



# Effects of Chinese consumers' relationship benefits and satisfaction on attitudes toward foreign fashion brands: The moderating role of country of salesperson



Yu Hua Choi, Ho Jung Choo\*

Department of Textiles, Merchandising and Fashion Design, Seoul National University, Seoul, Republic of Korea

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## ABSTRACT

The paper examines the various responses of consumers depending on the country of salesperson (COS) and to look into the effects that consumer–salesperson relationship benefits have on consumer satisfaction and brand attitude. The results suggest that consumers' perceived social benefit and functional benefit positively influenced their satisfaction with salesperson, and a significant positive effect of consumers' satisfaction with salesperson on consumers' brand attitude is found. This positive relationship was moderated by COS. These findings suggest that COS will serve as an important retail mix for global marketers. Other results and management implications are also discussed.

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## 1. Introduction

China's economy has experienced vigorous growth which has led to ever-increasing disposable income levels, thereby resulting in higher consumption of fashion products by Chinese consumers. China's fashion market is growing in both quantity and quality owing to the expansion of global fashion brands and the improved competitiveness of Chinese local brands. Many foreign fashion brands are entering China's fashion market. Global foreign fashion brands targeting the apparel market in China should find a niche market and strengthen their competitiveness by establishing a differentiated strategy.

Firms tend to build a strong relationship with customers as a means to obtaining a competitive advantage (McKenna, 1991). Maintaining customer relationship is an important method of earning profit under intense competition. Among various approaches for competitiveness, customer-oriented relationship marketing is attracting the most attention. Relationship marketing focuses on forming and maintaining a long-term relationship between companies and customers. Personal selling is essential in providing goods and services to the end-consumer and managing customer relationships (Solomon, 2009). From the company's point of view, service provided by personal selling is a major factor that differentiates it from its competitors. In personal selling, there is face-to-face mutual communication with the customer.

Therefore, the salesperson's communication skills and knowledge of the product is the major determinant of customers' understanding of the product and resulting satisfaction (Cho and Ku, 2002; Weitz and Bradford, 1999). In Korea, where Chinese tourists contribute great sales volume for fashionable goods, many department stores employ Chinese salespeople to serve Chinese visitors as a better way of communicating with customers (Chinese Tourists Around the World, 2014). However, despite its convenience, this can provide an unsatisfactory experience for customers who are seeking foreignness. This paradox can be explained through the concept of perception of relationship benefit: Chinese customers might prefer Chinese salespeople when they pursue functional benefits, such as convenience, but prefer Korean salespeople when pursuing social benefits, such as foreignness.

Previous studies related to salespeople focused on the salesperson's performance (Johlke and Iyer, 2013; Lam, 2012; Mariadoss et al., 2014; Valenzuela et al., 2014) and job satisfaction (Chang et al., 2006; Macintosh and Krush, 2014; Rast and Tourani, 2012). These studies mainly deal with financial products such as insurance, banking, or the service industry such as hotels and airlines. Furthermore, there is no previous research on the role of the salesperson's nationality. Considering the great importance of the salesperson in the clothing industry, there are limited relevant studies. Due to rapid globalization, fashion companies now face competition from diverse foreign products in the world market. The country of origin effect, defined as positive or negative effects that information about the manufacturing country has on consumers' evaluation and purchase of a given product (Elliott and

\* Corresponding author.

E-mail address: [chooho@snu.ac.kr](mailto:chooho@snu.ac.kr) (H.J. Choo).

Cameron, 1994), has been a popular research topic. Because a single product is often designed, developed, and manufactured in different countries, factors such as country of design and country of manufacture are also being discussed. In this context, this paper aims to study the country of salesperson (COS) as another important variable.

In addition, there are few studies on relationship benefits, especially in the fashion sector. Therefore, it would be meaningful to find out how relationship benefits in foreign brand stores affect consumer satisfaction and brand attitude in light of the salesperson's nationality, and whether the method of providing relationship benefits is appropriate for improving brand attitude.

This study aims to examine the various responses of consumers regarding the COS, and to observe and discuss the effects that consumer–salesperson relationship benefits have on consumer satisfaction and brand attitude. Fashion retail salespeople create the impression of clothing firms and fashion stores and at the same time play various roles, including making fashion-related suggestions to customers. This study will reveal the effect that COS has on this process. The results will also be useful for fashion retail firms in establishing effective salesperson management strategies.

## 2. Literature review and hypotheses

### 2.1. Relationship benefits

Gwinner et al. (1998) claimed that the relationship benefit is a consumer benefit from a long-term relationship and acts as an incentive for firms to maintain such relationships with consumers. The relationship benefit is also known as a benefit that companies and employees provide in order to maintain interaction with, encourage loyalty from, and retain the number of customers (Reynolds and Beatty, 1999). Beatty et al. (1996) argued that along with relationships with family members or friends, relationships with service providers also provide benefits that satisfy critical needs. Furthermore, the social and functional needs of customers contribute to the formation of relationships between salesperson and customer, and the salesperson's repetitive interaction with the customer based on confidence, friendship, and functionality induce the customer's loyalty toward the company and salesperson. According to Darden and Dorsch (1990), consumers gain benefits such as information about products and social interaction. In other words, the relationship with salespeople provides the benefit of fulfilling consumers' important desires.

In a previous study, Choi (2003) asserted that the relationship benefit affects the satisfaction of employees in the water purifier industry. Lee et al. (2002) conducted a study on the effect of relationship benefits on consumer satisfaction with and loyalty to hotel employees and restaurants. Literature relating to the fashion industry reports similar findings. Beatty et al. (1996) studied the relationship between the department store salesperson and customer, and classified the benefits that customers desire as functional and social benefits. Functional benefits are related to time saving, convenience, advice on fashion, and making a better purchase. Social benefits include the pleasure of a close relationship with the salesperson, having a good friend, and having a good time. Social benefits had a positive effect on satisfaction with the salesperson and loyalty, but functional benefits had a positive effect only on satisfaction with the salesperson. Regarding such satisfaction, functional benefits had a more significant effect than social benefits. Reynolds and Beatty (1999) also classified relationship benefits into functional and social relationships, and found that the relationships had a positive effect on satisfaction with the salesperson. Such positive satisfaction seems to have a positive effect on purchase intent. Patterson and Smith (2001)

studied cases in the United States and Thailand, and obtained empirical results that proved that relationship benefits increase repurchase intention. Kim and Rhee (2005) also found that the higher the perceived relationship benefits of fashion product consumers, the more positive their attitude.

In line with these studies, this study also classifies relationship benefits into functional and social benefits, and analyzes the effect that such benefits have on salesperson satisfaction. Therefore, we hypothesize

**H1.** *The perception of relationship benefits has a positive effect on satisfaction with the salesperson.*

**H1a.** *Functional benefit has a positive effect on satisfaction with the salesperson.*

**H1b.** *Social benefit has a positive effect on satisfaction with the salesperson.*

**H1c.** *Functional benefit and social benefit have a positive effect on satisfaction with the salesperson.*

### 2.2. Satisfaction with the salesperson

The main concept of marketing is satisfaction, which is “a psychological state when the expectation meet the consumers' feeling of their consumption experience” (Oliver, 1980). Fornell et al. (1996) conceptualized customer satisfaction as dependent on how closely the perceived quality and effectiveness of the product match up with consumers' expectations. Above all, consumers experience satisfaction through the overall experience with the store and the salesperson (Chang et al., 2006). Vincent et al. (2006) pointed out that an inappropriate service manner is the main trigger of shopping stress. This is why the salesperson who directly contacts the consumer is the most important factor when it comes to consumer satisfaction (Crosby et al., 1990).

Oliver (1980) hypothesized that customer satisfaction affects the attitude of the customer, and the influence of this attitude continuously affects repetitive purchase behavior. Oliver (1980) proved this hypothesis through experiments revealing that consumer satisfaction has a positive influence on attitude, which increases consumers' purchase intention and loyalty. Poujol et al. (2013) observed that satisfaction toward the salesperson has a positive influence on anticipation of future interactions and loyalty toward the firm. Chen (2012) found that the higher the satisfaction, the more positive the consumer's attitude and, subsequently, the higher the consumer's loyalty. Choi (2003) showed that satisfaction with the salesperson has a positive impact on company satisfaction. Kim (2005) found that in the hotel industry, beneficial relationships indirectly impacted the degree of loyalty by forming positive attitudes and switching cost.

The importance of the consumer's satisfaction with the salesperson on attitude and behavior was also confirmed in the fashion shopping context. Reynolds and Beatty (1999) found that satisfaction with the salesperson had a static relationship with company satisfaction, word of mouth, and the overall purchase of clothing. According to Beatty et al. (1996), the more satisfied consumers felt about the department salespeople, the more their satisfaction with the company increased, which also results in positive word of mouth and purchase intention. The higher the satisfaction with fashion clothing store salespeople, the higher the consumer's satisfaction, and this also has a positive effect on store loyalty (Cho and Ku, 2002).

Many of the aforementioned studies have given insights about the salesperson's satisfaction difference in building attitudes toward brands. Michell and Olson (1981) define brand attitudes as consumers' overall evaluation of a brand, and anything linked in

memory to a brand. Semantic differential scales measuring brand attitudes have frequently appeared in marketing literature (Low et al., 2000), typically as the dependent variable in research on product or advertising affects. Consumer attitudes toward brands capture another aspect of the meaning consumers attach to brands in memory, which affects their purchase behavior.

In this study, we will examine the overall process of how the consumers' perception of relationship benefits influences foreign brand attitude by satisfaction with the salesperson as the mediator. Therefore, we hypothesize

**H2.** *Satisfaction with the salesperson has a positive effect on brand attitude.*

**H3a.** *The perception of relationship benefits has a positive effect on brand attitude.*

**H3b.** *Functional benefit has a positive effect on brand attitude.*

### 2.3. Salesperson's effect

The salesperson is the most important factor in promoting the customer's purchase. Whether consumers' attraction to a certain product leads to purchase or not depends on how well the salesperson explains the benefits of the product (Cho and Ku, 2002; Mariadoss et al., 2014). In addition, consumers associate the impression of the salesperson with the impression of the store or product. A good impression of the salesperson can form a positive image of the product and store, which subsequently induces the consumer's purchase (Na, 2010; Gulmira, 2004).

Most of the exchanging relations cannot be explained purely in economic terms due to the fact that personal sales involve face-to-face contact between the salesperson and the customer (Tam and Wong, 2001). According to Darden and Dorsch (1990), a customer-salesperson relationship arises when there is a series of interactions between them. In such bilateral relations, similarities shared between the two parties catalyze the generation of trust (Kanter, 1993). Hence, a study of a salesperson's role needs to differentiate between similarity of the salesperson and the brand and similarity of the salesperson and the customer.

In his study of professionals and housewives, Gulmira (2004) found that the more similar the salesperson and brand image, the higher the consumer's inclination to purchase. He also confirmed that the salesperson's impression had a bigger effect on purchase than the details of the product. Na (2010) found that brand identification and personal identification had a positive effect on consumer preference. This implies that consumers will have a more positive attitude if there is a stronger association between the salesperson, who represents the brand image, and the brand itself. Hulland (1999) uses the term country of brand (COB) to refer to the nationality of the company that owns the brand, and shows that the brand name itself plays a critical role in consumers' decision-making. As a result, we expect that the similarity of COS and COB will lead to a more positive consumer reception.

However, some studies report that customers' positive attitudes are related to the strength of similarities between the salesperson and the customers themselves. According to Crosby et al. (1990), when the appearance, lifestyle and socio-economic status of the salesperson is similar to the customer's conditions, the sales effectiveness increases. Customers tend to show more trust in shop managers that appear more similar to themselves, and while they also valued the salesperson's sense of fashion, they placed greater value on a personal and comfortable relationship (Ahn, 2001). Furthermore, Pinkaeo and Speece (2002) investigated expectations of service quality toward life insurance across service brand origin, design origin, and nationality of service provider (i.e., sales representatives). This study showed that generally, consumer

expectations were significantly affected by brand origin, nationality of sales reps, and service familiarity, and Thai sales reps had the highest consumer expectations, followed by US and Indian sales reps, respectively. The intention to buy is significantly greater when the sales presentation is made by a salesperson from the target country rather than by a salesperson from the product country of origin (McGee and Spiro, 1991). This concluded that a salesperson who is a native of the target country is preferred over one from the product country of origin. Our study has showed that consumers prefer a local salesperson to one who shares the brand's nationality. This implies that consumers are more likely to purchase the product when the COS and the country of customer (COC) coincide.

Many previous studies have evaluated the salesperson's effect on consumer response in relation to the product brand, but studies that considered the COS are nonexistent. However, this is an important issue, and should be addressed as an important variable in the relationship between salesperson and brand. The present study predicts that the COS of Korean fashion brands targeting consumers in China will affect sales.

With these previous studies in mind, salesperson-brand and salesperson-customer similarities in terms of nationality can be expected to show the following relation: when COS and COB are the same, the brand image will be strengthened, appear more exotic, and lead to social benefits associated with foreignness (Reynolds and Beatty, 1999). On the other hand, when COS and COC are the same, information will be delivered more efficiently, the customer will feel more comfortable, and there will be functional benefits associated with convenience (Reynolds and Beatty, 1999). Therefore, we hypothesize

**H4.** *The country of salesperson (COS) moderates the positive relationships among relationship benefits, satisfaction with the salesperson, and brand attitude.*

## 3. Methods

### 3.1. Data collection

This research aims to study the responses of Chinese consumers toward Korean fashion brands. The main research purposes are to find out (1) whether relationship benefits affect satisfaction with the salesperson and brand attitude, and (2) whether the COS affects this kind of process. According to the hypothesis development, the research model is summarized in Fig. 1.

In order to test the proposed hypotheses, an on-line survey was conducted with Chinese people who live in China. Once he or she agreed to participate to the study, the participant was asked to select the preferred nationality of the salesperson with whom they want to interact at a Korean fashion store. The on-line survey with scenarios was conducted over the course of one month (January 2014) within all regions of China. A total of 300 respondents were chosen for analysis, of whom 150 selected a Chinese salesperson and 150 selected a Korean. These data were collected from an on-line survey tool (<http://snu.az1.quatrics.com>), which is the industry-leading provider of online survey software. The data for this study were analyzed using SPSS 18.0 and AMOS 18.0.

### 3.2. Measures

The following scenarios were presented in advance to taking the survey. "Imagine that you visited a famous Korean fashion brand shop to buy fashion items." An imaginary Korean fashion brand name was used to control for brand effect because using an actual brand name may have triggered memories of personal

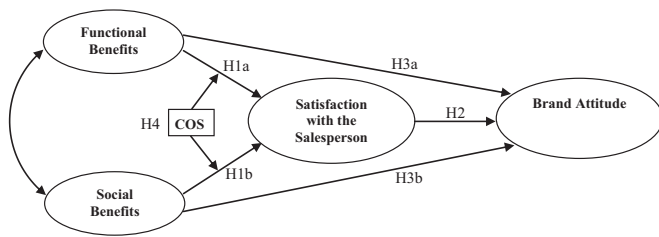


Fig. 1. The proposed research model.

experiences, perceptions, or attitudes toward the actual brand, which could affect the research results. The survey respondents were asked to assume that they were visiting a Korean fashion brand shop and choose either “I wish most of the salespersons were Chinese” or “I wish most of the salespersons were Korean.”

In performing this research, the principle was to use measurement items that were used in previous studies which have proven reliability and validity. According to the selection of Chinese salesperson or Korean salesperson, there are two kinds of survey processes with the same variables. Thus, this study changed several wordings to accommodate the preferred type of salesperson, such as “I benefit from the convenience that my Chinese salesperson provides me” and “I benefit from the convenience that my Korean salesperson provides me” in the functional benefits variable.

To measure the relationship benefits the Chinese consumers perceived, four functional benefit questions and four social benefit questions were adopted from the study of Reynolds and Beatty (1999). Four questions measuring satisfaction with the salesperson were adapted from Ganesan's (1994) study. Brand attitude was measured by the degree of emotional attitude consumers felt using items developed by Low et al. (2000), including “good,” “pleasant,” “beneficial,” and “valuable.” All the items were measured on a five-point Likert scale.

The respondents who chose a Chinese salesperson took the survey constructed with questions concerning relationship benefits and satisfaction with Chinese salespeople in Korean fashion brand shops, while respondents who chose a Korean salesperson took the survey constructed with questions concerning relationship benefits and satisfaction with Korean salespeople in Korean fashion brand shops. The role of the COS can be examined by comparing those two processes.

## 4. Results

### 4.1. Sample characteristics

Responses from a total of 300 respondents were analyzed. The demographic characteristics are as follows. Respondents in their twenties are the largest group with 211 members (70.3%).

Table 1  
T-test results for differences in sample characteristics according to COS preferences.

Group		Income	Frequency of Korean fashion item purchase	Korean language ability	Number of visits to Korea	Functional benefit	Social benefit	Brand attitude
Chinese salesperson (n=150)	Mean	2.22	3.54	2.01	1.49	4.21	3.38	3.65
	S.D.	1.26	1.12	.98	.92	.52	.73	.63
Korean salesperson (n=150)	Mean	2.53	3.90	2.66	2.20	3.60	3.79	3.82
	S.D.	1.36	1.04	1.41	1.45	.73	.73	.54
t-value		-2.06*	-2.86**	-4.63***	-5.02***	8.27***	-4.83***	-2.54*

\*\*\*  $p < .001$ .

\*\*  $p < .01$ .

\*  $p < .05$ .

Regarding sex, 111 were men (37%) and 189 were women (63%). In terms of education level and marital status, 229 (76.3%) replied that they graduated from college or had a higher level of education, while 197 (65.7%) were unmarried. A vast majority (83%) had a monthly income of less than RMB 2000. Place of residence was relatively evenly distributed in the descending order of East China (25.7%), North China (20.3%), Central China (15.3%), South China (13.0%), and Southwest China (10.3%).

The degree of familiarity with Korea was assessed using the following criteria: frequency of Korean fashion item purchase, Korean language ability, and the number of visits to Korea. It was revealed that 25.7% of respondents bought Korean fashion products often, while 33.3% did so rarely. It was also found that 10.3% were able to produce greetings in Korean, but the majority could not speak any Korean. Further, 9.7% had visited Korea a few times, but the majority (57.0%) had never been to Korea.

As the central theme of this paper is the difference according to the COS, a  $t$ -test was carried out to determine whether there were any discrepancies in the prescribed sample characteristics between the group that chose Chinese salespersons and the group that chose Korean salespersons. The results are seen in Table 1. One of the significant differences was in monthly income of the two groups ( $t = -2.06, p = .040$ ). Specifically, the group that chose a Korean salesperson had a higher average income than the other group. There were no significant differences with regard to other demographic characteristics.

Meanwhile, the  $t$ -test was also used to identify differences between the two groups with regard to familiarity with Korea (see Table 1). In all three criteria (frequency of Korean fashion item purchase, Korean language ability, and the number of visits to Korea), the group that preferred Korean salespersons had a significantly higher value, indicating a significant difference between the two groups. In other words, the more frequently consumers purchase a Korean fashion item, the more Korean they know, and the more visits they made to Korea, the more likely they are to prefer Korean salespersons. Consumer psychology favors Korean salespersons when consumers know more about and have a stronger connection to Korea.

Lastly, an additional analysis was carried out on discrepancies between the two groups with regard to the latent variables used in the study (see Table 1). The group that chose Chinese salespersons has a significantly higher functional benefit ( $t = 8.27, p = .000$ ), while on the other hand the group that chose Korean salespersons had a significantly higher social benefit ( $t = -4.83, p = .000$ ). Satisfaction with the salesperson did not show a significant difference ( $t = -.559, p = .576$ ), but in brand attitude, those who favored Korean salespersons were significantly higher than those who favored the Chinese salespersons ( $t = -2.54, p = .011$ ).

### 4.2. Measurement model evaluation

A confirmatory factor analysis was carried out to test the reliability and validity of variables measured in this study (see

**Table 2**  
Confirmatory factor analysis for measurement model.

Dimensions	Items	Standard loading ( $\lambda$ )	Cronbach's $\alpha$	AVE	CR
Functional benefit	I benefit from the convenience that my Chinese (Korean) salesperson provides me.	.704 (.788) .774 (.720)	.837 (.861)	.574 (.608)	.928 (.898)
	I benefit from the time saving that my Chinese (Korean) salesperson provides me.				
	I benefit from the advice that my Chinese (Korean) salesperson gives me.				
	I make better purchase decisions because of my Chinese (Korean) salesperson.				
Social benefit	I feel a good friendly relationship with my Chinese (Korean) salesperson.	.764 (.808) .852 (.799)	.887 (.865)	.668 (.616)	.917 (.894)
	I enjoy spending time with my Chinese (Korean) salesperson.				
	I feel a close, personal relationship with my Chinese (Korean) salesperson.				
	I enjoy my Chinese (Korean) salesperson's brand.				
Satisfaction with the salesperson	I'm pleased with the Chinese (Korean) salesperson.	.755 (.752) .815 (.820)	.884 (.835)	.658 (.598)	.933 (.899)
	I'm happy with the Chinese (Korean) salesperson.				
	I'm content with the Chinese (Korean) salesperson.				
	I enjoyed myself with the Chinese (Korean) salesperson.				
Brand attitude	I perceive this brand as a good brand.	.824 (.794) .831 (.780)	.873 (.784)	.634 (.588)	.925 (.911)
	I feel pleasant about this brand.				
	I get benefit from this brand.				
	I think this brand is a good value for the money.				

Notes: parentheses for Korean salesperson results  
 Chinese, GFI=.888, AGFI=.844, CFI=.954, RMR=.030, RMSEA=.064,  $X^2=158.050$  ( $df=98$ ,  $p=0.000$ ), Normed  $X^2=1.613$   
 Korean, GFI=.882, AGFI=.836, CFI=.946, RMR=.031, RMSEA=.065,  $X^2=159.642$  ( $df=98$ ,  $p=0.000$ ), Normed  $X^2=1.629$

Table 2). The measurement model for the subsample who chose a Chinese salesperson was found to have goodness of fit values of GFI=.888, AGFI=.844, CFI=.954, RMR=.030, RMSEA=.064,  $X^2=158.050$  ( $df=98$ ,  $p=0.000$ ), Normed  $X^2=1.613$ , indicating a sufficient level of acceptance. To test the convergence validity of the measurement model, significance level of average variance extracted (AVE), composite reliability (CR), and factor loading were examined. Factor loadings of all measured variables were significant at the 1% significance level, and both AVE and CR values were high at .574–.668 and .917–.933, respectively. Cronbach's  $\alpha$  for variables was examined to test reliability, and a high internal consistency of range .837–.887 was confirmed. Moreover, as presented in Table 3, for each pair of latent variables, the AVE value for each variable and the square of the correlation coefficients between the two variables were compared to test for discriminant validity, and for each pair, the square of the correlation coefficient was lower than the AVE values, satisfying conditions for discriminant validity (Formell and Larcker, 1981).

Within the brackets of Table 2 are the results for the confirmatory factor analysis on the subset that chose a Korean salesperson. Goodness of fit coefficient of the measurement model was at GFI=.882, AGFI=.836, CFI=.946, RMR=.031, RMSEA=.065,  $X^2=159.686$  ( $df=98$ ,  $p=0.000$ ), Normed  $X^2=1.629$ , indicating a sufficient level of acceptance. Again, the convergent validity of the measurement model was tested by examining the significance levels of AVE, CR, and factor loading. For all measured variables,

**Table 3**  
Average variance extracted and square of correlation coefficient for variables.

	Functional benefit	Social benefit	Satisfaction with salesperson	Brand attitude
Functional benefit	.650 <sup>a</sup> (.608 <sup>a</sup> )			
Social benefit	.129 <sup>b</sup> (.458 <sup>b</sup> )	.651 <sup>a</sup> (.616 <sup>a</sup> )		
Satisfaction with the salesperson	.317 <sup>b</sup> (.485 <sup>b</sup> )	.445 <sup>b</sup> (.482 <sup>b</sup> )	.607 <sup>a</sup> (.598 <sup>a</sup> )	
Brand attitude	.103 <sup>b</sup> (.191 <sup>b</sup> )	.318 <sup>b</sup> (.506 <sup>b</sup> )	.428 <sup>b</sup> (.551 <sup>b</sup> )	.571 <sup>a</sup> (.588 <sup>a</sup> )

Notes: Parentheses for Korean salesperson results.  
 Chinese salesperson (Korean salesperson),  
<sup>a</sup> AVE of each variable.  
<sup>b</sup> Square of correlation coefficient between latent variables.

factor loading was significant at the 1% significance level, and AVE and CR were high at .588–.616 and .894–.911, respectively. For reliability assessment, Cronbach's  $\alpha$  for the variables was examined, and a high internal consistency was confirmed with the range of .784–.865. Furthermore, as presented in Table 3, for each pair of latent variables, the AVE value for each variable and the square of the correlation coefficients between the two variables were compared to test for discriminant validity, and for each pair, the square of correlation coefficient was lower than AVE values,

satisfying conditions for discriminant validity (Formell and Larcker, 1981).

#### 4.3. Testing of differences according to COS preference

##### 4.3.1. Invariance test of the measurement model

Prior to analyzing differences according to COS preference, a multi-group confirmatory factor analysis was carried out as a measurement invariance test in order to confirm invariance of variables included in the measurement model (Steenkamp and Baumgartner, 1998). First, a configural invariance test was carried out to confirm whether the measurement frameworks for the two groups are identical. For the suggested measurement model, the chi-square value was significantly high ( $X^2=317.735$ ,  $df=196$ ,  $p<.001$ ), but other indices showed a very high goodness-of-fit (Normed  $X^2=1.621$ , CFI=.950, RMSEA=.046), and the measurement items for latent variables were found to have a factor loading of over .7, indicating a statistically significant level of configural invariance.

For the measurement equivalence test, the restricted model for factor loading metrics of the two groups was compared to the non-restricted model. The results (see Table 4) show that the increase in chi-square value was not statistically significant ( $\Delta X^2=16.638$ ,  $df=12$ ,  $p=.164$ ), confirming a perfect equivalence in measurement (Steenkamp and Baumgartner, 1998; Yi & La, 2004). As the two groups of differing nationality preference were confirmed to be equivalent in measurement for all latent variables in the model, all later model analyses were carried out as a full measurement invariance model.

##### 4.3.2. Test of path coefficient disparity

A structural equation model analysis with multiple group modeling was carried out to test the research hypothesis. An analysis based on a full model invariance model was carried out to investigate the disparity of path coefficient between the group that preferred Korean salespersons and the group that preferred Chinese salespersons. The chi-square value was significantly high ( $X^2=334.373$ ,  $df=208$ ,  $p<0.001$ ), but for all other indices the two groups had high goodness-of-fit (Normed  $X^2=1.608$ , CFI=.948, GFI=.880, RMR=.036, RMSEA=.045), confirming that the suggested model and information were suitable. In Fig. 2, results of overall hypotheses tests are summarized on the original research model.

As shown in Fig. 2, for the group that chose Korean salespersons, all paths that mediate salesperson satisfaction were significant. On the other hand, for the group that preferred Chinese salespersons, the path from social benefits to satisfaction was insignificant. The results support H1 and H2, but H1b was rejected only in the group that chose Chinese salespersons. Furthermore, in both groups, the effects of both functional and social benefits on brand attitude were not significant, indicating that satisfaction with the salesperson acts as a full mediation variable. Therefore, the results reject H3a and H3b.

To test hypothesis H4, disparities between the two groups were examined. First, the equivalency of path coefficients that correspond to each other in the models for the two groups had to be examined. A non-restricted model was constructed in which none of the path coefficients were restricted. This would be the

reference model. A series of non-restricted models were set up with each of the corresponding paths restricted. Chi-square values between the non-restricted reference model and the other models were calculated, and a significant disparity was observed in all cases. A summary of results can be seen in Table 5. The results support H4.

In both groups, functional benefit has a significant positive impact, and statistical results point out that there is a significant disparity between the two groups ( $\Delta X^2=5.772$ ,  $\Delta df=1$ ,  $p=.016$ ). In the group that chose Chinese salespersons, the path coefficient between functional benefit and satisfaction with the salesperson was very high at .380, but the group with Korean salespersons had a relatively low path coefficient of .161. The effect of functional benefit on salesperson satisfaction was significantly greater for the group that preferred a Chinese salesperson to a Korean salesperson.

The group preferring Chinese salespersons showed no direct relationship between social benefit and satisfaction with the salesperson. On the other hand, the group preferring Korean salespersons showed a significant direct effect ( $\Delta X^2=29.346$ ,  $\Delta df=1$ ,  $p=.000$ ), displaying yet another significant disparity between the two groups.

In both groups, satisfaction with the salesperson had a significant effect on brand attitude, and there was a significant difference of economic level between the path coefficients of the two groups ( $\Delta X^2=3.796$ ,  $\Delta df=1$ ,  $p=.051$ ). The path coefficient between satisfaction with the salesperson and the brand attitude was found to be higher in the group that preferred Chinese salespersons ( $\beta=.676$ ,  $p=.000$ ) than in the group that preferred Korean salespersons ( $\beta=.430$ ,  $p=.016$ ). In other words, satisfaction with the salesperson affects brand attitude more greatly for consumers that prefer Chinese salespersons.

Meanwhile, the correlation between functional and social benefits also showed a disparity between the two groups ( $\Delta X^2=5.623$ ,  $\Delta df=1$ ,  $p=.018$ ). The group that preferred Korean salespersons had a higher path coefficient ( $\beta=.455$ ,  $p=.000$ ) than the group that chose Chinese salespersons ( $\beta=.227$ ,  $p=.020$ ), exemplifying a closer relationship between the two benefits in this group.

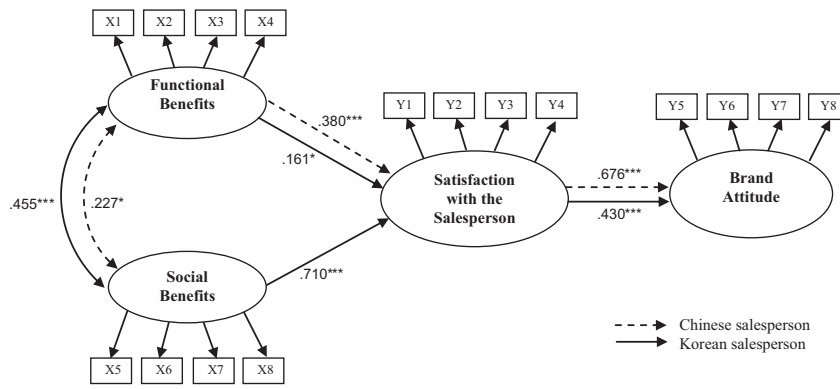
## 5. General discussion

This paper examined the consumers' relationship benefits and their effects on satisfaction with the salesperson and foreign brand attitude in order to assess the impact of differing COS hired by a foreign brand. An online survey of China-resident consumers was carried out. Considering specific relationship dynamics between a salesperson and a consumer, differentiated factors were derived, and influencing relationships among the variables were analyzed.

First, functional and social benefits impact positively on satisfaction with the salesperson, and satisfaction with the salesperson positively impacts brand attitude in turn. Generally, as consumers recognize more relational benefits with the salesperson, their satisfaction with the salesperson gets higher, leading to an overall high positive brand attitude. This is in line with the observations already made by previous research (see Kim and Rhee, 2005; Reynolds and Beatty, 1999) that investigated the impact of the relationship benefits between a customer and a salesperson on satisfaction with the salesperson and consumption. These results prove once again that establishing relations with customers via salespersons is very useful in gaining competitive advantage (see McKenna, 1991; Weitz and Bradford, 1999). In addition, there was a positive relationship between functional and social benefits, and this exemplifies a high correlation between two sub-dimensions of relational benefits as perceived by

**Table 4**  
Comparison of measurement model as non-restricted model and restricted model.

	$X^2$	$df$	RMSEA	AIC	CFI
Non-restricted model	317.735	196	.046	469.735	.950
Full metric invariance	334.373	208	.045	462.373	.948



Notes:  $\chi^2 = 334.373$  ( $df = 208, p < .001$ ), Normed  $\chi^2 = 1.608$ , GFI = .880, CFI = .948, RMR = .036, RMSEA = .045; \*\*\* $p < .001$ , \* $p < .05$

Fig. 2. Test of the structural model comparison across the groups.

Table 5  
The group comparisons of path coefficients.

		$\beta^a$		$\chi^2$	Df	$\Delta\chi^2$	$\Delta df$	p
		Chinese (n=150)	Korean (n=150)					
Reference model	Measurement weights	–	–	334.373	208	–	–	–
Restricted model (restricted path)	Functional Benefits→satisfaction with the salesperson	.380***	.161*	340.145	209	5.772	1	.016
	Social benefits→satisfaction with the salesperson	.035	.710***	363.719	209	29.346	1	.000
	Satisfaction with the salesperson→brand attitude	.676***	.430***	338.169	209	3.796	1	.051
	Functional benefits↔social benefits	.227*	.455***	339.997	209	5.623	1	.018

Notes: <sup>a</sup> The standardized regression coefficient in the reference model; \*\*\* $p < .001$ , \* $p < .05$ .

consumers (see Reynolds and Beatty, 1999).

Second, the paper examined the difference in path coefficient analyses according to the COS. In the path connecting functional benefits to satisfaction with the salesperson, the subset who preferred Chinese salespersons had a higher path coefficient than those who preferred Korean salespersons. This is related to the argument that not only is the specialized knowledge of a salesperson helpful in facilitating successful sales through efficient communication about the product and the market, but in fact it also is the most important factor determining consumer satisfaction (see Mariadoss et al., 2014). These results are consistent with data reported in Pinkaeo and Speece (2002), which revealed that if the quality of service requires high information transfer, consumers may believe that a native speaker can do it better. As most Chinese respondents are not fluent in Korean, they would prefer Chinese salespersons for accurate delivery of information, and this leads to a higher satisfaction among the subset of those who prefer Chinese salespersons. This is in line with the result of McGee and Spiro (1991), who concluded in favor of local salespersons from the target country.

In the subset that chose a Chinese salesperson, the path from social benefits to the salesperson satisfaction was not significant at all. This indicates that in the case of Chinese consumers that prefer Chinese salespersons, social benefit, no matter how high it may be, will not improve salesperson satisfaction. This can be explained by the other analysis from this paper. The *t*-test result points out the consumers that chose a Chinese salesperson have a relative tendency to seek functional benefits, while those that chose a Korean salesperson tend to pursue social benefits. This implication is in contrast to McGee and Spiro's (1991) relatively simplistic conclusion that consumers prefer local salespersons of the same nationality as the store location, rather than salespersons of the same nationality as the brand's country of origin.

Third, the group that selected Korean salespersons had a

relatively higher household income, suggesting that consumers with higher income prefer Korean salespersons. This is similar to the finding of Boyle (2000) that income level contributes greatly to customer characteristics and receptiveness to a firm's marketing endeavors. In addition, comparison of familiarity to Korea and Korean products shows that this group bought Korean garments more frequently, spoke better Korean, and visited Korea more often than the group that chose Chinese salespersons. Such a conclusion resembles that of Lohtia et al. (2005), that states that American sellers that are more knowledgeable about Japan and more sensitive to Japanese culture will gain more trust from Japanese buyers and establish better exchanging relationships.

### 5.1. Implications

This research added to our theoretical understanding of the relational benefits perceived by consumers that act as a positive factor and lead to differentiated preferences in the COS. This conclusion has important implications for these areas of literature. Based on our review of extant literature, this is the first known attempt to theoretically and empirically investigate the role of COS in the foreign brand attitude. As theorized, our results support the expectation that satisfaction with the salesperson plays a critical role in translating relationship benefits into value for brand attitude.

The managerial implications of the theoretical assertions and empirical findings are multifold. This conclusion could act as a useful parameter for market segmentation strategy. It would be of particular interest to firms that use the COS as a useful marketing strategy and serve to provide crucial information. More detailed implications and suggestions are as follows.

First, regardless of the preference for Chinese or Korean nationality, functional benefit had a positive impact on salesperson satisfaction and brand attitude. Hence, brands or firms that aim to

attract consumers seeking functional benefits may employ salespersons of either nationality. However, the group that preferred Chinese salespersons has a higher receptivity to relational benefits affecting salesperson satisfaction and a higher functional benefit overall. This could imply that consumers who value functional benefits and related conveniences prefer to deal with Chinese salespersons. Hence, in the clothing industry, outdoor and functional clothing brands may find it more effective to employ more Chinese salespersons.

Second, the group that preferred Korean salespersons displayed relatively greater social benefit in the analysis. As higher social benefit improves salesperson satisfaction and brand attitude, brands and firms targeting consumers that pursue social benefit should align the nationality of the brand and the salesperson. Fashion consumers that opt for social benefits and related exotic and mystical components would prefer Korean salespersons, so fashion brands with a more hedonic tendency should consider hiring Korean salespersons.

Third, consumers that have relatively higher monthly income tend to prefer Korean salespersons, indicating a strategic advantage in employing Korean salespersons in luxury stores such as designer labeled high-end goods. Furthermore, consumers with higher familiarity with Korea and Korean culture tend to have a greater preference for Korean salespersons. Therefore, it would be effective to allocate Korean salespersons in areas that have a high number of Korean visitors or strong influence from the Korean Wave, such as Korea Town districts.

## 5.2. Limitations

Although this research sheds light on important issues, several limitations must be noted. First, the process by which relational benefits affect brand attitude was examined by assessing differences in the COS in Korean brand stores located in China. Further research must be conducted to specify the roles played by consumer variables other than relationship benefits. Second, another dimension to consider is that in studies related to brand image, the country image tends to play an important role. A different conclusion could be reached with the same research condition, depending on whether the country image is positive or negative. Third, another limitation of this study was the relatively small sample size. For this reason, these findings cannot be generalized to the broader community based on this study alone. Fourth, the lack of objective salesperson financial performance data limits us to use perceptual performance measures. Therefore, further study should be conducted with more emphasis on the COS by comparing brands from countries that are more and less economically developed than China.

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