

Business-to-business salespeople's understanding of relationship selling principles

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Abstract

Relationship selling has been advocated as more effective than high-pressure or transaction selling. However, evidence indicates that high-pressure selling is still often undertaken. While much research has covered relationship selling and required skills, little has been published about salespeople's understanding of underlying principles. This study aims to contribute toward addressing that deficiency.

Findings suggest most salespeople recognise benefits of behaviour associated with relationship selling. However, relatively modest levels of agreement by a majority of respondents on some issues indicate possible gaps in understanding and provide support for the suggestion that lack of understanding is a cause of continued high-pressure selling.

Key words: Relationship selling; Selling behaviour

Background and Literature Review

It has been six decades since the need was documented for the selling profession to shift from 'high-pressure' to 'low-pressure' selling (Bursk, 1947; Frey, 1955; Hickerson, 1952). More recently, 'relationship selling' has been advocated as more effective, usually, than 'transaction selling' (Barker, 1997; Moncrief and Marshall, 2005). The philosophy of low-pressure and relationship selling include recognition of the requirement to identify and understand customer needs, emphasis on open communication and problem-solving, ethical behaviour and sincerity, and development of trust (Boles, Brashear, Bellenger and Barksdale, 2000; Guenzi, Pardo and Georges, 2007; Jolson, 1997; Macintosh, Anglin, Szymanski and Gentry, 1992). The focus is long-term since "longevity of the relationship" between buyer and seller provides "financial rewards from coordinated strategic investments", and provides the seller with "greater insight into the buyer's latent needs" (Slater and Olson, 2000).

Research findings suggest that a relationship selling approach tends to achieve superior long-term sales results than a high-pressure selling approach (Crosby, Evans and Cowles, 1990; Macintosh *et al*, 1992). However, there is clear evidence that high-pressure selling is still undertaken by many salespeople, perhaps due to a lack of understanding of alternative selling approaches (Jolson, 1997). While much has been written about relationship selling behaviour and required skills (Biong and Selnes, 1995; Boles *et al*, 2000; Jap, 2001; Johns, 2001; Rentz, Shepherd, Tashchian, Dabholkar and Ladd, 2002; Rich and Smith, 2000), little has been published about salespeople's understanding of the principles of relationship selling.

This study is a first step toward addressing that deficiency, although results must be treated cautiously since the sample comprises respondents from just Malaysia and Singapore.

Relationship marketing has been described as the development of strong and lasting relationships with customers, the formation of long-term buyer-seller relationships through structural and social bonds, and a personalised marketing process with a long-term focus (Jackson, 1983; Perrien and Ricard, 1995; Turnbull and Wilson, 1989). A core feature of relationship marketing is the existence of "long-term relationships" in contrast to a transaction-based orientation (Frankwick, Porter and Crosby, 2001). As the primary link between the buying and selling firms, business-to-business salespeople play a major role in the formation of such long-term relationships (Sharma, 2001; Weitz and Bradford, 1999). This requires salespeople to abandon their short-term, transaction-based selling approach and to adopt a long-term, relationship selling orientation (Jolson, 1997).

Prior studies have identified antecedents to relationship selling, including personal characteristics, interpersonal factors, and organisational and external environmental factors (Anselmi and Zemanek, 1997; Beverland, 2001; Biong and Selnes, 1995; Boles *et al*, 2000; Dubinsky, Chonko, Jones and Roberts, 2003; Martin, 2001; Sharma, Tzokas, Saren and Kyziridis, 1999). One framework is illustrated in Exhibit 1.

Research Methods

This study identifies the perceptions of business-to-business salespeople regarding factors comprising antecedents to, or components of, relationship selling. In effect, the study has involved (1) an initial expansion of the two sets of variables identified in Exhibit 1, and (2) the identification of perceptions of business-to-business salespeople about those factors.

Following a literature review, draft measurement scales were developed of antecedents and components of relationship selling. These scales were refined following interviews with three marketing academics and five marketing practitioners. The semi-structured interviews were conducted on a one-to-one basis with the principal researcher, partly to avoid negative effects of 'group-think' (Moorhead and Montanari, 1986). Each member of the 'panel' was provided with a draft of the questionnaire and a summary of the study before the relevant interview.

This approach is consistent with views of prior researchers regarding the use of small numbers of expert interviewees (Marshall and Rossman, 2006; McCracken, 1988). Except for items regarding personal factors, items comprised 7-point Likert-style questions, anchored by terms such as 1 = “Not effective at all” to 7 = “Very effective”, 1 = “Not necessary at all” to 7 = “Absolutely necessary”, and 1 = “No contribution” to 7 = “High contribution”.

Participants were practitioners selling industrial products or services, recruited by contact initially being made with senior management or sales management of 63 Malaysian and Singaporean firms known to the principal researcher or identified in trade directories. Cooperation of both management and salespeople was sought to increase response rates (Behrman and Perreault Jr, 1984). Industries were excluded if unusual buyer-seller relationships were considered to be the norm in those industries. (For example, contract manufacturers function like external production departments rather than as marketing firms.) After contact and follow-up, 16 firms participated, employing 319 salespeople in total.

Questionnaires were sent via email to the management contact or directly to the salespeople within each participating firm, depending on the preference of the contact. Completed questionnaires were returned directly to the principal researcher to ensure confidentiality.

Consistent with suggestions by Armstrong and Overton (1977) and prior practice (Atuahene-Gima and Li, 2002; Dubinsky, Mehta and Anderson, 2001; Harmon, Brown, Widing and Hammond, 2002; Yilmaz, 2002), non-response bias was assessed through a comparison of mean scores of early and late responses. Results in this study suggest little or no such bias.

Exploratory factor analysis was undertaken to purify the data and to provide an improved set of measures (Churchill Jr., 1979). Validity was checked through reviews of correlation coefficients of items in the same scales (Field, 2005). Independent-samples t-tests enabled comparisons of results for different categories of respondent, based on personal characteristics such as age or gender. Cluster analysis enabled identification of differences within the overall sample, consistent with prior research (Cannon and Perreault, 1999; Homburg, Workman and Jensen, 2002). Comparisons were made of solutions from hierarchical, two-step and K-means clustering procedures to minimise problems relating to choice of method (Saunders, 1980).

Results

Overall, 217 questionnaires were returned, 194 of which were considered to be useable, representing an effective response rate of almost 61%. About 39% of respondents were aged 35 years or younger, 28% were female, and 44% were married. About 36% had completed a university degree and another 54% had completed some other post-secondary qualification. The mean length of time salespeople had been in their current job was nearly five years and the mean length of time employed as a field salesperson was about seven years.

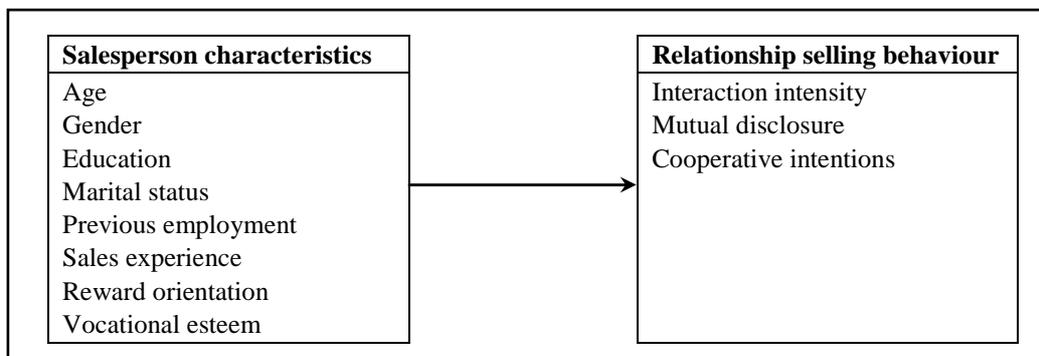


Exhibit 1: Antecedents of relationship selling

Source: Adapted from Boles *et al*, 2000, p 145

With respect to mutual disclosure, three factors were identified, comprising all ten original items. These are identified in Exhibit 2, which illustrates that responses were mixed for two factors. While most respondents agreed that issues regarding openness contribute toward positive buyer-seller relationships, some clearly disagreed with respect to some issues. **With respect to interaction intensity**, two factors were identified, comprising all eight original items. These are identified in Exhibit 3, which indicates that responses tended to be fairly high for both factors. **With respect to cooperative intentions**, only one factor was identified, reliability of the five-item scale being confirmed with a Cronbach's alpha value of 0.83 (Field, 2005; Nunnally and Bernstein, 1994). As shown in Exhibit 4, most respondents agreed that cooperative actions contribute toward development of good customer relationships. **With respect to selling approaches**, only one factor was identified, reliability of the five-item scale being confirmed with a Cronbach's alpha value of 0.74. As shown in Exhibit 5, most respondents agreed that a flexible selling approach catering to customers would be beneficial. Comparisons of composite means for respondents up to 35 years of age versus those above 35 years of age indicated that all differences, except one, are less than 0.2 and non-significant. The significant difference relates to *Mutual disclosure factor 3*, a single-item factor regarding the extent respondents believed revealing their company's true position to their customers would contribute to improved customer relationships. For this item, means of older and younger respondents are 4.1 versus 5.1, significantly different at the 99% confidence level. Comparisons of composite means for male and female respondents identified only two differences of at least 0.5, both being significant at the 99% confidence level. These two

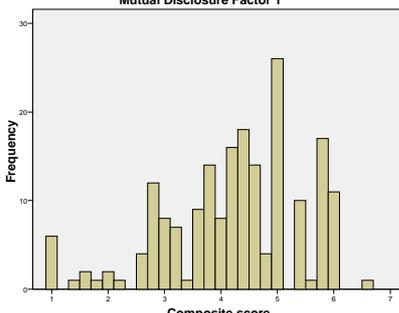
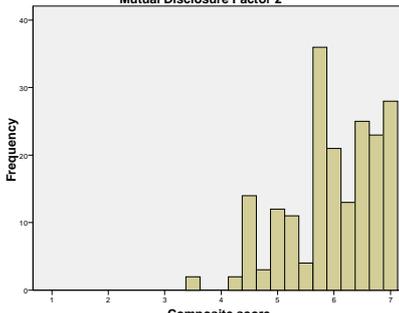
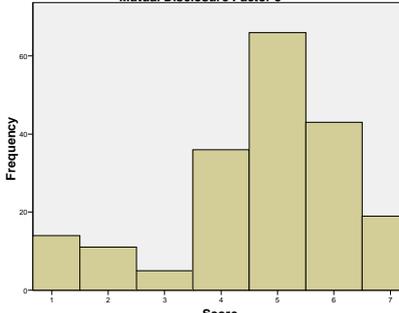
Mutual Disclosure Factor 1	Mutual Disclosure Factor 2	Mutual Disclosure Factor 3
 <p>Items: The customer confiding to me his or her personal information (e.g., family matters, personal problems) The customer telling me a lot about his/her job, career, accomplishments, likes and dislikes about the job. I, ... revealing truthfully to the customer my negative experience of serving them (e.g., over-demanding). I, as the salesperson confiding to the customer my personal information (e.g., family matters, personal problems, personal values, ...). I, ... telling the customer a lot about my job, career, accomplishments, likes and dislikes about the job. Composite mean: 4.2</p>	 <p>Items: The customer revealing his or his company's true position to me (e.g., plans, ... production problems, etc). The customer revealing truthfully to me his or her company's positive experience and views about my products/services and company (e.g., ... quality, ... price, ... service, ...). The customer revealing truthfully to me his or her company's negative experience and views about my products/services and company I, ... revealing truthfully to the customer my positive experience of serving them (e.g., mutual benefits gained, status, pleasant, helpful, ...). Composite mean: 6.0</p>	 <p>Item: I, as the salesperson revealing my company's true position to my customer (e.g., plans, intentions, quality or company problems, etc). Mean: 4.7</p>

Exhibit 2: Frequency of responses to mutual disclosure factors (composite items)

Items in this scale relate to “the extent you think the situations described in the statement would contribute to improving relationships between you and your customers”.

differences relate to (1) *Interaction intensity factor 2*, comprising three items regarding respondents' levels of agreement that personal and social interaction would be effective in building and maintaining customer relationships, with composite means of 5.5 for males and 4.7 for females, and (2) the *Selling approaches factor*, comprising five items regarding respondents' levels of agreement that a flexible selling approach catering to customer needs would help achieve sales call objectives (with composite means of 5.9 for males and 5.4 for females). Comparisons of composite means for single and married respondents identified two significant differences (at the 99% confidence level). However, only one absolute difference exceeded 0.4, namely, that relating to *Interaction intensity factor 2*. For this item, means of single and married respondents were 5.6 and 5.0, respectively. Comparisons of composite means for respondents with and without a university degree identified one significant difference exceeding 0.4. This relates to *Mutual disclosure factor 3*. For this item, means of university graduates and other respondents are 5.4 and 4.2, respectively.

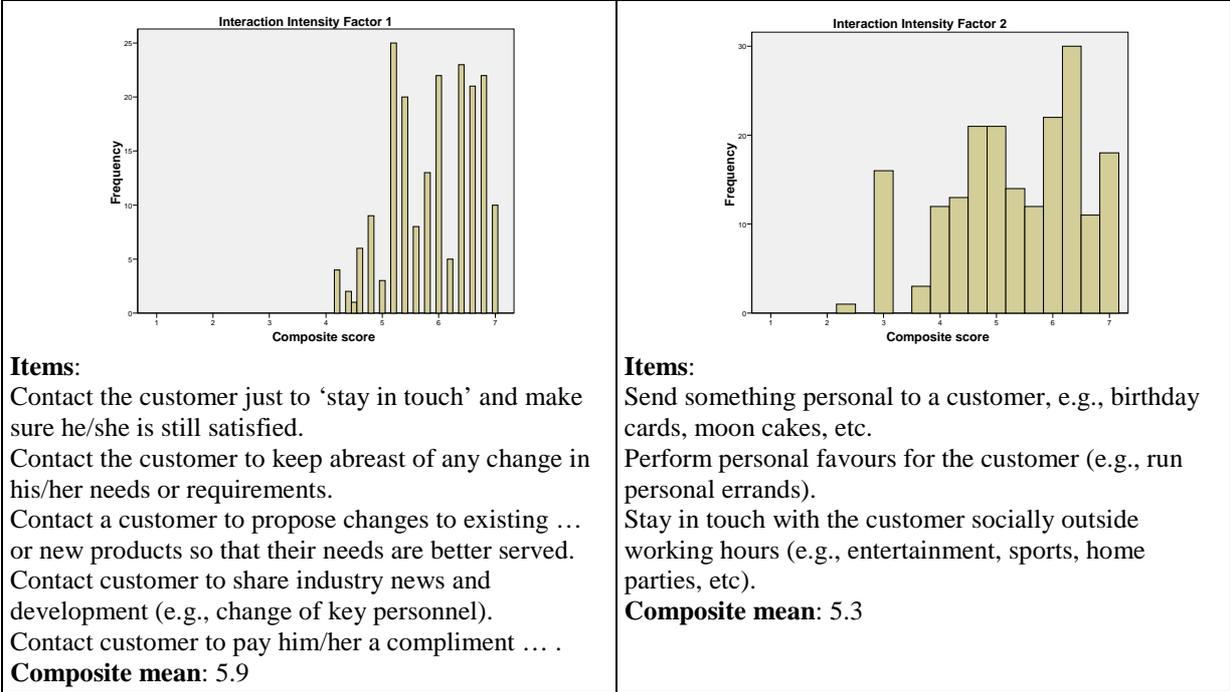


Exhibit 3: Frequency of responses to interaction intensity factors (composite items)
 Items relate to “how effective you believe each [item] is in building and maintaining ... customer relationships”.

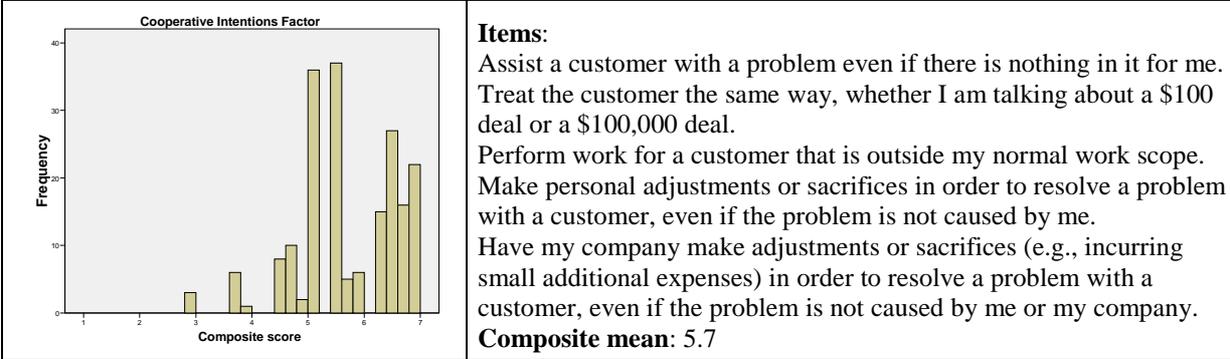


Exhibit 4: Frequency of responses to cooperative intentions factor (composite item)
 Items relate to “how much you think the following actions would contribute towards the development of a good relationship between you and your customer”.

Cluster analysis identified two clusters, as shown in Exhibit 6. The only two significant differences in cluster membership regarding personal characteristics relate to gender and the length of experience in a field selling role. Male respondents and respondents with more field selling experience are somewhat more likely to be found in Cluster 2 than female respondents and those with less field selling experience, respectively.

Discussion

Differences in levels of agreement about benefits of openness regarding their company's situation could reflect higher levels of circumspection among older salespeople or higher levels of self-confidence among university graduates. Differences about personal and social interaction being beneficial could reflect potential problems females and married persons face by interacting with business acquaintances outside of work. Interpretation of the difference between males and females regarding agreement about a flexible selling approach is difficult; however, the difference is small, although significant. Cluster analysis suggests that gender and length of experience in a field selling role have an effect on the levels of agreement with the various issues relating to relationship selling.

Importantly, findings suggest that most salespeople recognise benefits of behaviour consistent with relationship selling. However, the relatively modest cluster centre mean for most respondents (comprising Cluster 1) indicates that there are gaps in understanding of many salespeople and provides support for the suggestion that a lack of knowledge is a cause of non-adoption of relationship selling. Confirmation of this will be sought by assessing whether there is a relationship between the level of agreement with relationship selling principles and the level of adoption of relevant behaviour, or whether other issues are involved (such as company policy or salesforce control and reward systems).

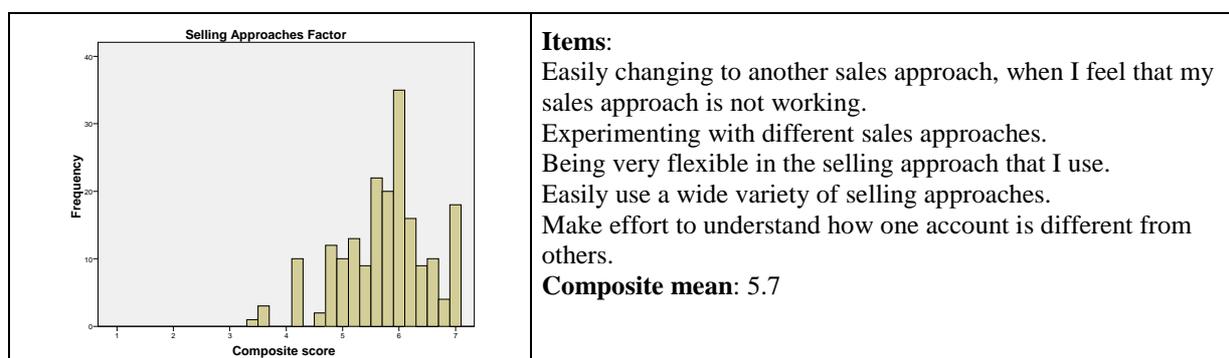


Exhibit 5: Frequency of responses to selling approaches factor (composite item)

Questionnaire items relate to “how effective you think the following selling approaches would be in helping you achieve your sales call objectives”.

Factor (Composite item)	Cluster 1 (n = 113)	Cluster 2 (n = 81)	Item relating to personal characteristic	Cluster 1 (n = 113)	Cluster 2 (n = 81)
Mutual disclosure factor 1*	3.7	5.0	Years in current job	4.8	4.3
Mutual disclosure factor 2*	5.7	6.4	Years in field selling role*	6.0	8.1
Mutual disclosure factor 3*	5.3	4.0	Gender* ** (M=1, F=2)	1.4	1.1
Interaction intensity factor 1*	5.6	6.4	Age group**	3.1	3.4
Interaction intensity factor 2*	4.6	6.4	Marital status**	2.2	1.8
Cooperative intentions factor*	5.3	6.4	Highest education level**	2.5	2.3
Selling approaches factor*	5.5	6.1			
Overall cluster mean	5.1	5.8			

Exhibit 6: Cluster centres

* Difference between cluster centres is significant at 99% confidence level.

** Analysis of frequency distributions also was undertaken given the nature of this item.

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