

The Research Centre of the Faculty of Economics
cordially invites you to a research seminar
on **Tuesday, 18th April 2017**
at **1 p.m.** in room **P-119**
at the **Faculty of Economics, University of Ljubljana**

Kardeljeva ploščad 17
SI - 1000 Ljubljana, Slovenia
Tel.: +386 1 5892 400
Fax: +386 1 5892 698
info@ef.uni-lj.si
www.ef.uni-lj.si

Authors: **asist. Katja Terglav, mag. posl. ved,**
prof. dr. Robert Kaše,
prof. dr. Maja Konečnik Ruzzier,
Faculty of Economics, University of Ljubljana

will present the article:

**“From employee brand knowledge to sales performance: A
multilevel study of internal branding process in the automotive
industry”**

“Organizations can build on brand differentiation by ensuring that frontline employees understand the brand and are able to deliver it in a consistent manner. Although the main objective of the internal branding process is to ensure brand-aligned behaviors of sales personnel, organizations’ ultimate goal of such encounters is sales increase. This study contributes to our understanding of the internal branding process at the employee level and its impact on sales results. Drawing on social learning theory, we develop and test a model linking employees’ brand knowledge to sales performance via brand-related behavioral mediators. We include employee in-role brand behavior, participation in brand development and customer-oriented extra-role behavior as crucial mediators. We also examine the cross-level interaction effect of brand class on the knowledge–behavior relationship. We postulate that the effect of employee brand knowledge on brand behaviors is stronger for higher class brands than for lower ones.

Using multi-level and multi-source data from automobile dealerships, 117 frontline employees and 35 supervisors participated in the study. Knowledge, in-role behavior and participation in brand development were measured with data obtained from employees, while employee’s customer-oriented behavior was assessed by supervisors, who also reported employee’s sales performance based on cars sold. To operationalize brand class, we categorized participating car brands in three groups: luxury brands, middle-class brands, and lower middle-class brands. Mediation model was assessed with path analysis controlling for the multilevel structure of the data, while moderation model was assessed with multilevel moderation analysis.

This study shows that knowledge indirectly and positively influences employees' sales performance, with in-role brand behavior and customer-oriented behavior as consecutive mediators. However, mediation through participation in brand development is not significant. Moreover, for luxury brands, the relationship between brand knowledge and extra-role brand behaviors is stronger than for lower class brands. Contrary to our hypothesis, the relationship between brand knowledge and in-role brand behavior does not vary across brand classes. We advance the existing literature by showing that internal branding makes significant contributions to an employee's sales performance and that luxury brands are more successful in building the brand among employees.”

You can register for the free seminar by phone (01) 58-92-490, or via e-mail:

research.seminars@ef.uni-lj.si by Monday, 17th April 2017.

You can find all information regarding future research seminars on following link:

http://www.ef.uni-lj.si/raziskovanje/seminarji_in_konference

We look forward to seeing you!

