PERSONAL BRAND ORIENTATION: AN EXPLORATION OF ITS ANTECEDENTS AND CONSEQUENCES

ORIENTACIÓN A LA MARCA PERSONAL: UNA EXPLORACIÓN DE SUS ANTECEDENTES Y CONSECUENCIAS

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ABSTRACT

Personal brand orientation has become a critical issue, enabling SMEs to gain a significant competitive advantage, particularly in markets where personalities influence followers’ actions on social media commerce. This study proposes and empirically validates a theoretically structured approach for assessing personal brand orientation, its antecedents, and implications for the performance of digital firms. The model distinguishes between personal characteristics of SMEs owners such as narcissism, vision, and educational background as antecedents of personal brand orientation and correlates them with the performance of digital firms in social commerce in Indonesia. A purposive sample of 355 respondents completed an online survey questionnaire, with each respondent representing one SME organization. Owner narcissism, owner vision, owner education background, personal brand orientation, and digital firm performance were all included in the questionnaire, which was adapted from previous studies. A five-point Likert scale was used to evaluate each item. To test the proposed research hypotheses, structural equation modeling (SEM) was used. Later confirmation of this study’s positive relationship between owner vision and owner education for personal brand orientation based on upper echelon theory. On the other hand, owner narcissism was found to have a detrimental effect on personal brand orientation. This study discovered a significant correlation between personal brand orientation and the performance of digital firms. This notion implies that SMEs that rely on their owner’s social media popularity can improve their performance by effectively communicating their vision to their team, leveraging the owner’s relevant education and expertise, and increasing personal brand-related strategies at the marketing level within the organization.

Keywords: Personal Brand Orientation; Owner Narcissism; Owner Education; Owner Vision; Digital Firm Performance.

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RESUMEN

La orientación de la marca personal se ha convertido en un tema crítico, que permite a las pymes obtener una ventaja competitiva significativa, particularmente en mercados donde las personalidades influyen en las acciones de los seguidores en el comercio de las redes sociales. Este estudio propone y valida empíricamente un enfoque teóricamente estructurado para evaluar la orientación de la marca personal, sus antecedentes y las implicaciones para el desempeño de las empresas digitales. El modelo distingue entre las características personales de los propietarios de pymes, como el narcisismo, la visión y la formación académica, como antecedentes de la orientación de la marca personal y los correlaciona con el desempeño de las empresas digitales en el comercio social en Indonesia. Una muestra intencional de 355 encuestados completó un cuestionario de encuesta en línea, y cada encuestado representaba a una organización de PYME. El narcisismo del propietario, la visión del propietario, los antecedentes educativos del propietario, la orientación de la marca personal y el desempeño de la empresa digital se incluyeron en el cuestionario, que se adaptó de estudios anteriores. Se utilizó una escala tipo Likert de cinco puntos para evaluar cada ítem. Para probar las hipótesis de investigación propuestas, se utilizó el modelo de ecuaciones estructurales (SEM). Confirmación posterior de la relación positiva de este estudio entre la visión del propietario y la educación del propietario para la orientación de la marca personal basada en la teoría del escalón superior. Por otro lado, se descubrió que el narcisismo del propietario tiene un efecto perjudicial en la orientación de la marca personal. Este estudio descubrió una correlación significativa entre la orientación de la marca personal y el desempeño de las empresas digitales. Esta noción implica que las PYME que dependen de la popularidad de sus propietarios en las redes sociales pueden mejorar su desempeño comunicando de manera efectiva su visión a su equipo, aprovechando la educación y la experiencia relevantes del propietario y aumentando las estrategias relacionadas con la marca personal a nivel de marketing dentro de la organización.

Palabras clave: Orientación a la Marca Personal; Narcisismo propietario; Educación del Propietario; Propietario Visión; Rendimiento de la empresa digital.

INTRODUCTION

Indonesia’s majority ecommerce transactions happen on social media, dominated by SMEs, which still generate the majority of the wealth of economies (Forsman, 2015). Since it’s on social media, more and more business is started by popular people in social media; called influencers (Abidin, 2016). Although the SMEs are owned by a popular person as owner, with huge followers on social media, there is still a lack of understanding about those SMEs that succeed and those that are failing? although all of them have the same huge influence over their followers?.

Personal branding for the business owner entails capturing and communicating strengths and originality to a target audience (Shepherd, 2005). While the personal brand is an inseparable aspect of the owner’s personality that is prominent on his or her social media accounts, it can be the result of narcissism, visionary tendencies, or relevant education in owners who devote a significant amount of time to self-promotion (Moon et al., 2016). An earlier study has highlighted the importance of owners in supporting organizational performance. Today’s SMEs must excel at managing their brands in an increasingly connected world. That becomes critical in terms of how SMEs can promote
increased brand equity in conjunction with the owner’s personal branding.

However, little empirical research expressly addresses branding and social commerce (Tsimonis & Dimitriadis, 2014). Thus, research should examine the impact of branding on social media marketing (Laroche et al., 2012). Neither study looks at personal social media branding. However, with social media, managing personal brands is as easy as managing product or service brands. Celebrities brand social media, but so do all SMEs.

But marketing literature has three major problems. To begin, there is a huge discrepancy between the amount of branding research done on SMEs and large organizations. Second, compared to established economies, the developing economies branding literature is lacking (Odoom et al., 2017). Third, the intersection of an owner’s personal and company branding appears to be disregarded, especially in small firms. Self-promotion and personal branding are hot topics (Shepherd, 2005). This study emphasizes the role of personal brand orientation and its antecedents, defined organizational vision, owner educational background and owner level of narcissism in boosting SMEs’ digital firm performance.

**Theoretical Background**

- **Personal Brand Orientation**

Branding is a well-established marketing concept. A result of resource based theory (Barney, 1986) highlighted that brand & personality need to be orchestrated including acquiring, structuring, bundling the personal brand together with the SMEs brand equity in order to turn the personal brand into a competitive advantage (Gupta et al., 2018) that create the higher firm performance. According to Symbolic interaction theory, owner personality is considered an individual construct with high importance (Zhan et al., 2021) in building meaning, relationships with the followers (Stokburger-Sauer, 2012), loyalty & support (Porter & Donthu 2008), especially how influencers present themselves in social media (Wells et al., 2021), as usually consumer never knew the influencers directly. And Senior management’s ability to influence organizational decisions and practices dates all the way back to early conceptions of the upper echelon (Hambrick & Mason, 1984), that owners as also management reflect functional tracks that the owner has an impact on the firm’s strategy and operations orientation, growth, and success (Ting & Wei, 2015). Like how they want the SMEs, actually utilize their influence and popularity.

Although it is very obvious the SMEs wanted to rely on the popularity and the influence of the owner, to capture the market trust. (Bugshan & Attar, 2020). However, very often that the SMEs marketing activities do not reflect the owner’s personal brand, that is even worse that is contradictory to the personal brand. For example, the owner’s personal brand is characterized by a glamorous, hedonic culture. But the SMEs present the brand as very humble and affordable. That becomes important to understand how the organization is oriented toward the personal brand. Are SME organizations oriented toward it?

A new construct is introduced in this study, although Brand Orientation (BO) has been studied many times from a perspective of BO in the hotel, BO in inter-firm, BO in non profit, BO correlation with financial performance, internal brand orientation, BO as perceived brand orientation, BO with consumer satisfaction, BO in tourism destination, BO with firm performance, BO as retail brand orientation, BO as corporation brand orientation and BO with market orientation. There is still a lack of studies where the personal brand is being used as a perspective in brand orientation.

It determines whether or not a brand should be used to gain a competitive advantage. Brand orientation is a strategy that focuses on ongoing contact with target customers to establish, grow,
and protect brand identity (Urde, 1999). This means that well-established brands boost a company’s ability to compete while also driving growth and profitability (Urde, 1994). Thus, brand guidance is a strategic decision that can boost a company’s long-term sustainability. It is separated into two parts. It is primarily normative in nature. Several models are employed to explain brand affinity despite the lack of empirical data. Also, the benefits of brand orientation for SMEs were not scientifically shown. Brands are a company’s most valuable strategic asset. Brand should be used to verify social commerce’s products and services. This increases customer confidence and reduces perceived risk in social commerce by reflecting the owner’s personal brand’s competence and ability to deliver on commitments. This dimension (Hankinson, 2012; Urde, 1994) is made up of four basic capabilities: Distinctive, Functional, Value-Adding, and Symbolic Capabilities. Personal branding is measured by specialized specialty, trustworthy personality, and attractive distinctive visibility.

Depending on their brand potential and interest in personal branding. All SME members must agree on the brand-building objectives if they are to ensure that employees and the company adhere to brand guidelines. Everyone engaged must work together to protect and strengthen the integrity of the brand. Branding and what it implies for success must be understood by everyone in the company (Anees-ur-Rehman et al., 2018). This means that the business owner has a responsibility to teach and train all of his or her employees about his personal brand values in order to create alignment with the company brand itself.

**Owner Narcissism, Owner Relevant Education, Owner Vision**

Despite the fact that owner narcissism has been studied on firm outcomes such as firm performance and strategic choices (Oesterle et al., 2016), there is still a lack of studies regards how owner narcissism actually play role in driving personal brand oriented activities. This study, argues that SMEs owners with higher degrees of narcissism tend to drive the organization towards their personal brand (PBO). The concept of narcissism – an inflated but fragile sense of self-importance – has sparked a lot of research interest (Brunzel, 2020). Founder Narcissism in the owner as CEO and owner of an SME Firm is viewed as a personality trait that influences enterprise strategic actions and achievements (Bouncken et al., 2020). Because owners portray themselves on social media, narcissism becomes an important factor in obtaining funding (Butticè & Rovelli, 2020).

While the antecedents of owner vision and owner educational achievement have been studied to have a significant effect on brand orientation in the context of non profit organizations (Hankinson, 2001; Apaydin, 2011). How it affects PBO, is still unclear. SMEs with clarity of vision, are expected to have higher personal brand orientation. As the team members, can understand clearly what they wanted to achieve with the owner’s popularity. It was also discovered that shared owner vision increased knowledge transfer, which increased company performance (Gerschewski et al., 2020), implying that owner vision led to a more brand-oriented organization in this study. Personal vision and educational success have been identified as antecedents in non-profit (Apaydin, 2011) and charitable organizations.

On the other hand, an owner with relevant education on the business will drive the team members to do more personal branding oriented activities, in order to tap into the owner’s knowledge. If the owners have significant educational achievements, they are more brand-oriented. (Hankinson, 2001) that MBAs will direct his company’s marketing, management, and business activities. Managerial characteristics such as age, gender, and education have all been linked to corporate performance. Using the social capital hypothesis, numerous studies have been
conducted to investigate manager characteristics that influence business and brand success.

**Digital Firm Performance**

The performance idea for SMEs will be defined. Performance has two strategic consequences in the literature: firm success or failure (Eniola & Entebang, 2015). Company performance can be regarded as a measure of good or bad management, but it can simply be due to chance. This is one of the most important issues facing SMEs. Boso et al (2016) discovered that brand orientation has a beneficial effect on sales performance. Alamidovska et al. (2017) established a substantial link between brand orientation and an organization’s financial performance. Also, attract new followers and increase existing followers’ engagement. Brand orientation reports clearly differentiating benefits for SME also while being orchestrated well. (Anees-ur-Rehman et al., 2018; Ewing & Napoli, 2005).

Personal branding orientation roles in increasing digital firm performance are expected positively, and PBO is connected with improved relationship performance, and a company’s brand orientation has a favorable impact on its intangible relationship performance (Chang et al., 2020). Personal Brand Orientation also encourages the development of a dense network of strong links between formal and informal networks (Falahat et al., 2021) of founders, like strong networking capabilities SMEs with popular owners, will manage to have access and better relationship with suppliers, regulators, etc.

Researchers generally agree that organizational performance is a complex phenomenon with different influences on different aspects (Lumpkin & Dess, 1996). Performance can raise awareness by grabbing attention (which can be measured through social media traffic, social media interaction, followers, etc). A digital firm’s performance is defined by attention and monetary variables (Dutot & Bergeron, 2016). This study focuses on social commerce performance metrics like profitability growth, transaction volume, customer volume, and follower count, which only social commerce can measure.

Therefore, this study proposes the following hypothesis are:

**H1.** Owner Narcissism has a positive effect on Personal Brand Orientation.

**H2.** Owner Vision has a positive effect on Personal Brand Orientation.

**H3.** Owner Education has a positive effect on Personal Brand Orientation.

**H4.** Personal Brand Orientation will have a positive effect on Digital Firm Performance

The research model of this study is shown in Figure 1.

![Fig. 1. Conceptual Framework](image)

**RESEARCH METHOD**

**Population and Sample**

The population frame was defined from inflact.com Instagram profile search tools within August-September 2021 in Indonesia that found 1.999 Instagram accounts that matched the social commerce criteria of this study, which were filtered further as SMEs that can be discovered on social media Instagram and are offering products or service in particular categories of Food, Apparel, Clothing, and Beauty. Also, SME had a minimum of one year in operation, and clearly mentioned owners of the SMEs as someone considered influencers in social media, with a minimum 1.000 followers on their Instagram accounts. Later populated in
a total of 400 SMEs that matched the criteria, a purposive sample is being used, that each sample represented by one employee that worked in the social commerce owned by influencers. 400 questionnaires were returned from online survey tools that is used in this study on September 2021, and 355 questionnaires is fully filled and usable Out of this total of 355 representations of SME employees with following distribution of 13.5 percent of SMEs with owner followers on Instagram between 1,000 - 10,000 followers, 17.7 percent of SMEs with owner followers on Instagram between 10,000-50,000, 33.5 percent of SMEs with owner followers on Instagram between 50,000 - 500,000 followers, 13 percent of SMEs with owner followers on Instagram between 500,000 - 1,000,000 followers and 22.3 percent of SMEs with owner followers on Instagram more than 1,000,000 followers.

This study used a five-point Likert scale with values of 1 indicating “strongly disagree” and 5 indicating “strongly agree” on items previously used in the literature to assess all the constructs. All of the items were altered to fit the social commerce setting. Because the respondents were Indonesian, the back translation procedure was used to validate the translation (Harkness et al., 2004). To begin, the items were translated from English into Bahasa by a researcher who is fluent in Bahasa. Twelve subject expert matters then examined the instrument to ensure that there were no ambiguities in the phrasing, and validate the content. Owner narcissism is measured by a total of five reflective items (Chatterjee, 2007). Meanwhile, owner vision is measured using four reflective items (Kantabutra, 2008), and owner education is measured using four reflective items (Cohen & Levinthal 1989). Personal brand orientation is a scale developed by adapting previous works that are measured with eight reflective items that fit into this study context (Evans et al., 2012; Tajeddini & Ratten, 2017; Ewing & Napoli, 2005; Ohanian, 1990). And finally, digital firm performance is measured by three reflective items (Abebe, 2014; Marcelo et al., 2014).

**Measurement Model**

To conduct the empirical analysis, the current study makes use of a partial least squares standard error of the mean (PLS-SEM) with the software program SmartPLS 3.3. Individual item reliability, internal consistency, convergent validity, and discriminant validity are all tested using recognized guidelines. The standardized outer loadings are used to determine the reliability of particular items. Outer loading of 0.7 or greater is considered to be quite satisfactory. While a loading value of 0.5 is considered acceptable, and construct with a loading value of less than 0.5 should be avoided at all costs (Henseler & Fassott, 2009; Vinzi et al., 2009), in this study all outer loading is above 0.5. Furthermore, Cronbach’s alpha values are used to determine the internal consistency of measuring scales. They must all be greater than the 0.70 level for satisfactory consistency. Due to the fact that Cronbach’s alpha values for PLS-SEM are limited, experts advocate evaluating internal consistency using composite reliability (CR) (Hair et al., 2014). Because all-composite reliability values exceed the required criterion of 0.70, this study finds that the internal consistency of all measurement scales utilized in this investigation is satisfactory. Additionally, this study assesses convergent validity and makes reference to the average variance retrieved (AVE). As seen in Table I, all AVE values except personal brand orientation exceed the required cut off of 0.50, suggesting acceptable convergent validity. However for AVE that is less than 0.5, but composite reliability is higher than 0.6, the convergent validity of the personal brand orientation is still adequate (Fornell & Larcker, 1981).

Correlations were employed to examine discriminant validity at the construct level in this study using the Fornell-Larcker criterion. The measurement model is sufficiently discriminating because the square root of the AVE of each construct surpasses the correlation with any other measurement construct (see Table I). Additionally, discriminant validity is examined item by item.
Tab. 1. Result of Validity and Reliability

<table>
<thead>
<tr>
<th>Construct Item</th>
<th>Outer Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Owner Narcissism /ON</strong> (AVE : 0.589, Composite Reliability: 0.878)</td>
<td></td>
</tr>
<tr>
<td>ON1 Our owner has good leadership skills.</td>
<td>0.794</td>
</tr>
<tr>
<td>ON2 Our owner is very valuable to our business.</td>
<td>0.700</td>
</tr>
<tr>
<td>ON3 Our owner is an extraordinary person.</td>
<td>0.793</td>
</tr>
<tr>
<td>ON4 Our owner enjoys leading our company.</td>
<td>0.783</td>
</tr>
<tr>
<td>ON5 Our owner is a good representative of our business.</td>
<td>0.765</td>
</tr>
<tr>
<td><strong>Owner Education/ OE</strong> (AVE : 0.697 Composite Reliability: 0.821)</td>
<td></td>
</tr>
<tr>
<td>OE1 Our owner has relevant education expertise to lead our business.</td>
<td>0.786</td>
</tr>
<tr>
<td>OE2 Our owner is able to use his education expertise to grow our business.</td>
<td>0.881</td>
</tr>
<tr>
<td><strong>Owner Vision/ OV</strong> (AVE : 0.787 Composite Reliability: 0.881)</td>
<td></td>
</tr>
<tr>
<td>OV1 Our owner has a clear vision for our company.</td>
<td>0.914</td>
</tr>
<tr>
<td>OV3 Our owner is able to explain company vision to us.</td>
<td>0.859</td>
</tr>
<tr>
<td><strong>Digital Firm Performance/ DFP</strong> (AVE : 0.738 Composite Reliability: 0.894)</td>
<td></td>
</tr>
<tr>
<td>DFP1 Our sales in social media are growing by a number of quantities.</td>
<td>0.833</td>
</tr>
<tr>
<td>DFP2 Our sales in social media are becoming more cost efficient.</td>
<td>0.882</td>
</tr>
<tr>
<td>DFP3 Our social media sales are increasing our company sales volume.</td>
<td>0.862</td>
</tr>
<tr>
<td><strong>Personal Brand Orientation/ PBO</strong> (AVE : 0.427, Composite Reliability: 0.855)</td>
<td></td>
</tr>
<tr>
<td>PBO10 Our owner attracts certain characteristics of followers.</td>
<td>0.587</td>
</tr>
<tr>
<td>PBO11 Our owner is able to express himself well to attract followers.</td>
<td>0.671</td>
</tr>
<tr>
<td>PBO13 Our owner is able to explain our product or services well.</td>
<td>0.565</td>
</tr>
<tr>
<td>PBO14 Our owner is trusted to represent our product/ services.</td>
<td>0.694</td>
</tr>
<tr>
<td>PBO3 Our owner’s personality represents our company values.</td>
<td>0.623</td>
</tr>
<tr>
<td>PBO4 We ensure our marketing activities align with our owner’s beliefs and values.</td>
<td>0.654</td>
</tr>
<tr>
<td>PBO8 Our owner brings added value to our business.</td>
<td>0.672</td>
</tr>
<tr>
<td>PBO9 Our owner attracts followers to our product/ services.</td>
<td>0.744</td>
</tr>
</tbody>
</table>

**RESEARCH RESULT**

This study employs the route approach to determine the path coefficients (Hair et al., 2017). The associated standard errors are calculated using a bootstrapping process with replacement (5000 resamples). The results of the PLS-SEM analysis are summarized in Table 2. The explained variance ($R^2$) is used to determine the explanatory power. In Table 2, the $R^2$ value for personal brand orientation is 0.462, indicating that it has a high degree of explanatory power and $R^2$ value for digital firm performance is 0.139.
Tab. 2. Result of R2 evaluation

<table>
<thead>
<tr>
<th>Construct (Endogenous)</th>
<th>R2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Brand Orientation</td>
<td>46.2%</td>
</tr>
<tr>
<td>Digital Firm Performance</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

The process of hypothesis testing is carried out by assessing whether or not the p-values are less than 0.05. When the p-values are less than 0.05, the hypothesis is considered to be supported. It, on the other hand, is not endorsed by the community. In order to determine the strength of the relationship or correlation between independent factors and the dependent variable, the value of the standardized path coefficient can be utilized. There are values for the standardized path coefficients that range from -1 to +1. Path coefficients that are closer to one suggest a strong latent effect or construct a relationship. However, a path coefficient that is close to zero indicates that there is no influence or a weak association in the latent concept (Hair et al., 2017). Associated with a high degree of relevance in terms of relationships. In this investigation, all hypotheses are validated by positive significant path coefficients, which are all significant, shown in table 3.

Tab. 3. Result of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Std. Path Coefficient</th>
<th>p-Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1. Owner Narcissism has a positive effect on Personal Brand Orientation.</td>
<td>-0.011</td>
<td>0.823</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H2. Owner Vision has a positive effect on Personal Brand Orientation.</td>
<td>0.112</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H3. Owner Education has a positive effect on Personal Brand Orientation.</td>
<td>0.642</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H4. Personal Brand Orientation will have a positive effect on Digital Firm Performance</td>
<td>0.373</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

CONCLUSION AND DISCUSSION

This study offers a model of the antecedents of personal brand orientation, and its effect on digital learning capacities for SMEs social commerce context. Owner vision and owner education are regarded to be important factors in improving the personal brand orientation of the organization, which is found to significantly increase personal brand orientation, with each positive path coefficient of 0.642 (OE) and 0.112 (OV). That supported the hypothesis two (H2) and three (H3), and show that an owner education background does improve the SME organization to be more oriented toward the owner's personal brand, together with owner's vision that drives the organization that has been suspected. However, this study shows that narcissism has a negative path coefficient of -0.011 and an insignificant correlation shown by p-value of 0.823. Therefore hypothesis one (H1) is not supported. This explains that owner narcissism does not improve the organization to be more oriented toward owner personal brand, further having a negative effect on the contrary.

This study constructs and tests a model that connects personal brand orientation to digital firm performance, and it shows support for the majority of the correlations proposed in the literature. That Personal Brand Orientation has a significant positive effect on Digital Firm Performance with p-values of 0.000 and a positive path coefficient of 0.373, which align...
with previous literature that brand orientation increases firm performance. That means hypothesis four (H4) is well supported.

Finally, this study gives a model for the antecedents of personal brand orientation on digital business performance at the level of the SMEs organization, which may be applied to other organizations as well. The findings of this study indicate personality level effects of the owner by revealing that personal brand orientation positively supports owner education and vision for company success and that these findings give distinct findings that owner narcissism does not support personal brand orientation for company success. This provides management with a new perspective on how to maximize the personal brand of the owner in the context of the business, while also extending networking possibilities and boosting the digital learning process in the SMEs. The outcomes of this study may have limitations that do not apply to other countries because it only looked at Indonesian SMEs only, and specific industries only. As a result, more research into personal brand orientation across various companies and industries is recommended.

REFERENCE


