

RELATIONSHIP ORIENTATION: THE KEY TO SUCCESS IN PERSONAL SELLING

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ABSTRACT

The recognition that the long-term key to success in personal selling may lie in a relational approach to the buyer-seller interaction has been one of the most important trends in sales and sales research. The role of salespeople is very critical factor of success in relationship marketing. Salespeople's relationship orientation, which involves customer orientation, adaptability and service orientation are found to have a significant impact on the extent to which relationships are developed with customers. Even though the information on customer-salesperson relationships and its implications on sales performance in personal selling is limited compared to studies examining salesperson performance in general, it appears that a salesperson who spends time performing behaviors that build strong relationships with customers, will improve his/her sales performance. This paper aims at analyzing research contributions that are available in the area of customer-salesperson relationships in personal selling, and identifying the various factors that have direct or indirect influence on individual salesperson's performance. These factors are later evaluated in the context of services marketing to identify their relative importance specific to this field.

Keywords: *Customer orientation, Sales person, Performance, Personal selling, Relationship.*

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INTRODUCTION

The recognition that the long-term key to success in personal selling may lie in a relational approach to the buyer-seller interaction has been one of the most important recent trends in sales and sales research. In the marketing literature, traditionally, only a little thought was being given to the means by which the sale was obtained in a direct selling process (Dwyer, 1987). However, as the marketplace is becoming more and more competitive both in the number of competitors and the quality of their products, the transaction-based emphasis in sales is increasingly being replaced by a relationally focused approach which takes into account customer needs and wants, not only as they relate to the good or service being sold, but also in terms of the purchasing process and the buyer-seller interaction (Keillor and Parker, 1999). The ability to retain a substantial satisfied customer base in a highly competitive environment represents a great competitive advantage for any sales organization. A sales effort which emphasizes relationship building is one in which satisfied customers are more likely to be found (Kelley, 1992).

In today's highly competitive markets where competitors offer products that are largely homogenous, the effectiveness of salespersons during the interaction with the customer is critical to the success. More specifically, particular communication and behavioral approaches employed by the salespeople have been posited to exert direct influence on the reaction of customers (Harris and Spiro, 1991). These evidences have shifted marketing's objectives towards the development of long term buyer-seller relationships, which has been labeled as a new marketing paradigm, termed *relationship marketing* (Kotler, 1991; Webster, 1992). The role of salespeople is very critical factor of success in relationship marketing. Salespeople's relationship orientation, which involves customer orientation, adaptability and service orientation (Keillor and Parker, 1999), are found to have a significant impact on the extent to which relationships are developed with customers.

Thus, even though the information on customer-salesperson relationships and its implications on sales performance in personal selling is limited compared to studies examining salesperson performance in general, it appears that a salesperson who spends time performing behaviors that build strong relationships with customers, will improve his/her sales performance. This paper aims at analyzing research contributions that are available in the area of customer-salesperson relationships in personal selling, and identifying the various factors that have direct or indirect influence on individual salesperson's performance. These

factors are later evaluated in the context of services marketing to identify their relative importance specific to this field.

THE PERSONAL SELLING PROCESS

The basic components of a firm's promotional effort are personal selling, advertising, publicity, and sales promotion (Futrell, 1992). Personal selling is defined as "the personal communication of information to persuade a prospective customer to buy something – a good, service, idea, or something else" (Futrell, 1992).

Personal selling process is the sequence of steps or stages through which salespersons proceed in making a sale (Dubinsky and Rudelius, 1980). Hite and Bellizzi (1985) had divided the personal selling process into seven different stages. Every salesperson is believed to follow these stages in their personal selling process.

- *Prospecting*: The process of identifying prospective buyers for their products and services. A potential buyer is considered as a prospect when qualified in terms of (a) need or want, (b) ability to buy, (c) authority to buy and (d) eligibility.
- *Pre-Approach*: The process of gathering information about the prospect for preparing for the sales call. This information is used to further qualify the prospect and to develop an effective approach and presentation to the customer. This stage normally culminates in an appointment with the prospect customer.
- *Approach*: This step covers the first few minutes of the sales call. The salesperson's objective here is to create a favorable first impression, gain the customer's attention and interest sufficiently to make the presentation.
- *Sales Presentation*: This is the core of personal selling process where the salesperson presents their offering's features and benefits to potential customers. Attempts are made to arouse customer's desire for the product.
- *Handling objections and overcoming resistance*: Here, the salesperson attempts to overcome the prospect's resistance to purchase by responding to objections and emphasizing particular product benefits to promote purchase decisions.
- *Closing*: At this stage, Salesperson initiate purchase decisions through methods designed to solicit orders. In the most appropriate and effective manner, customers are asked to purchase the offering.
- *Post sale follow-up*: Salespeople continue to emphasize customer satisfaction in the post sales period. The activities include reducing post-purchase concerns, ensuring

timely attention to complaints, periodic follow-ups, all of which are aimed at building goodwill to enhance future sales chances and customer referrals.

For each of these seven steps, there are numerous sales techniques, methods and approaches that salespersons can use to enhance customer communications and relations. These techniques can be used individually or in combination. All the selling techniques used need not necessarily produce the same result. Some techniques may generate better results than the others (Dubinsky, 1980).

SELLING BEHAVIORS AND SALES FORCE PERFORMANCE

A large body of research has examined the determinants of salesperson Performance. While personal factors were the most important determinants of performance in the Churchill (1985) meta-analysis, this category did not consistently account for a large part of the variations in salesperson performance. A review of the meta-analysis shows that there was no mention of salesperson behaviors. Salesperson behaviors include sales force activities required in the sales process and activities related to the development of ongoing relationships with customers/buyers (Ballenger & Boles, 2000).

The typical sales process behaviors include prospecting, fact finding, selling, closing and servicing customers. Although these behaviors are considered important to the sales process, the amount of time spent on each activity should vary with more emphasis placed on those activities which actually create and develop sales. Weitz (1981) proposed a contingency framework that linked selling behaviors to salesperson effectiveness in the dyad. The relative effectiveness of various salesperson behaviors is hypothesized to be dependent on factors in the dyad such as customer demands, resources of the salesperson, characteristics of the buying task, and characteristics of the buyer-salesperson relationship. He also emphasized that any research on sales force needs to examine actions that directly affect the nature of the sales, because actions and behaviors of salespeople during a sales process can be critically important to the quality of interaction with the buyer. Thus, examining these behaviors may be of great importance in determining sales performance (Castleberry and Shepard, 1993; Plank and Reid, 1994).

Many of the empirical researches examining the effect of salesperson behavior on performance suggest that there is a linkage between salesperson behavior and sales performance. The discussions made in the following section are an attempt to evaluate a few of these researches and to identify some of the critical factors that are found to affect the salesperson's behavior, and there by his/her performance in personal selling process.

DETERMINANTS OF SALESPERSON PERFORMANCE

The discussions in this section are based on the findings from previous researches that had addressed the various determinants of salesperson performance in personal selling. The discussions aim at identifying and analyzing few of the important determinants, both at the individual level and organizational level, which can influence individual salesperson performance. For better understanding, the different factors are grouped under three categories as Personality and skill related variables, Relationship Selling Behaviors and Relationship Oriented Characteristics.

PERSONALITY AND SKILL RELATED VARIABLES

Psychological traits and aptitudes of an individual contain subcategories of personality variables and skill variables. Personality variables include the need for achievement or *intrinsic rewards*. Also included is the need for power or *extrinsic reward* needs. The skills subcategory contains the *vocational esteem* variables. Vocational esteem refers to the degree of liking or preference for the tasks and activities associated with the sales job (Churchill, 1997).

Ballenger & Boles (2000) proposed that the elements of personal characteristics like *age, sex, education level, previous employment, sales experience, marital status, intrinsic reward orientation, extrinsic reward orientation and vocational esteem*, to have direct influence on sales performance of salespeople.

The results of this study indicates that salespeople who spend more time selling are likely to have higher levels of vocational esteem, have had previous sales experience, have a spouse in the profession, and be more motivated by extrinsic rewards. Previous sales experience gives salespeople more realistic job expectations and a better basis for self-monitoring their own success or failure. Also, higher levels of vocational esteem (the degree of preference or liking for tasks and activities associated with the sales job) are associated with more time spent selling and servicing clients. Higher-performing salespeople spend more time selling and had higher-than-average extrinsic reward orientations. This finding indicates even when other rewards are important for a salesperson; money is the number one motivating factor which has direct influence on their performance.

Shepherd, Castleberry and Ridnour (1997) examined the relationship between *effective listening skills* and salesperson performance. The study was conducted among salespersons engaged in direct selling of electronic goods to the industrial sector. Castleberry and Shepherd had earlier suggested that "Expert Listeners" are those (a) who create situation in

which speaker will want to share information, (b) who accurately add meaning to the message, (c) who accurately evaluates the message, and (d) who provides feedback. The results of the study indicate a positive relationship between effective listening skills and adaptive selling behavior which is a determinant of salesperson performance. They also conclude that effective listening skills allow the salesperson to work “smarter” while also achieving higher performance goals.

Charles and Schwepker Jr (2002) researched on the effect of *ethical conflict* of a salesperson engaged in direct selling on performance. Salespeople are particularly susceptible to ethical dilemmas (Wotruba, 1990). All salespeople have the objective of balancing the satisfaction of their organization’s needs with those of the customer, as well as their own. Although research suggested a negative relationship between role conflict and salesperson performance, empirical evidence relating ethical conflict to salesperson job performance was lacking.

The study results conclude that the ethical conflict is negatively related to one key component of sales performance, achieving sales objectives. Thus, salespeople experiencing more ethical conflict indicate lower performance on sales objectives (i.e. producing high market share, selling high profit products, generating high dollar sales, identifying and selling to major accounts, producing profitable long-term contracts). Interestingly, this component of sales performance is the one that deals with the bottom line of salespeople’s performance. They also suggest that managements should take necessary steps to reduce ethical conflict among salespersons engaged in direct selling so as to enhance better performance.

RELATIONSHIP SELLING BEHAVIORS

Another type of salesperson behavior involves activities that lead to relationships with the customers. These activities and behaviors can be referred to as relationship selling behaviors (Crosby, 1990). While these behaviors do not completely capture the wide range of salesperson behaviors that have been examined, they have been linked to buyer-seller relationship quality. Relationship selling comprises three dimensions: *interaction intensity*, *mutual disclosure*, and *cooperative intentions* (Crosby, 1990).

The level of interaction between the salesperson and the customer is referred as Interaction intensity. As the frequency of interactions increases, the level of trust and understanding between the two parties improves, which can earn productive results for both of them.

Similarly Mutual disclosure, the sharing of personal and organizational information among each other, helps to develop mutual trust between the buyer and salesperson. This

information can be used to aid in problem solving or in better understanding of the partner. Both of these attributes can enhance the exchange relationship.

The final dimension is cooperative intentions. Salespeople who adopt a cooperative selling style, gain respect and trust from their buyers. Relationship selling behaviors are intended to develop and maintain a strong buyer-seller relationship (Crosby, 1990).

Relationship selling behaviors and performance may be linked mostly on the basis of development of *trust* between the salesperson and buyer (Dwyer, 1987). From the perspective of relationship selling, the customer's *trust* can be defined as "a confident belief that the salesperson can be relied upon to behave in such a manner that the long term interest of the customer will be served" (Crosby 1990).

The role of these behaviors is distinct from the traditional sales process activities, such as handling objections and closing. Instead, relationship selling behaviors focus on the development of personal relationships between the salesperson and buyer that are mutually beneficial. A stronger relationship between the two exchange partners allows for greater trust and communication, thereby leading to lower customer turnover (Crosby, 1990) and more referrals and recommendations (Boles, 1997). These outcomes can result in superior salesperson performance.

RELATIONSHIP ORIENTED CHARACTERISTICS

The marketing literature has widely discussed the importance of buyer-seller exchange relationship in the personal selling context. Ingram (1990) argues that if salespeople are to meet future challenges, they must adopt the perspective of the true professional and employ a customer-oriented approach that employs truthful, non-manipulative tactics which satisfy the long-term needs of both the customer and the selling firm. Further, Swan and Nolan (1985) contend that firms are seeking out relationships with their customers and that salespeople are important in helping to build these relationships (Dwyer, 1987).

Support for the adoption of *customer-orientation* in personal selling has existed for a number of years. However, prior to 1980, only few published studies presented empirical data linking sales activities with a customer-oriented perspective. The first empirical study examining buyer or customer orientation was presented by Dubinsky and Staples (1981). This study examined the sales techniques used by industrial salespeople and concluded that most industrial salespeople were customer-oriented in their selection of various selling techniques. Salespeople prefer techniques which allow them to identify and cater to the needs of their customers. Further, they concluded that the number of customer-oriented techniques used

were much greater than the number of non-customer oriented techniques. Saxe and Weitz (1982) more fully developed this line of inquiry through the introduction of the first generally accepted scale (*Selling Orientation-Customer Orientation, or SOCO, scale*) designed to assess the customer orientation of sales representatives.

Sales personnel practicing customer-oriented selling techniques would defer short-term returns for long-term dividends. Also additional efforts are required of customer-oriented salespeople to engage in the often difficult process of discovering their customer's needs and designing products and services that provide the ultimate benefit to the buyer.

A large number of studies have examined the concept of customer orientation and found it to be an important characteristic of high performers (Kelley, 1992). Further support for the use of customer-oriented selling techniques is provided by the contention that successful sales representatives identify having a client orientation as the secret of their success (Bragg, 1986).

Adaptability is considered to be another important relationship based sales activity. *Communication style* and salesperson's *ability to adjust* their activities to match the interactive requirements of the buyer better are considered to be the major measures of adaptability. Spiro (1985) examined the communication styles of sales representatives and concluded that the most successful salesperson will be the one who can adapt their communication style appropriately to interact with the customer. The relationship of *questioning, listening, and non-verbal behavior* with adaptive personal selling is supported by Morgan and Stoltman (1990). They state that a salesperson's perceptual abilities, including *customer orientation, probing, asking questions, listening, and detecting verbal and non-verbal clues*, provide the basis for adaptive selling. Notarantonio and Cohen (1990) hypothesized that in a sales encounter a salesperson can deliberately alter his/her style to achieve maximum effectiveness and concluded that an adaptive and flexible communicative behavior seems to be a necessary condition for effective managerial performance, not just sales performance.

Another important relationship based characteristics is the *service orientation* of the individual salesperson. As customer orientation is a measure of the extent to which salespeople orient the sales process to their customer's needs, the service orientation takes into account the seller's willingness to engage in both selling and non-selling tasks throughout the buyer-seller relationship. The quality of the customer-salesperson interaction, as perceived by the buyer, is important in determining customer satisfaction with the interaction

(Bitner, 1990). A positive service orientation may be able to overcome, negative aspects more directly related to the actual product being offered. Therefore, it becomes important in the context of establishing a successful long-term relationship to explore elements of service quality over which salespeople have some control. The components of service orientation as put forth by Keillor and Parker (2000) are *reliability, responsiveness, competence, access, courtesy, communication, credibility, understanding/knowing the customer, and security*.

Keillor and Parker (2000) examined the importance of *Relationship oriented characteristics* which includes customer orientation in the selling techniques used, adaptability in the sales process, and service orientation being exhibited by the seller toward the buyer on performance of individual salesperson. The results shows that there exists a positive relationship between all the three components of relationship oriented characteristics, with an individual's sales performance. Even though the effect of adaptability and service orientation was not very significant, customer orientation proves to have a positive association with individual salesperson performance.

MARKETING OF SERVICES

Traditionally, the marketing literature had not given adequate importance to marketing of services. One of the major difficulties of discussing this topic is the lack of an agreed definition of "Service" (Blois K.J, 1974). Many writers have suggested definitions and majority have revolved around the degree of tangibility of goods. American Marketing Association has put forwards the definition for services as "An activity offered for sale which yields benefits and satisfactions without leading to a physical change in the form of goods". From marketing point of view, services are different from products with respect to certain characteristics. Levy and Philip Kotler (1975) distinguished services and products on the following parameters.

- *Heterogeneity*: Services are heterogeneous in nature and products are uniform. A product is perceived as same by all customers, whereas, perceptions about services are different for different customers.
- *Intangibility*: Unlike products, services cannot be seen, tasted, felt, heard or smelled before they are bought. A customer who buys a service cannot see or test its benefits before he purchase that. In other words, services cannot be physically evaluated unless it is purchased and consumed.
- *Inseparability*: Services are typically produced and used or consumed simultaneously. They are not separable from the seller. This is not true with goods, which are

produced, put into inventory, distributed, sold by retailer and consumed later. The process from manufacturing to consumption cannot be separated in the case of services as it is possible with products.

- *Variability*: Services are highly variable because they depend on who provides them and when and where they are provided. Any change in who offers, when and where offered can alter the quality of service which is not true with products. The products remain the same irrespective of who offers, when and where it is offered.
- *Perishability*: Services cannot be stored. The utility of most services is short lived. While a product not sold today can be converted into cash tomorrow, a service not offered or sold today cannot be stored and sold on a later date. Similarly, unlike products, services cannot be mass produced and stored to meet a future demand.

The differences between services and products based on some of its characteristics discussed above reinforce the importance of a separate treatment for marketing of services. The tactics and strategies to be used in marketing of services should be designed in such a way that they addresses the differences in characteristics that exists between products and services. Same is the case with salesperson engaged in selling of services. The skills and orientations required for a service salesperson must naturally be different from that of a salesperson engaged in selling of goods for the simple reason that the product offerings they have to sell differ in their characteristics. Similarly, the customer expectations and uncertainties about the service to be acquired also needs attention. From the customer's perspective, it is difficult to evaluate the quality of most services prior to purchasing and consuming and some services remain difficult to evaluate even after they have been performed. Customers, who develop trust in service suppliers based on their experiences with them, have strong reasons to remain in these relationships because of the uncertainties and risks associated with acquiring service (Berry, 1995).

CONCLUSION

The selling behavior of salespersons plays a vital role in the relationship development with customers. Therefore an analysis of various personal and organizational characteristics that can influence the salesperson performance can contribute to better individual and organizational performance. An analysis of research findings in the area of selling behaviors and sales performance suggests that there exist significant relationships between some of the salesperson characteristics and individual performance in a personal selling context.

A high level of customer orientation was significantly related to sales performance (Keillor and Parker, 2000). A selling/customer orientation involves activities which are more generally applicable and subsequently easier to teach in a training context. This suggests that providing the necessary training in, and monitoring of, such behaviors may be a key component in developing a successful sales organization. In managing a sales organization, this finding may provide support for the efficacy of training and development in attempts to improve productivity. The relational selling characteristics of adaptability and service orientation are also found to have a direct effect on performance of salespersons. There also exists a direct relationship between both interaction intensity and mutual disclosure with salesperson performance. This indicates that it is extremely important for a salesperson to maintain regular contacts with customers and to disclose information about him/her. Regular interactions, as well as the disclosure of personal/ firm information, are related to increased sales. Other personality and skill variables such as reward orientation, vocational esteem, ethical conflict and listening skills of salespersons are also found to influence individual sales performance.

Personal selling is becoming more professional and managerial in nature. The strategic importance of personal selling function combined with its dependence on the relationship orientation of the salesperson, are the two underlying reasons for this trend. Professionalism is increasingly evident in the practice of personal selling and salesperson-customer relationships. Increased competition and fast changing environments in the economy has lead organizations to maintain long-term relationships with its customers. Most of the organizations engaged in personal selling of their products and services are adopting the idea of relationship orientation in all their selling efforts. This strategic focus of organizations on long term customer relationships suggests that, salespersons engaged in personal selling should behave more as professional consultative sellers, trying to provide information that is helpful to the customers. The more the salespersons are able to enhance the relationships with their customers through their relationship oriented selling behaviors, the more the customers will be satisfied with the selling approach. This enhances their willingness to trust and cooperate with the salespersons, thus enabling the salespersons to achieve their goal of long-term relationships and improved sales performance.

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