they scan the environment, execute brand programs, assess brand performance and spread the knowledge and brand values within the company. Tasks related to market analysis, planning, implementation and coordination of activities, evaluation and control of the marketing mix as well as training of colleagues in issues related to brands are all seen as responsibilities of a brand manager. The main control and evaluation process brand managers carry out is the product performance

analysis. Although brand managers' role in training is said to be limited, it is argued that brand managers should have a more active role in training and, especially, give directions to all points involved in the selling process. In case of disagreements, brand managers normally possess a staff position and their power over the members of the team is debatable (Veloutsou, 2002). The responsibilities of brand managers are almost the same when compared to durable consumer goods and other sectors. However, some minor differences have been identified from the automobile industry. Brand managers in the automobile industry are more skeptical about their authority because the small size of the market allows them to make only few local implementations and no development of local campaigns. Moreover, contacting market research agency is not the responsibility of brand managers in the industry. Hankinson and Cowking (1997) also speculate that, for example, the development of a corporate brand affects the roles and responsibilities of brand managers. However, many pieces of literature discuss the ultimate role of top management in branding. For example, Davis (2002) as well as Macrae and Uncles (1997) view that CEO is the final brand manager, especially in SMEs.

Sales manager

The role of a sales manager in a company can be seen as broad because the responsibilities that a sales manager faces are more than monitoring and ensuring that target objectives are met. Manning and Reece (2007) argue that sales managers need to both manage sales and lead the sales force. Jobber and Lancaster (2000) state that sales manager must be 'an accountant, a planner, a personnel manager and a marketer at the same time' (p.10). Also Manning and Reece (2007) acknowledge these roles and highlight the fact that sales managers possess a crucial role in being a role model for the sales force. However, to ensure that company goals and objectives are met, a sales manager has specific responsibilities. These duties include

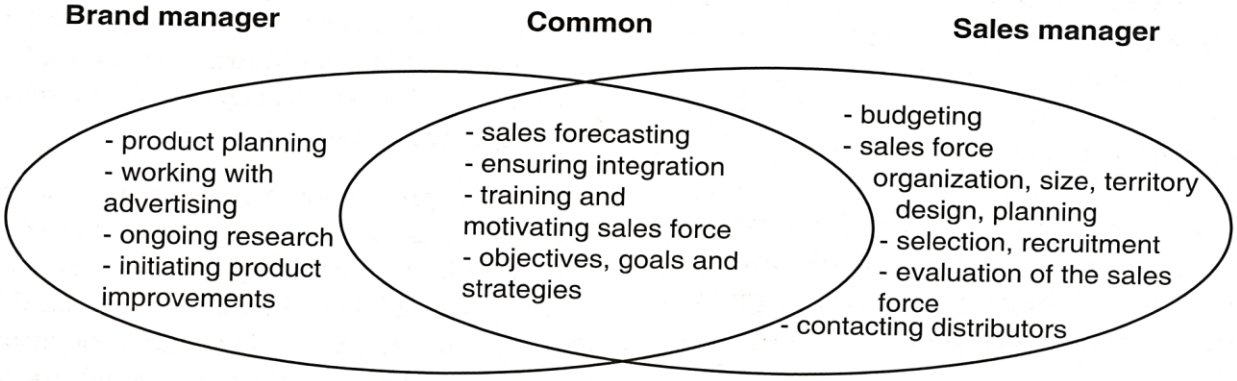
1. Establishing sales force objectives and goals,
2. Forecasting and budgeting,
3. Sales force organization, sales force size, territory design and planning,
4. Selecting, recruiting and training the sales force,
5. Motivating the sales force, and
6. Evaluating and controlling sales force (Jobber and Lancaster, 2000).

Also Manning and Reece (2007) reveal that sales managers typically perform activities such as planning, recruiting, training, budgeting, development of compensation plans, and evaluating sales force productivity. Manning and Reece (2007) as well as Jobber and Lancaster (2000) point out that these activities require coordination and cooperation with almost every internal department. A sales manager needs to ensure the integration of sales and marketing activities and take part in the formulation of company plans (Jobber and Lancaster, 2000). According to Veloutsou (2002), contacting distributors is generally left to the sales personnel. Manning and Reece (2007) state that sales managers are both the closest point of contact with the sales force, and chief spokespeople for the top management.

Brand and sales managers' common activities

Given the above explication of the roles of brand and sales managers, the following chart provides a framework of managers' own responsibilities as well as possible common activities.

Figure 1: Managers' responsibilities



Although Jobber and Lancaster (2000) and Pearson (2004) argue that sales department is responsible for sales forecasting, as forecasts play an important role also in branding. Aaker (1996) points out that the analysis of sales volume trends can provide brand management with valuable insights on which markets are growing and which are declining and why. In other words, sales forecasting helps managers in keeping products competitive and forecasting the expected life of the products and services.

Both brand and sales managers need to take part in data gathering, interpretation of information and the distribution of market information. As covered previously, sales managers are the closest point of contact with the sales force receiving first hand feedback from the customers.

According to Manning and Reece (2007) an increasing number of companies are abandoning compensation plans that are linked to a single target such as sales volume and concentrating, for example, on incentive compensation based on the customers' reported satisfaction with the product and service. This encourages sales people to conduct continuous customer follow-up and can lead to creation of customer loyalty. These plans, however, need to cover both sales and marketing objectives. Training and especially internal branding are both responsibilities of sales and brand managers. The role of these managers and training will be discussed throughout the thesis. De Chernatony and Cottam (2008) discuss motivating and rewarding employees and point out that reward systems should also be brand centered.

Both Beverland, Steel and Dapiran (2006) as well as Judson, Schoenbachler, Gordon, Ridnour and Weilbaker (2006) recognize the importance of sales department in new product development process and the role of sales managers as intermediaries of customer information and ideas. Sales managers have a moderate level of responsibility for new product/service development and for gathering information because in many organizations the involvement is questioned due to sales managers' lack of skills and training. Mostly sales department reports customers' level of satisfaction with the existing products and possible problems, as well as information about competitors and the environment, and these may provide suggestions for brand extensions and product/service improvements (Judson et al., 2006) The article stresses that sales managers need to have effective mechanisms to pass on the ideas, and a proper reward system should be put in practice for sales force's new ideas.

Product brand management compared to service brand management

Due to the specific nature of services, the existing principles of goods branding require fine-tuning in order to be adapted to the service environment. This suggests that product and service branding differ from each other in some ways (De Chernatony, McDonald, and Wallace (2011). Several pieces of literature about service marketing and branding discuss the notion of internal branding. According to Keller (2008), internal branding 'ensures that employees and sales people appreciate and understand basic branding notions and how they can affect the equity of brands'. Vallaster and De Chernatony (2006) argue that brand-consistent behavior ensures a coherent brand image, and internal branding is considered crucial especially to corporate branding. De Chernatony and Segal-Horn (2003) point out that internal branding is especially important to service branding because the front-line sales force plays a key role in delivering the brand promise. Both De Chernatony, McDonald, and Wallace (2011) and Berry and Parasuraman (1991) point out that recruitment, teamwork and employee empowerment are often required. Vallaster and De Chernatony (2006) as well as De Chernatony and Segal-Horn (2003) emphasize the importance of leaders and managers in internal brand management. Leaders need to create a proper corporate culture, corporate design, corporate communication and corporate behavior to ensure that brand-related messages are forwarded to the sales force. Encouraging sales people and ensuring that the employees have a proper level of brand knowledge, as well as executing HR activities such as training and selection play an important part in making sure that sales people's values and brand values fit. This highlights, for example, the importance of sales managers' role in selecting, training and controlling sales force.

Unlike in product-based branding, marketing department is not critical for branding services. Customer-facing sales people, in turn, are seen as more important. De Chernatony and Segal-Horn (2003) point out that the importance of customer-facing sales people delivering brand values to

customers in terms of service branding has caused the organizational pyramid to be turned upside down. Gilmore and Carson (1996) reveal that customer relationship management is more important in a service organization than in a product organization which has more emphasis on product management. In service organizations as well as in product organizations organizational culture and company-wide commitment are seen as critical to branding.

Sales department's interfaces

The relationship between sales and marketing department

According to Keller (2008) 'any marketing action a firm takes can change consumers' brand awareness or brand image' (p.547). Also Veloutsou (2002) highlights the fact that marketing department develops and controls the total brand expression. These facts highlight the role of marketing department to brand management. Before the interaction between brand management and sales department is covered, the relationship between marketing and sales department is now reviewed.

Because of the different cultural values of marketing and sales, and different subcultures within SMEs, these tensions may drive marketing and sales departments apart. The short-term focus of sales department in the process of goal setting, resource allocation and performance evaluation makes the interaction with marketing, which focuses on long-term, more difficult (Beverland, Steel & Dapiran, 2006). Salespeople are often viewed as short sighted and conservative to new ideas, and uninterested in focusing on the brand and future development. Marketing often assumes that sales department is sometimes so excited about the concerns of the customers that it dilutes the big picture, increases costs and changes the associations and perceptions of the brand in the marketplace. Marketing, in turn, lacks credibility because sales department views that many marketing's suggestions contradict with the real customer information that sales people have obtained.

However, marketing and sales departments need to have a shared culture. Beverland, Steel and Dapiran (2006) state that ' this is important for Marketing, given that this function often relies on Sales for the achievement of its performance targets such as customer retention, acquisition, sales and profits, and brand communications' (p.388). Cespedes (1993) points out that as marketing and sales perform interrelated tasks; this may cause overlapping responsibilities and misunderstandings about who is assigned to what. A need for specific job descriptions and specific areas where each department has the final say is expressed. Guenzi and Troilo (2007) reveal that responsiveness to customers' needs, ability to develop creative solutions to customers needs, speed of action in the market, and innovation are the main components of marketing and sales contribution to the superior customer value. In fact, Beverland, Steel and Dapiran (2006) as well as Jobber and Lancaster (2000) support this view by emphasizing that sales people often provide marketing with constant flow of ideas which are derived from innovative and insightful customers and from knowledge about competitors and market requirements. Guenzi and Troilo (2007) refer these listed capacities to market learning capabilities that both marketing and sales departments manage. Jobber and Lancaster (2000) highlight the fact that because sales efforts are a critical part of the marketing mix, sales affect the overall marketing strategy. This is why:

It is essential, therefore, that sales and marketing are fully integrated. The adoption of the marketing concept has, in many companies, been accompanied by changes in organizational structure, together with changes in the view of what constitutes the nature of selling (Jobber and Lancaster, 2000:24).

In addition, Jobber and Lancaster (2000) argue that marketing strategy needs to be communicated to the sales people so that the differential advantage is also convincingly articulated to customers. There are two dangers that can dilute this objective; firstly, sales people may comply with the price concessions and this may dilute the creation of differential advantage, and secondly the features of the differential advantage may be communicated but the customer benefits are ignored. This reflects the view of previously cited Beverland, Steel and Dapiran (2006) that sometimes marketing department lacks up-to-date information about their customers while sales people have the real knowledge about their customers' desires. Marketing strategy decisions and selling objectives and strategies need to be linked to each other. Finally, Guenzi and Troilo (2007) argue that sales management policies should move from a

transactional selling orientation to relational customer orientation in order to create superior customer value. Also the style of management and the different role of marketing and sales vary across cultures, company culture, organization structure, integration mechanisms and personal characteristics of managers of the two functions. In conclusion, in order the joint contribution of marketing and sales to create superior customer value a strategy should be based on long-term orientation. In addition, the relationship between marketing and sales should be efficient and sales people should adopt customeroriented selling.

Sales and brand management interfaces

There is also a need for an interaction between brand management and sales. Panigyrakis and Veloutsou (1999) argue that brand managers need to interact with different internal and external services in order to obtain relevant information. These interfaces include departments such as sales, manufacturing, accounting, R&D and superiors within the top management. According to the article, internal interfaces are viewed as second important for brand management, personal reflection having the first place. Brand managers spend most of their time on sales and marketing departments regarding the internal interfaces, and the contacts are seen as very significant. The interaction between a brand manager and sales department compared to other departments is seen as the most important. Rajagopal (2008) states that all operational functions, such as sales, are involved in the study of performance metrics to plan the brand-market segment. Such a high frequency of the interaction between a brand manager and sales department is also due to the coordination role that a brand manager has which might even involve training of the sales personnel, and the fact that brand managers have limited contact with distributors and these decisions are in the control of sales department (Panigyrakis & Veloutsou, 1999). This argument cannot, however, be generalized to every company. The importance of sales department to brand management can, for example, vary across product and service organizations. De Chernatony and Cottam (2008) point out that both for less successful and successful service brands, the role of marketing department is seen as the most important. This might be due to the previously seen fact that the corporate brand is seen as more critical when moving from product branding to service branding. According to the article, in successful service brands the integration between departments is seen as more important than in the less successful service brands.

Urde (1999) defines brand orientation as ' an approach in which the processes or the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands'(p.117). This brand-based strategy involves also the front line sales people of the organization in developing innovative strategies and processes, and this approach emphasizes the fact that new ideas are not solely the responsibility of R&D department (Wong & Merrilees, 2008). The article identifies several barriers to the brand orientation faced by different SMEs. Many SMEs view that branding is too costly for them, the company is too busy with the daily actions to worry about the brands, branding is not necessary, branding is not needed until the company grows bigger and short-term selling is more important than branding. Wong and Merrilees (2008) argue that approximately 86 percent of the companies are somewhat resistant to having the brand as a center of the company processes. These barriers are, however, against the article's view that brand orientation enhances company's reputation, brand awareness, and brand loyalty, and could even lead to reduced marketing costs and price premiums. All these benefits can positively contribute to sales growth, market share and profitability. By implementing policy changes and viewing brand management as an investment, firms can become brand-oriented.

De Chernatony and Cottam (2008) divide factors facilitating integration between departments into two categories; hygiene factors and brand-related factors. Hygiene factors are 'meetings, tactical HR processes, technology, hard work, internal communications and monitoring'. Brand-related factors are 'importance of leader, cross-functional/hierarchical teams, special projects, planning and appropriate culture'. Moreover, brand-related factors rather than hygiene factors are associated more with successful brands. The brand-related factors regarding the choice of a manager managing brands and cross-functional activities will be further discussed during the thesis. The factors impeding integration in less successful

brands include structure, communications and culture of internal tension and lack of inter-departmental cooperation. In terms of structure, the silo-based nature of the organizations, size and structural complexity can also be seen as a hindrance to a brand-supportive integration.

The article also divides people involved in brand management in three categories; Brand Deciders, Brand Influencers and Brand Enactors. CEOs and MDs are classified as Brand Deciders, Directors of Marketing, HR and Operations as Brand Influencers and Managers of Marketing, HR and Operations as well as Customer Service Supervisors and Customer Service staff as Brand Enactors. Veloutsou and Panigyrakis (2001) also divide people into Strategists/Implementors, Supporters, Facilitators and Incidentals. Sales department is included in the first category which is crucial for the development and implementation of a brand strategy. According to Jobber and Lancaster (2000), the sales force can, for example, contribute to brand awareness by influencing stockists to allocate more shelf space to company brands and attract new dealers to stock them.

As mentioned previously that a sales manager has also a role as a HR manager, sales managers play a key role in ensuring that brands' and employees' values fit. De Chernatony and Cottam (2008) claim that also training and reward systems and strategies need to be brand-centered rather than performance/sales centered. The article mentions that the less successful brands do not always effectively implement these brand-centered HR activities.

De Chernatony and Cottam (2008) stress that there are differences in the contribution of different departments when comparing successful and less successful brands, but the role of customer service is essential because the front-line staff is the deliverer of the brand promise, and management should monitor that the customer service understands its role. The brand shifts from being a core stone if any one department dominates the formulation of brand strategies and processes. The article emphasizes that this model is inefficient and unstable. Panigyrakis and Veloutsou (1999) conclude with a notion that although the interaction between brand management and sales require a high level of communication, in the future, brand managers should focus less on internal interfaces and advertising and more on retail customers and consumers.

The level of cooperation between a brand manager and sales manager may even vary across different product types and marketing strategies. According to Jobber and Lancaster (2000), high involvement products require the sales force to have a high level of knowledge about the brand because a purchase influences customer's self image, has a high level of perceived risk, has social implications, and has the capacity for providing a lot of pleasure. Whether a brand uses push or pull strategies also affect the importance of the sales force. According to Keller (2008), in terms of the push strategy the marketing effort is on pushing the product through the channel of distribution. The pull strategy, in turn, focuses on increasing the customer demand through advertising and pulling the product to a customer. Jobber and Lancaster (2000) state that while the push strategy requires a great emphasis on selling, the pull strategy requires a focus on advertising. Since these strategies depend on the product-life-cycle, this suggests that the role of a sales manager in branding depends on the product's stage in the product-life cycle. Davis (1995) points out that when brand value is high but loyalty low, the role of sales becomes increasingly important.

Factors Affecting Choice of a Manager Managing Brands

According to Veloutsou and Panigyrakis (2001) factors such as the environment, the organizational culture and the perceived importance of the brand affect the role of the brand management structure and the integration of other departments. Let us discuss these factors further in relation to sales management.

Organizational culture

Organizational culture, naturally, has a remarkable effect on the internal processes and structure, and may even have an influence on the perceived importance of brand management within a firm. Several pieces of literature discuss the role of organizational culture and competitive intensity to brand performance. De Chernatony and Segal-Horn (2003) point out that because culture influences staff behavior, it plays a critical part especially in service branding and brand success. O'Cass and Ngo (2007a) claim that the different strategic types of companies vary in their adaptability to the

competitive intensity within the industry. In other words, responsive strategies and firm characteristics depend on the way managers perceive the competitive intensity. According to the article, market orientation and innovative culture have a positive effect on brand performance. The level of market orientation and innovative culture, in turn, is dependent on the strategic type that a firm possesses. Bridgewater and Egan (2002) link market orientation to market focused companies which possess customer orientation, competitor orientation and inter-functional co-ordination as primary drivers of business performance. O'Cass and Ngo (2007b) argue that while market orientation culture is market-driven, innovative culture is market-driving meaning that innovative culture concentrates on leveraging internal core competencies towards competitive advantage. Menon, Bharadwaj, Adidam and Edison (1999) suggest that innovative organizational culture is beneficial because teams from different departments share ideas and communicate openly, which in turn encourages consensus dedication. O'Cass and Ngo (2007a) state that the level of market orientation and innovative culture to different strategic types are highest for prospectors, followed by analyzers, defenders and reactors. Prospectors are defined as companies that thrive by encouraging and meeting new product-market opportunities. Analyzers are more innovative in their product-market initiatives than defenders. Reactors do not prosper at all because of the weak approach to the environment (Miles, Snow & Meyer, 2003).

Organizational structure

As O'Cass and Ngo (2007a, b) have examined that market-oriented companies lead to better brand performance, the structure of market-oriented firms compared to sales oriented firms needs to be covered. Jobber and Lancaster (2000) argue that in sales-oriented companies the focus is on sales function. Market-oriented firms, in turn, focus on customers' needs and wants, and the concept often requires a revolution in its business strategies, organizational structure as well as in the nature of selling. In terms of an organizational structure, in a market-oriented company, sales is part of the marketing function while in a sales-oriented company sales is seen as a separate function. Moreover, in market-oriented companies sales management is concerned with the examination of customers' needs and wants and sales is a part of the total marketing effort (ibid.). Given the facts that the market orientation leads to better brand performance and that in market-oriented companies sales and marketing are, more or less, integrated, this suggests that the integration between marketing and sales would lead to better brand performance. Menon et al. (1999) further argues that centralization can lead to incomprehension of the lower level of the organization where strategies are implemented. However, as discussed previously, the integration may be difficult to some extent.

Hankinson (1999) points out that it is not relevant to brand success what kind of organizational structure, flat, hierarchical or matrix, a firm possesses. What is relevant is that the organizational structure works for a company. The author highlights the fact that in order to enhance brand success, first define brand objectives, brand strategy and then choose a proper organizational structure. The article makes a distinction between consumer product brands and consumer service brands. Service brands are said to be more complex and to have a need for a strong leadership, and these factors lead often to hierarchical structures. De Chernatony and Segal-Horn (2003) claim that effective service organizations are seen as reverse hierarchies because the front-line staff delivers the service brand to consumers, and this responsiveness is often achieved by empowering staff. According to the article, consumer product brand companies possess more traditional organizational structures such as flat or matrix structures.

Different leadership styles for different marketing practices

Luthans and Doh (2009) reveal that there are two schools of thought whether the leadership styles can be universalized; some argue that the leadership styles depend on the culture. However, the universality and effectiveness of transformational and transactional leadership styles are acknowledged. Transformational leaders are 'visionary agents with a sense of mission and who are capable of motivating their followers to accept new goals and new ways of doing things'. Transactional leaders, in turn, are 'individuals who exchange rewards for effort and performance and work on a "something for something" basis'. Lindgreen, Palmer, Wetzels, and Antioco (2009) agree with Luthans and Doh (2009) in that the transformational leadership style is further divided

into four dimensions: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. The transactional leadership style is also divided into four dimensions: contingent reward (CR) leader, active management-by-exception (MBE-A) leader, passive management-by-exception (MBE-P) leader and laissez-faire (LF) leader.

While Luthans and Doh (2009) strongly believe that transformational leaders are the most effective managers, Lindgreen et al. (2009) suggest that different marketing practices require different leadership styles. For example, transaction marketing where marketing activities are mainly done by functional managers such as sales managers, contingent reward style (CR) and active management-by-exception (MBE-A) are positively related, in other words, the transactional leadership style is positively related to transaction marketing practice. Luthans and Doh (2009) define contingent reward leader as the second most effective leader who clarifies what needs to be done, and who provides both material and immaterial rewards for complied directives. The active management-by-exception leader is defined as an individual who controls follower performance and takes counteractive actions when deviations from standards occur. As previously covered, these two leadership styles reflect sales manager's responsibilities of setting objectives, motivating, training and evaluating the sales force. This leadership style is associated with short-term management (Lindgreen et al., 2009). The article continues with the notion that the more relationally oriented ways of marketing the more transformational leadership style is appropriate. Lindgreen et al. (2009) does not suggest any proper leadership styles for brand managers, but given the definitions of the two leadership styles, brand management's responsibilities and the need for a long-term focus, the transactional leadership style may not be appropriate. Taking brand manager's responsibilities of planning and initiating product improvements into consideration, inspirational motivation and intellectual stimulation, in other words, the transformational leadership style could be appropriate. Luthans and Doh (2009) define inspirational motivation leaders as effective in articulating their vision, mission and beliefs by providing clear objectives what needs to be done. Intellectual stimulation leaders are, in turn, defined as individuals who get the followers to question the old and to accept new views on how things need to be done. The article points out that 'managers need to be cognizant of the need to consciously adapt leadership styles appropriate to the context'.

Brand manager and brand management

The marketing literature is divided into two in terms of the importance of a brand manager in managing brands. Keller (2008) argues that companies should organize their marketing function in order to enhance and optimize brand equity. Growing recognition of the importance of the brand and the challenges of managing brands has generated several trends in organizational designs and structures (ibid.). Also Kotler (2003) recognizes this trend by arguing that brand management is one way to organize the marketing department in addition to departments organized according to function, geographic area or customer markets. Keller (2008) points out that companies from more and more industries are hiring brand managers into their organizations, and an increasing number of companies are adopting brand management.

Disadvantages and advantages of a brand manager

Kotler (2003) provides three disadvantages of brand managers. Firstly, brand managers often move from one brand to another in a few years leading to short-term thinking and dilution of the long-term focus of brand building. Secondly, fragmentation of markets causes brand managers to increasingly please regional and local sales force resulting in a shift of power from marketing to sales. Finally, brand managers tend to focus on establishing market share rather than on building customer relationships which is in the center of value creation. Aaker (1996) supports this view by claiming that short-term measures such as sales, profits and rewards reduce the motivation to do long-term brand building. This suggests that brand managers possess the transactional leadership style because of the short-term focus. Kotler and Keller (2006) also recognize these three disadvantages and provide a few more. First, since brand managers lack authority to accomplish their responsibilities they have to persuade other departments for cooperation. Second, although brand managers are experts in their product area they seldom attain functional expertise and are obliged to comply with the suggestions of real specialists. Finally, brand management is seen as costly because brand

managers are hired even for minor brands. Brand post-consumption associations are also beyond the control of brand managers, and there is only a weak link between the activities of a brand manager and the formation of brand loyalty. Brand management should have a stronger contribution in new product development, evaluating other forms of marketing communications, establishing customer relationships and enhancing the equity between the price of a brand and customer value (Boyle, 2007). Boyle (2007) also claims that pricing is not often properly managed by brand managers and this might lead to a loss of brand equity. She emphasizes that the role of brand managers needs to be reevaluated.

Keller (2008), however, criticizes the view that brand managers possess a short-term focus. In addition, customer-brand relationships are the foundation of brand resonance and building a strong brand, and the customer-based brand equity (CBBE) model puts the creation of customer value center because 'the power of a brand resides in the minds of consumers and customers' (ibid:79). Keller (2008: 48) highlights the fact that

The CBBE model approaches brand equity from the perspective of the consumer whether the consumer is an individual or an organization. Understanding the needs and wants of consumers and organizations and devising products and programs to satisfy them are the heart of successful marketing.

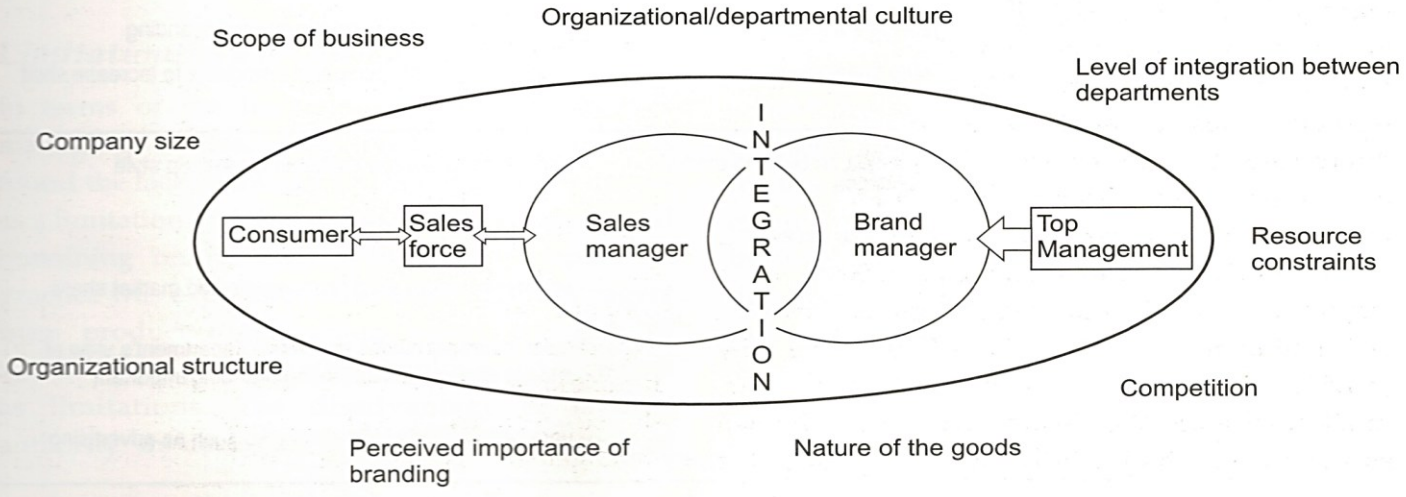
To avoid the disadvantages of having a brand manager managing brands and to enhance long-term brand building, Kotler (2003) and Aaker (1996) suggest other ways to manage brands: Teams and committees of managers and representatives from different departments such as Sales, Marketing, Laboratory, Engineering, Accounting and Marketing research; Brand asset management team (BAMT) including key representatives from major functions affecting the brand's performance; Mangers (range brand managers) assigned to two or more products which appeal to similar set of needs; and Category management where managers focus on product categories to manage brands. In addition to these, Aaker (1996) discusses the roles of the brand equity manager, the global brand manager, the CEO, the brand champion and the communication coordinator. These ways, however, require more or less integration between marketing and sales departments, and have their own disadvantages (e.g. differences in values and time horizons) as previously discussed.

However, brand managers do have their advantages. Kotler and Keller (2006) point out that brand managers can create a cost-effective marketing mix for the brand, can react to the competitors' offerings quickly and are brand promoters for the smaller brands of the company.

Managerial framework

Sales management is crucial for business because it ensures that sales people are led in a way that sales targets and objectives are met, while brand management is vital for making sure that business is profitable and generating competitive advantage not only in the short-term but also in the long term. Our investigation suggests that the role of a sales manager and brand manager and their cooperation are affected by the nature of the goods, company's

Figure 2: Brand Management in Organizations



perceived importance of branding, resource constraints, organizational structure, company size, organizational as well as departmental cultures, the level of integration between departments, competition and scope of business. CEO is usually the ultimate brand manager in SMEs and gives directions to all functions to ensure that everyone has a clear understanding about the brand. Brand managers act as brand champions and integrate between different departments such as sales. Sales managers, in turn, have a role of making sure that brand values are intermediated to the customer facing staff which acts as a brand ambassador. In other words, sales is a two-way information sharing unit; receiving innovative ideas from customers and implementing branding strategies.

In terms of managing brands, the advantages and disadvantages suggest that sales managers have a role in recruiting, training, motivating and controlling the sales force. Our investigation also proposes that contacting distributors is generally left to sales managers, and sales managers have a remarkable role in creation of post-consumption associations and brand loyalty. Brand managers, in turn, are more responsible for product planning, working with advertising and external agencies as well as ongoing research into product performance, customer and dealer attitudes, opportunities and threats. The study also proposes that brand and sales managers integrate in the following processes; training, selecting and motivating sales force, internal branding, development of innovative strategies and processes, sales forecasting, implementing brand-centered reward systems as well as data gathering, interpretation of information and the distribution of market information. Brand management and sales need to make trade-offs between promotional efforts such as advertising and selling, and make them more coordinated to achieve company objectives. In marketing consumer goods, advertising is perceived as the most effective promotional tool to convey the brand image. These factors, however, vary across products and services. The following chart provides a framework of the advantages and disadvantages of both managers in managing brands.

Field investigation

In order to corroborate this framework, and substantiate the literature, we studied ten different business-to-consumers SMEs in USA and Europe. A comparative design was used in order to seek explanations for similarities and differences. In-depth, semi-structured interviews were used. Both brand managers and sales managers were interviewed in order to obtain both managers' views on the topic. These ten companies were chosen because they represent a wide range of different industries.

Findings

It is immensely clear that both sales and brand managers have disadvantages and advantages in managing brands. Some other factors which affect

	Brand Manager	Sales Manager
Advantages	- ability to create cost effective marketing mix	- up-to-date knowledge about customer needs and wants
	- quick reactions to competitors' offerings	- source of innovation due to feedback from customers
	- being brand promoter for smaller brands	- contact with distributors
	- contacts to external agencies such as advertising	- training skills and the role in internal branding
	- transformational leadership style	- brand awareness: persuading stockists to increase shelf space
Disadvantages	- short-term thinking, too focused on building market-share, high turnover rates	- short term focus, transactional leadership style
	- pleasing regional and local sales force	- different values and culture
	- lack of authority	- concerned about short-term results and market share
	- no functional expertise	- sales manager dilutes marketing department's view of the big picture, lack of seeing branding important
	- costly	- undervaluing long-term strategies such as advertising
	- pricing not properly managed	
	- not much influence on the creation of brand loyalty	

the choice of a manager managing brands were also discovered. The level of cooperation in the brand management process between brand and sales managers seems to vary across product and service organizations to a certain extent. In addition the responsibilities of sales and brand managers managing brands appear to vary across SMEs.

Factors behind the choice of a manager assigned to branding

The choice of a manager assigned to branding seems to be affected by several factors. First, the advantages and disadvantages of both managers seem to be major factors affecting the decision. Second, organizational culture, organizational structure and size have also an impact on the choice.

Advantages of a brand manager

The advantages of a brand manager suggest the reasons why brand managers are appropriate for managing brands. The advantage of managing individual brands from the practical and operational stand was challenged with an advantage of having a coordinated focus on brand management. The latter was supported especially by service organizations because the corporate brand is the primary brand for service organizations and because of the importance of consistency for service branding. Although the long-term focus was acknowledged as an advantage of brand managers, the interviewees were of a different opinion regarding brand managers' responsibility of strategic decisions. Whether an organization is a product company or a service organization does not seem to have an effect on the opinion. Rather, it is a question about how high in the hierarchy brand strategies are formulated. Also expertise on brand management and objectivity were seen as advantages of brand managers.

Limitations of a brand manager

In terms of the limitations of brand managers managing brands, only product organizations found the lack of integration between departments as a limitation and due to this, a threat of the brand remaining on its own without any impact on practice was expressed. Also only brand managers from product organizations found the lack of authority and pleasing other employees to decisions as limitations. The disadvantage of lacking authority in decisions seems to be a matter of whether the company is a product or service organization and a matter of industry type. Both product and service organizations acknowledged brand managers' lack of influence on creating brand loyalty in terms of not affecting the back end of the business. In service organizations this was, however, highlighted because the perceptions that a customer receives is not in the hands of brand managers, and for services the first perceptions of the customer contacts are essential for building brand equity. Broad job descriptions were also seen as a limitation in both product and service organizations. Interesting was the fact that in service organizations the limited impact on perceptions as well as on the management of secondary associations was expressed. Managing change, for example the adoption of brand management to silo-based structure, was seen difficult.

Advantages of a sales manager

The advantages of sales managers reflect the extent to which a sales manager has higher power in managing brands. Managers from both product and service organizations acknowledged the advantage of sales managers obtaining first-hand information on the market and customers. This was seen as crucial especially for product/service development. However, the extent to which sales managers are allowed to take part in product/service development seems to be questionable. Sales managers' advantage in training and internal branding was discovered by both product and service organizations. The advantage of sales managers conducting internal branding was, however, even stressed by service organizations because the sale force provides the first impression and image of the brand. Sales managers having a more holistic view of the value chain up to a customer is seen as a major advantage. This ensures that customers are provided with the brand as wanted. Another remarkable advantage of sales managers is strengthening the product life cycle for a new product. This means that sales managers oversee that the product is not being pulled out of the market too early. Short-term focus was to some extent found to be an advantage in the fashion industry. This suggests that short-term focus is not a disadvantage in every industry. Finally, sales managers' advantage of controlling the brand values and product/service quality was found. The empowerment of sales managers was seen as beneficial in order to not leave the brand superficial.

Limitations of a sales manager

The perceived disadvantages of sales managers managing brands varied the least among interviewees. The short-term focus and transactional leadership style were seen as disadvantages in both service and product organizations. Therefore, most of the interviewees emphasized that sales managers cannot be responsible for branding. In terms of services, sales managers tend to get involved and be interested in too detailed things and do not understand that from the perspective of customer, there is only one brand, the company brand. The lack of academic marketing education was discovered as a disadvantage in both service and product organizations. One of the most interesting findings was the fact that the advantage of sales managers obtaining information from the market may become a disadvantage. Too intensive following of the competitors and identifying with their values and sources of differentiation seem to lead in diluting the brand equity. It appears also that sales managers have a tendency to accede to customers' requests for sponsorships and this can lead to high costs and questionable benefits.

Organizational culture, structure and size

According to the findings, organizational culture, structure and organizational size seem to have an effect on who is assigned to branding. The effect of organization size and the scope of business on brand management seem, however, contradictory. While some interviewees stated that the coordinated view for managing brands is required because of a large organization, some argued that the empowerment of sales managers is essential for the same reason. The responsibilities of a sales manager and brand manager were even assigned to the same position due to a small organization size. According to the interviews, innovative culture seems to be related to the empowerment of employees. According to the literature review, innovative culture, in turn, is said to have a positive effect on brand performance. However, the empowerment of sales managers making branding decisions is not supported by several interviewees. In terms of an organizational structure, there is no right structure for managing brands. All that matters is that the structure works for the way brand management is conducted. While for some organizations it seems that a line organization is a proper structure, for the others it is not. In other words, some organizations see that brand management needs to be taken away from the operational level and the others are moving towards unifying the positions of brand and sales managers.

Aspects of cooperation in the brand management process

Teamwork seems to be a highly appreciated and common factor in terms of how brand management is conducted in organizations. The importance of cooperation between brand and sales managers was acknowledged by every interviewee as well as the literature review. One of the reasons for cooperation is the objective of getting views closer to one another and unifying targets and objectives, in other words, building a shared culture. According to the findings, it seems that the level of cooperation varies across organizations to a certain extent. Sharing information seems to be the most important objective of teamwork and cooperation. Brand managers receive information on the market, competitors and feedback on customers from sales managers. This fact is acknowledged by both product and service organizations as well as the literature review. Because sales managers control product/service quality, inputs on successes and mistakes as well as innovative ideas for product/service development are shared. Positioning follow-up and data assessment appear to be conducted in cooperation for developing and evaluating the local implementation. This is acknowledged by the literature review as well. The cooperation activities that varied the most across interviewees were training and internal branding. While most of the interviewees argued that training and internal branding are conducted in cooperation with both managers, some argued that internal branding is only assigned to sales managers and brand training to brand managers. This seemed to be related to how hierarchical organizational structure and how large a company is rather than product-service continuum. The decisions on price matrixes and wholesale appear to be made in cooperation with both managers in product organizations. The cooperation limits sales managers' possibility to make price concessions. This is not, however, supported by service organizations because of the complexity of service pricing.

Teamwork seems to be productive and appreciated in managing brands. Different objectives and levels of concepts, lack of communication and overlapping job description appear to cause

misunderstandings and disagreements between the managers. In case issues cannot be solved, cases are taken to top management and CEO.

The role of a brand manager

Since brand management seems to be implemented as teamwork in many organizations, brand-related tasks appear to be divided among several managers. In many organizations brand boards seem to be formed for formulating brand strategies and guidelines, visions, brand elements and positioning of the brand. Brand managers are responsible for creating visual identity, brand architecture and POPs and PODs. In terms of brand training, only one brand manager from a product organization acknowledged to be assigned for it. The level of responsibility for marketing communications seems to vary across product and service organizations. While in product organizations marketing communication seems to be conducted mainly as teamwork, in service organizations it appears that marketing communication is the main responsibility of a brand manager. Marketing communication was even said to be the old brand management function in a service organization. This is in line with the covered importance of creating and communicating strong corporate associations for service branding. The level of involvement in product/service development seems to vary across service and product organizations. According to the service organizations, brand managers have only indirect role in service development if at all. It also appears that creating associations and monitoring perceptions and impressions are increasingly important in service organizations. In these responsibilities brand managers have the final word due to the support of the top management. However, the literature review argues that brand managers should be more involved in new product development, assessing other forms of communications and establishing brand loyalty and pricing to which brand managers have only a limited contribution.

The role of a sales manager

Both product and service organizations acknowledged the importance of sales managers being ambassadors and intermediating information about the market and customers. It appears that sales managers have a remarkable role in generating post-consumption associations and post-marketing, in other words, in the creation of brand loyalty in both product and service organizations. In terms of services and high involvement products it seems that sales managers have an essential role in providing the first perception of the brand. In many organizations sales managers have the final word on how internal branding is implemented, and this is an essential activity because sales managers are in close contact with customers. The final determination of prices seems to be left to sales managers in product organizations because of the proximity of the market, the responsibility of profit and loading of the production unit. However, this role was not acknowledged by service organizations. Especially, the complexity of pricing banking and insurance services was seen to be a reason for this. The findings also acknowledged sales managers' final word in choosing distributors and retailers in both service and product organizations. In terms of the final determination of prices and distributors, the final word varies even across different brands within a firm.

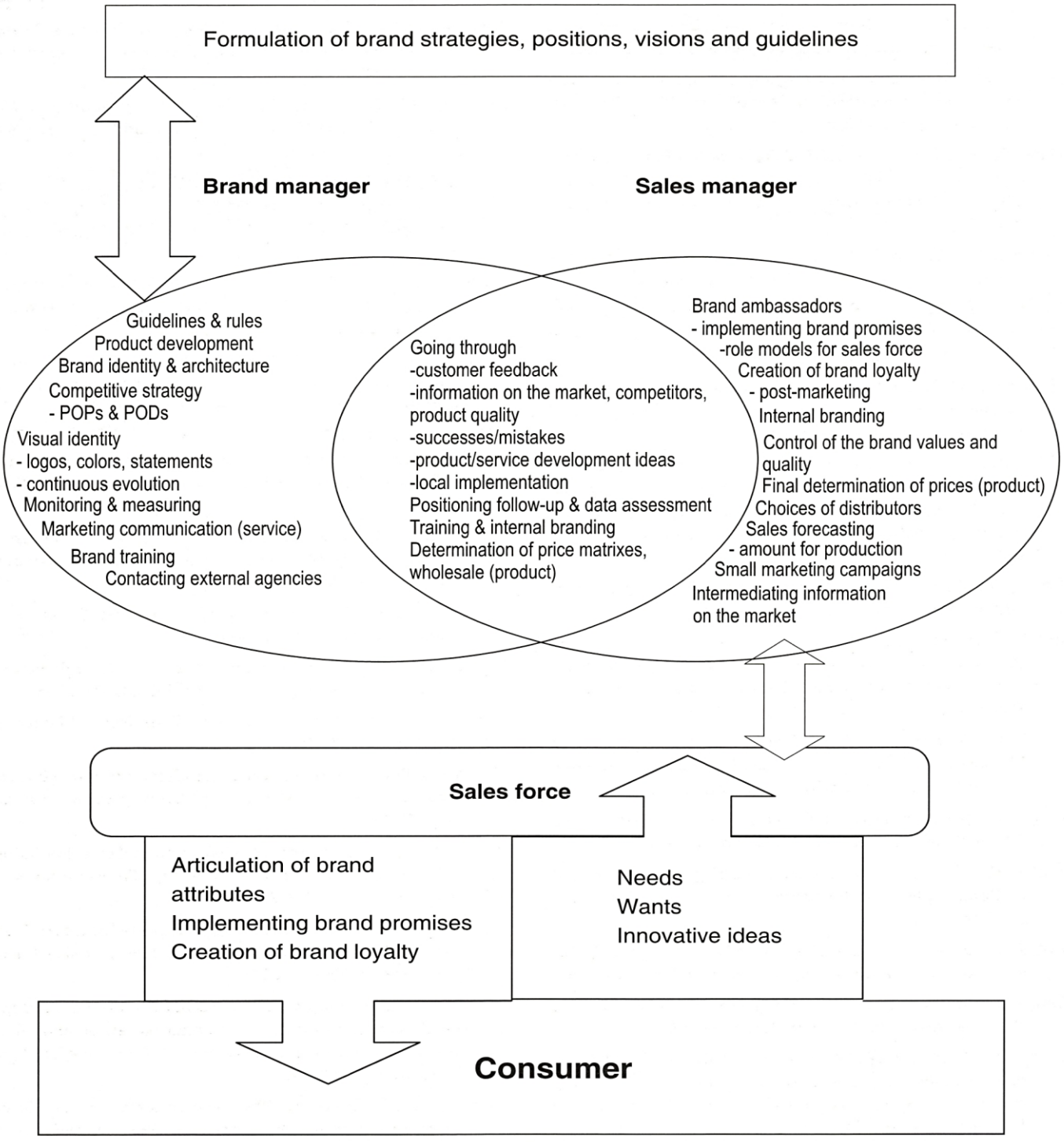
Suggestions for further research

Sufficient amount of data was collected from ten different SMEs. In order to validate the findings and even obtain more perspectives from an international stand point, more research could be conducted in different companies, industries and countries. In other words, the effect of different types of industries as well as different countries on the research findings could be discovered. In addition, the validity of the issues which was not supported either by the literature review or the findings could be discovered. Also with a larger and more international sample the effect of organizational culture, structure and age on the roles of brand managers and sales managers could be discovered.

Comparing B2C business and B2B business regarding the research would also be interesting to investigate. The way in which brand management is carried out, the choice of a manager assigned to branding, the roles and characteristics of brand and sales managers in B2B and industrial environment could be researched. The level of cooperation between the managers and the roles in B2B business could be compared with the findings of this paper.

In conclusion, who should manage a brand? While the most obvious answer would be the brand manager, the role of a sales manager cannot and should not be overlooked especially in SMEs. As per our framework and findings, an integrated management that focuses on the commonly agreed outcomes would go a long way in achieving success.

Figure 3: The Brand Management Process, Top Management and CEO



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