Asymmetric Effect of Distribution Intensity on Marketing Performance: The Moderating Role of Brand Awareness

Hsiu-Wen Liua,*, Heng-Chiang Huangb, Yu-Li Linć

aDepartment of Business Administration, Soochow University, Taiwan
bDepartment of International Business, National Taiwan University, Taiwan
cDepartment of Business Administration, Southern Taiwan University, Taiwan

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Abstract

We study the effectiveness of brand awareness, distribution intensity, and their interaction effects on consumer heart share and market share. Data collected from both retailers and consumers in the consumer electronics shopping centers are used to test the conceptual framework. The empirical results show that consumer heart share is positively related to brand awareness. Market share is positively related to distribution intensity and brand awareness. In addition, the results also show that brand awareness can moderate the effects of distribution intensity on marketing outcomes. Managerial implications and future research avenues are also discussed.

Keywords: Consumer heart share, distribution intensity, brand awareness

1. Introduction

Companies usually face the question “how can we allocate marketing resources appropriately?” as they are eager to find out whether they are over- or under-spending on advertising or trade promotion. In general, firms have two resource allocation strategies: (a) “Push” strategy, such as an effort to increase distribution intensity, makes use of a company’s sales force and trade promotions directed at channel intermediaries who are supposed to carry and promote products to end users (Olver and Farris, 1989), and (b) “Pull” strategy, such as an effort to increase brand awareness, involves activities directed at consumers in order to attract them to retailers for purchasing the product (Kotler et al. 1999; Olver and Farris, 1989). The success of a company is greatly influenced by how these efforts are combined? In this article, we want to investigate the contingency relationship between distribution intensity and brand awareness on two marketing outcomes: market share and consumer heart share.

A decision to increase market share may be extremely valuable in the long run (Catry and Chevalier, 1974). Such a strategy can generate temporary positive feedback during product introduction (Bronnenberg et al., 2000), achieve economies of scale, or be instrumental to the signalling of market leadership. Studies related to the Profit Impact of Market Strategy (PIMS) reveal that profitability often rises with relative market share. Businesses with market shares over 40% usually earn an average ROI (return on investment) of 30%, which is three times that of those businesses with market shares under 10% (Schoeffler et al., 1974; Buzzell et al., 1975). However, some studies have criticized PIMS findings (Hamermesh et al., 1978; Woo and Cooper, 1982; 1984), while others show that there is a V-shaped relationship between market share and profitability (Porter, 1980; Kotler, et al. 2003). Pennington (2003) pointed

* Corresponding author. E-mail: hsiuwen@scu.edu.tw
out that aiming at market share may lead to wrong decisions such as cutting margins to boost volume, killing brands to gain market share, and making bad acquisitions. For most firms, a strategy to grow consumer heart share is valuable for their long-term development because market share leadership may not lead to profit leadership. Consumers only pay a premium for high equity brands or for those which have provided them with a good experience. Although many marketers recognize the value of consumer heart share, few studies have probed into this issue (Day, 1989).

Therefore, in this study we try to analyze the impact of efforts devoted to increase brand awareness and distribution intensity on the performance of consumer heart share and market share. We are also concerned with the contingency relationship between brand awareness and distribution intensity on both marketing outcomes: consumer heart share and market share.

The structure of this article is as follows. First, we review the literature focusing on marketers’ strategies concerning marketing performance and propose the hypotheses of this study. Next, there is an empirical analysis to test our hypotheses. Findings of this study and the managerial implications are then discussed. In the final section, we point out the limitations and suggest future research opportunities.

2. Hypotheses

2.1 Manufacturer’s influence on consumer heart share

Consumer heart share is the percentage of customers who choose this brand in response to the following statement “Name the company or brand from which you would prefer to buy the product (Kotler et al., 2003), and it denotes the emotional relationship between a consumer and a particular brand product, retailer, or service provider (Day, 1989). Share of consumer’s heart has been regarded as a leading index of a firm’s future profit because it’s highly associated with positive word of mouth and brand loyalty that are essential for the marketers who want to build a stronger customer relationship (Verhoef, 2003). According to Aaker (1991), brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. The level of brand awareness can be measured by (a) aided brand recall, (b) aided or unaided brand reorganization, and (c) first-named brand. Each method can be used to represent levels of brand awareness. Marketers frequently rely on advertising to obtain brand awareness. Studies of advertising also suggest that the effects of advertising on consumers can be broadly classified into three main effects: a current effect on behaviour, a carryover effect on behaviour, and a non-behaviour effect on attitude and memory (Mela et al., 1997; Pechmann and Stewart, 1988; Sawyer, 1981; Sawyer and Ward, 1976). A firm’s advertising activities achieve its brand awareness, and ultimately a share of heart and market (Saloner et al., 2001), so we posit:

\[ H1: \text{Consumer heart share is positively related to a firm’s brand awareness.} \]

The use of too few intermediaries can limit a brand’s level of exposure in the marketplace but too many intermediaries might be harmful to the perception of the brand’s exclusivity (Frazier and Lassar, 1996). Consequently, Stern et al. (1996) stated that “one of the key elements of channel management is deciding how many sales outlets should be established in a given geographic area.” Distribution intensity has been defined as the number of intermediaries used by a manufacturer within its trade areas (Bonoma and Kosnik, 1990; Corey et al., 1989; Stern et al., 1996). Yoo et al. (2000) found that perceived quality of a brand is positively related to the extent to which the brand is available in stores. To increase in the intermediaries, manufactures regularly have to spend money on trade allowances, or slot premiums to put their product on the shelf. The fact that a brand is carried by many stores may itself become a signal of its quality, so we infer that:
H2: Consumer heart share is positively related to a firm’s distribution intensity.

2.2 The asymmetric distribution effect on consumer heart share

While an increase in distribution intensity may have a positive effect on consumer heart share, the effectiveness of each firm may differ. Firms with low brand awareness may find that they can increase their consumer heart share by increasing distribution intensity, whereas firms with high brand awareness may find that increasing their consumer heart share by increasing distribution intensity is ineffective. We name this phenomenon asymmetric distribution effect on consumer heart share. According to agency theory (Bergen et al., 1992; Mishra et al., 1998), when a consumer who is not familiar with a brand sees that this brand displayed and promoted by many retailers, he might start to recognize this brand. The displayed offerings connected with this product may be valued by some consumers (i.e. promotion, warranty or word-of-mouth). In this case, the agency relationship happens (Bergen et al., 1992). The consumer (the principal) does not have complete information about this product, and the seller (the agent) might have incentive to provide limited information for his or her self-interest. Conversely, if brand awareness is high, perceived product differentiation is large; this would make consumers less responsive to other offerings (Mela et al., 1998). We name this phenomenon asymmetric distribution effect on consumer heart share which means the strategy to invest in distribution intensity to raise consumer heart share becomes ineffective as brand awareness rises, and posit the following:

H3: The effectiveness of distribution effort on consumer heart share depends on a firm’s brand awareness. When brand awareness is low, increasing distribution efforts has a positive effect on consumer heart share. When brand awareness is high, this effort becomes ineffective.

2.3 Manufacturer’s influence on market share

Manufacturers can influence their market share through distribution or branding strategy. One of the most commonly used branding strategies is advertising. For the past four decades, modelers have tried to estimate the effects of advertising on brand sales (e.g. Leone and Schultz, 1980; Assmus et al., 1984; Leone, 1995; Vakratsas and Ambler, 1999). These offers are demand effects of marketing mix in that they are direct attempts to create purchase intention. On the other hand, manufacturers can also directly influence retailers with various marketing mix strategies (Rao and McLaughlin, 1989) such as trade allowances, slot premiums, and advertisements in trade publications. These offers are supply effects of marketing mix in that they are direct attempts to create distribution (Bronnenberget al., 2000). A study finds that the higher the average distribution intensity (i.e. percentage of the retail outlets selling the product), the higher the new product’s trial probability (Steenkamp and Gielens, 2003). Moreover, a strong brand name commanding high sustained advertising expenditure, creating high levels of awareness and positive associations, combined with distribution intensity as well as feature and display efforts can all act as a signal for the quality of a product (Milgrom and Roberts, 1986). Consumers frequently rely on these signals to infer the product’s quality (Milgrom and Roberts, 1986); the rationale behind these signals is that the firm spending money in advance will be expected to recover it through future sales (Kirmani and Rao, 2000). If the firm cheats on its assurance, marketing investments will be lost (Steenkamp and Gielens, 2003). Based on the above inference, we posit that:

H4: Market share is positively related to a firm’s brand awareness.

H5: Market share is positively related to a firm’s distribution intensity.

2.4 The asymmetric distribution effect on market share

The asymmetric effect of marketing mix on market share has been dealt with by several studies. Blattberg and Wisniewski (1989) introduced the conception of asymmetric price
effect which asserted that price promotion by a higher quality brand draws significant market share from lower quality brands, while price promotion by a lower quality brand has much less effect on higher quality brands. This issue has elicited much theoretical and empirical support for this phenomenon (e.g. Allenby and Rossi, 1991; Hardie et al., 1993; Sethuraman, 1995; Sivakumar and Raj, 1997). Sethuraman et al., (1999), and Sethuraman and Srinivasan (2002) are review works on this topic. The finding of asymmetric price effect thus can help to explain how brand awareness moderates the effect of price promotion on market share. Even so, few studies have investigated the contingency relationship between brand awareness and distribution intensity on market share; this study thus tries to fill this gap. According to information economics, the degree of information asymmetry will be lower when brand awareness is high; consequently, it will be more effective for a manufacturer to increase its distribution intensity in order to increase market share. In this situation, consumers who want to buy a product and who are already familiar with this brand can compare price information more easily (i.e. less search cost), which will accelerate their purchase decision (Ferris et al., 1989). On the other hand, what will happen when a manager of an unknown brand just relies on a strategy to increase distribution intensity to influence market share? In this context, the degree of information asymmetry will still be very high, so that the consumer may hesitate to buy this brand. As a result, the effort devoted to increase distributors’ intensity becomes less beneficial.

According to the above discussion, we propose that the effort to establish the effect of distribution intensity on market share is asymmetric. Firms with higher brand awareness are more effective than firms with lower brand awareness when they devote their efforts in distribution intensity. We call this phenomenon asymmetric distribution effect on market share, and propose the following hypothesis:

\textit{H6: The effectiveness of distribution effort on the market share depends on a firm’s brand awareness. When brand awareness is high, increasing distribution effort has a positive effect on market share. When brand awareness is low, this effect becomes less effective.}

The preceding conceptualization and the limited empirical evidence suggest several direct relationships among brand awareness, distribution intensity, and their interaction effect on consumer heart share and market share. Figure 1 shows the conceptual framework and hypotheses.

![Figure 1. Conceptual framework and hypotheses.](image_url)

3. Methods

The strengths of this research include its matched (paired) design. It is a cross-sectional analysis of different brands within an industry from both the consumer’s and retailer’s
3.1 Measurement

On the basis of items used in the literature and the definitions established in our research, the variables are measured as follows:

Distribution intensity: percentage of the retail outlets selling this brand (Steenkamp and Gielens, 2003). An example of the question item is “In the xxx product category, brands sold during last year include? (Multiple choice)”

Brand awareness: percentages of consumers who think this brand is the most famous brand. This measure is based on the aided first-named brand method in measuring brand awareness (Aaker, 1991). An example of the question item is “In the xxx category, which brand is the most famous brand?”

Consumer heart share: percentage of consumers who want to purchase this brand if he/she should buy a product now (Kotler et al. 2003). An example of the question item is “In the xxx category, which one would you want to purchase?”

Market share: percentage of the retail outlets pointing out this brand is the best selling brand. An example of the question item is “In the xxx product category, the best selling brand during the last year is?”

3.2 Sample and data

This survey investigates in five major consumer electronic shopping centers in Taiwan. A sample of 2,500 consumers was randomly chosen when they came into these shopping centers, and cluster samples of each shopping centers with stratified sample design were used to ensure that the population could be adequately and accurately represented in this sample. Every store in each shopping mall (totaling 457 stores) was invited to take this survey. The samples included Taipei, Taoyuan, Shinchu, Chungli, then Taichung, and the proportion rate for each location was 3: 2: 2: 2: 3.

A matched-paired design framework was administered for getting opinions from both sellers and consumers respectively. This survey investigated different product categories in the consumer electronic industry, including printers, motherboards, CPUs, etc. A brand in a specific product category was the unit of analysis. Each participant was given either money or a gift as an incentive for participation. They had to answer questions across eighteen major product categories for measuring brand awareness and consumer heart share for each brand. Retailers also had to answer questions across the categories for measuring distribution intensity and market share. The survey process was conducted by a celebrated international research company at the end of 2003. This study collected a total of 2,167 consumers (1,409 men and 758 women) and 439 retailer managers’ opinions for analysis. The descriptive statistics and the Pearson correlations coefficients for each variable are shown in Table 1.

Table 1. Variable means, standard deviations and intercorrelations.

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Consumer heart share</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Market share</td>
<td>0.72**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Brand awareness</td>
<td>0.94**</td>
<td>0.77**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>4. Distribution intensity</td>
<td>0.55**</td>
<td>0.67**</td>
<td>0.50**</td>
<td>1</td>
</tr>
<tr>
<td>Mean</td>
<td>27.37</td>
<td>29.95</td>
<td>27.84</td>
<td>62.49</td>
</tr>
<tr>
<td>Standard deviation</td>
<td>14.18</td>
<td>21.11</td>
<td>16.73</td>
<td>17.84</td>
</tr>
</tbody>
</table>

Notes: + p < .10, * p < .05, ** p < .01, *** p < .001 (2-tailed test).
3.3 Methodology

To assess the effect of brand awareness, distribution intensity, and their interaction effect on consumer heart share and market share, we used hierarchical regression to test hypotheses, and also used the method provided by Aiken and West (1991) for testing and interpreting the interaction effect in multiple regression. The structure of hierarchical regression model is as follows:

**Consumer heart share model**

Model 1 Base Model: Consumer heart share = $a_1 + \alpha_1$ Brand awareness + $\varepsilon_1$.

Model 2 Distribution intensity is included: Consumer heart share = $a_2 + \alpha_2$ Brand awareness + $\gamma_2$ Distribution intensity + $\varepsilon_2$.

Model 3 Interaction effect is included: Consumer heart share = $a_3 + \alpha_3$ Brand awareness + $\gamma_3$ Distribution intensity + $\theta_3$ Brand awareness × Distribution intensity + $\varepsilon_3$.

**Market share model**

Model 4 Base Model: Market share = $b_4 + \beta_4$ Brand awareness + $\varepsilon_4$.

Model 5 Distribution intensity included: Market share = $b_5 + \beta_5$ Brand awareness + $\delta_5$ Distribution intensity + $\varepsilon_5$.

Model 6 Interaction effect included: Market share = $b_6 + \beta_6$ Brand awareness + $\delta_6$ Distribution intensity + $\kappa_6$ Brand awareness × Distribution intensity + $\varepsilon_6$.

Models 1-3 will be used for testing hypotheses H1-H3. Models 4-6 will be used for testing hypotheses H4-H6.

4. Results

Table 2 shows the results of hierarchical regression analysis of the direct and interaction effect of brand awareness and distribution intensity on consumer heart share. The data were analyzed using multiple regression. To facilitate comparisons and reduce any collinearity between the interaction coefficients and their constituent terms, independent variables were standardized prior to analysis following procedures outlined by Friedrich (1982). In **Hypothesis 1**, we assumed that consumer heart share is positively related to brand awareness. The coefficient of brand awareness on consumer heart share across three models are all positive (i.e., $\alpha_1 = 13.36, p < .001$, $\alpha_2 = 12.64, p < .001$, $\alpha_3 = 14.11, p < .001$), which supports H1. In Model 2, the positive and partially significant effect (i.e., $\gamma_2 = 1.43, p = 0.061$) of distribution intensity seems to partially support Hypothesis 2. However, when the interaction variable is included, this effect terms to insignificant (i.e., $\gamma_3 = 0.99, p = .161$). Changes in F-value is significant (i.e. F changes = 10.68, $p < .001$) when interaction effect was included (we suggest to include this effect). Thus, our inference will be based on model 3 that shows **Hypothesis 2** isn’t supported. The coefficient of interaction effect is negative (i.e. $\theta_3 = -1.74, p < .01$) which supports **Hypothesis 3** and shows the moderating role of brand awareness as well as the asymmetric distribution effect on consumer heart share. The contingency relationships between distribution intensity and consumer heart share are shown in Figure 2 (a). In this figure, we see a slightly negative relationship between distribution intensity and consumer heart share when brand awareness is high. This means that for a brand with high awareness level, engaging in distribution intensity might slightly decrease consumer heart share; this effect might be due to the need for uniqueness effect (Simonson and Nowlis, 2000) that some consumers prefer to seek uniqueness in a brand. Based on results discussed above, we conclude that investment in distribution intensity on consumer heart share is effective only when brand awareness is low.
Table 2. Hierarchical regression results.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th></th>
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<th>Model 2</th>
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<th>Model 3</th>
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<tbody>
<tr>
<td></td>
<td>β</td>
<td>t-value</td>
<td>p-value</td>
<td>Std. β</td>
<td>β</td>
<td>t-value</td>
<td>p-value</td>
<td>Std. β</td>
<td>β</td>
</tr>
<tr>
<td>Constant</td>
<td>27.37</td>
<td>41.86</td>
<td>.000</td>
<td>.000</td>
<td>27.37</td>
<td>42.92</td>
<td>.000</td>
<td>.000</td>
<td>28.23</td>
</tr>
<tr>
<td>Brand awareness</td>
<td>13.36</td>
<td>20.24</td>
<td>.000</td>
<td>.94</td>
<td>12.64</td>
<td>16.97</td>
<td>.000</td>
<td>.89</td>
<td>14.11</td>
</tr>
<tr>
<td>Distribution intensity</td>
<td>1.43</td>
<td>1.91</td>
<td>.061</td>
<td>.10</td>
<td>.99</td>
<td>1.42</td>
<td>.161</td>
<td>.07</td>
<td>-1.74</td>
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<tr>
<td>Brand awareness × Distribution intensity</td>
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<td></td>
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<td></td>
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<td></td>
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<tr>
<td>( R^2 )</td>
<td>0.887</td>
<td></td>
<td></td>
<td>0.895</td>
<td></td>
<td></td>
<td>0.913</td>
<td></td>
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<tr>
<td>Adjusted ( R^2 )</td>
<td>0.885</td>
<td></td>
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<td>0.885</td>
<td></td>
<td></td>
<td>0.908</td>
<td></td>
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<tr>
<td>F-value</td>
<td>( F(1,52) = 409.69^{***} )</td>
<td></td>
<td></td>
<td>( F(2,51) = 217.16^{***} )</td>
<td></td>
<td></td>
<td>( F(3,50) = 175.81^{***} )</td>
<td></td>
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<tr>
<td>Incremental ( R^2 )</td>
<td>0.008</td>
<td></td>
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<td></td>
<td>0.018</td>
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<tr>
<td>F Change for incremental ( R^2 )</td>
<td>3.66*</td>
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<td></td>
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<td>10.68***</td>
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B: Dependent variable: Market share

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 4</th>
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<th>Model 5</th>
<th></th>
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<th>Model 6</th>
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<tbody>
<tr>
<td></td>
<td>β</td>
<td>t-value</td>
<td>p-value</td>
<td>Std. β</td>
<td>β</td>
<td>t-value</td>
<td>p-value</td>
<td>Std. β</td>
<td>β</td>
</tr>
<tr>
<td>Constant</td>
<td>29.95</td>
<td>16.02</td>
<td>.000</td>
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<td>29.95</td>
<td>16.02</td>
<td>.000</td>
<td>.000</td>
<td>28.61</td>
</tr>
<tr>
<td>Brand awareness</td>
<td>16.14</td>
<td>8.56</td>
<td>.000</td>
<td>.77</td>
<td>12.16</td>
<td>6.39</td>
<td>.000</td>
<td>.58</td>
<td>9.87</td>
</tr>
<tr>
<td>Distribution intensity</td>
<td>7.93</td>
<td>4.16</td>
<td>.000</td>
<td>.38</td>
<td>8.61</td>
<td>4.55</td>
<td>.000</td>
<td>.41</td>
<td>2.71</td>
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<tr>
<td>Brand awareness × Distribution intensity</td>
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<tr>
<td>( R^2 )</td>
<td>0.585</td>
<td></td>
<td></td>
<td>0.690</td>
<td></td>
<td></td>
<td>0.710</td>
<td></td>
<td></td>
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<tr>
<td>Adjusted ( R^2 )</td>
<td>0.577</td>
<td></td>
<td></td>
<td>0.678</td>
<td></td>
<td></td>
<td>0.693</td>
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<tr>
<td>F-value</td>
<td>( F(1,52) = 73.259^{***} )</td>
<td></td>
<td></td>
<td>( F(2,51) = 56.801^{***} )</td>
<td></td>
<td></td>
<td>( F(3,50) = 40.901^{***} )</td>
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<tr>
<td>Incremental ( R^2 )</td>
<td>0.105</td>
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<td>0.020</td>
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<tr>
<td>F Change for incremental ( R^2 )</td>
<td>17.333***</td>
<td></td>
<td></td>
<td>3.510*</td>
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</table>

Notes: N = 54; Std. β means standardized coefficient; independent variables are standardized using Friedrich (1982) procedure for reporting standardized coefficients with interactions; all variance inflation factors are < 2, indicating minimal collinearity among independence variables; significance levels are two-tailed; \( \dagger p < .10 \), \( * p < .05 \), \( ** p < .01 \), \( *** p < .001 \).
Results Table 2B shows the hierarchical regression analysis of the direct and the interaction effects of brand awareness and distribution intensity on market share. In Hypothesis 4, we assumed that market share is positively related to brand awareness. Results in the three models all confirm our Hypothesis H4 (i.e., $\beta_4 = 16.14, p < .001$, $\beta_5 = 12.16, p < .001$, $\beta_6 = 9.87, p < .001$). The positive effects (i.e., $\delta_5 = 7.93, p < .001$, $\delta_6 = 8.61, p < .001$) of distribution intensity in Model 5 and Model 6 tell us that engaging in distribution intensity has a strong and positive effect on gaining market share. After including the variable of distribution intensity, the changes in F value is significant (F changes = 17.333, p < .001), which also suggests including distribution intensity in our model so that Hypothesis 5 is confirmed. Finally, the interaction of brand awareness and distribution effort has a positive effect (i.e., $k_6 = 2.712, p = 0.047$) on market share. This result supports Hypothesis 6. After including the interaction, the change in F value equals 3.510 (p = 0.047), and hence our inference will be based on Model 6. The empirical results show that the effectiveness of distribution intensity on market share depends on a firm’s brand awareness. When brand awareness is high, increasing distribution effort has a strong and positive effect on increasing market share. When brand awareness is low, this effect becomes less effective. The contingency relationships between distribution effort and market share are shown in Figure 2(b).

Figure 2(a). Asymmetric distribution effect on consumer heart share.

Figure 2(b). Asymmetric distribution effect on market share.

Figure 2. Asymmetric distribution effect.
5. Discussion

The implications of this research entail the contingency relationship between brand awareness and distribution intensity in influencing consumer heart share and market share. The findings provide evidence of asymmetric distribution effects on both marketing outcomes and contribute to the theory of asymmetric effect of brand competition. Investing in brand awareness is found to be valuable because of its strong and positive relationship with consumer heart share. On the other hand, it is only when brand awareness is low that distribution intensity increases consumer heart share; when brand awareness is high, it has almost no effect on consumer heart share. Therefore, if a brand manager wants to pursue a unique brand image, he should engage in investments in brand. Our analysis answers why most global brand managers prefer to use advertising in influencing the target segments. Alternatively, many consumer electronic firms in Taiwan distribute their products to retailers vigorously through financial support, high-power incentives, and so on. Since the quality of consumer electronic products is hard to verify during early product life cycle stages and consumers frequently rely on retailers’ advice, “distribution” strategy can work. Nevertheless, when products become mature, consumers are more informed and firms can no longer just rely on distribution strategy to increase sales.

Our results show strong and positive effects of brand awareness and distribution intensity on market share; as brand awareness increases, distribution effort becomes more effective; investment in both brand awareness and distribution intensity will increase market share.

5.1 Managerial implications

Given the fact that consumer heart share and market share are two primary goals of the marketing function, the findings of this study are notable. Results indicate that brand awareness is important for maintaining and increasing both consumer heart share and market share. Furthermore, the effect of distribution intensity on consumer heart share is heavily influenced by a firm’s brand awareness. Only when brand awareness is low does distribution intensity have a positive effect on consumer heart share. But distribution intensity has a positively strong effect on market share, and becomes most effective when brand awareness is high. Hence, it is a trade off decision. When brand awareness is high, an increase in distribution intensity might have no effect on consumer heart share but have strong positive effect on market share. The decision to increase or decrease effort on distribution intensity should accordingly depend on the positioning strategy of a product brand. In this study, we provide two suggestions for marketers: First, when pursuing a high price strategy, marketers should place more emphasis on brand image creation, but keep low distribution intensity and strictly select good distribution channels to provide the product. Second, when pursuing a market share strategy, marketers should invest in both brand awareness and distribution intensity. In many firms, the duties of brand and channel management may be assigned to different people or different departments. Similarly, marketing theorists have traditionally treated them as separate topics. Since two different marketing strategies can have interaction effects on different marketing outcomes, we suggest that managers reconsider their strategic decisions from an integrative perspective.

5.2 Limitations and future research

The strengths of this research include its matched-paired design. This design is suitable for us to examine the effect of marketing strategy on marketing performance. Nevertheless, this research has some limitations. First, when talking about the effectiveness of each marketing strategy, we did not consider the competitive reaction of other companies. One direction for further research is to include the influence of competitive reactions on marketing
outcomes. Second, while the research sample included 2,167 consumers and 439 sellers, providing valuable information, it was limited to the consumer electronic industry in Taiwan. Subsequent researches could expand the sample and examine the general viability of our hypotheses. A potential fruitful extension of this research would be the exploration of other marketing strategies, or through a longitudinal design (time series analysis) to study the effectiveness of each strategy and its contingency relationship. Additional research could focus on the goals of effective investing in marketing mix.

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