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Customer and selling orientations of retail salespeople and the sales manager's ability-to-perceive-emotions: A multi-level approach

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ABSTRACT

Drawing from the mental ability framework and information processing theory, two studies embedded within the B2C retail setting investigate the role of the sales manager's ability-to-perceive-emotions in the complex non-linear relationships between salespeople's customer and selling orientations on one side, and its outcomes (sales performance and customer re-purchase intention) on the other. Using multilevel data from salespeople and their managers, Study 1 tests a theoretical model of salesperson orientation and performance, while Study 2 further verifies the results of Study 1 from the customer's perspective. Both studies find strong empirical support for a curvilinear, inverted U-shaped effect of a salesperson's customer orientation on sales performance and customer re-purchase intention. This effect is, however, reversed for the link between selling orientation and performance/re-purchase intention, where results indicate a U-shaped curvilinear relationship. Furthermore, we show that the sales manager's ability to perceive emotions facilitates the effect of salespeople's customer orientation on sales performance.

1. Introduction

Ever since its first appearance in the marketing literature (Saxe & Weitz, 1982), both customer orientation (CO) and selling orientation (SO) have received great interest from scholars. In their endeavor to understand the role of salesperson orientations, researchers have investigated their relationships with various organizational outcomes (see Goad and Jaramillo's (2014) meta-analytical study). However, when compared, these studies show significant discrepancies, making it difficult for researchers and practitioners to draw definite conclusions about the relationship between CO/SO and various performance outcomes. For example, while some authors confirm a positive impact of CO on sales performance (e.g. Boles, Babin, Brashear, & Brooks, 2001), other studies do not support this relationship (e.g., Johnson, Sivadas, & Kashyap, 2009).

One reason for the lack of consistency might be found in the nature of the relationship between CO and performance outcomes. For example, Homburg, Müller, and Klarmann (2011) argue that the customer is not necessarily "always in the right" and that there is a trade-off between increasing investments in CO, and the time/effort that could otherwise be invested in alternative prospects. Thus, additional research may help better understand the nature of the relationship between CO and performance in a variety of selling contexts, including both B2B and B2C (Evans, McFarland, Dietz, & Jaramillo, 2012). This study focuses on the B2C selling context and investigates whether an inverted U-shaped relationship between CO and sales performance indeed holds in this particular context in the same manner as previously found in a B2B context (Homburg et al., 2011).

There are also question marks over the role of selling orientation (SO), which has been given far less academic attention in the literature than CO, particularly regarding the possible joint contribution of CO and SO to performance (Guenzi, De Luca, & Troilo, 2011). SO is very often seen as the polar opposite of CO (Boles et al., 2001; Guenzi et al., 2011; Wachner, Plouffe, & Grégoire, 2009), and is thus apparently stigmatized for its (often anecdotal) negative influence on sales performance and customer satisfaction (e.g., Boles et al., 2001; Guenzi, Georges, & Pardo, 2009).

As such, extant research has generally treated the two orientations separately, leaving considerable scope for exploring how both might simultaneously contribute to sales performance. Guenzi et al. (2011) argue that both orientations can and do co-exist, and in fact influence performance differently. However, the literature examining SO's impact on organizational and employee-related outcomes is inconsistent, finding that SO has both a negative impact on sales performance (e.g.,

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Guenzi et al., 2009), and a positive influence on performance (e.g., Johnson et al., 2009). On the other hand, Boles et al. (2001) find no significant relationship between SO and performance. Such a lack of consistency in results is likely to result in model misspecifications and the omission of important information that might be beneficial for practitioners. In particular, in a B2C context, salespeople experience a high degree of daily personal interaction with a variety of customers, requiring quick reactions (e.g., Homburg & Fürst, 2005) with less available time to dedicate to each individual customer. SO might thus be a desirable approach in at least some cases. Therefore, rather than assuming a linear relationship among SO and sales performance, this study makes an argument for a U-shaped relationship, aiming to capture an aspect of the relationship that has not heretofore been explained in the literature.

We also explore sales managers' emotional skills as an important potential boundary condition of the effectiveness of CO/SO. The dynamics of the retail salesperson's role place them in face-to-face intensive selling situations day in and day out; in such a situation, salespeople can hardly operate in an emotional vacuum (e.g., Homburg & Fürst, 2005). Both the mental ability framework and information processing theory argue that individuals differ in their emotional/affective reactions. Being pressured for productivity and efficiency, and simultaneously influenced by variety of differing emotions, salespeople often look up to their sales managers in search of guidance and leadership (Wieseke, Ahearne, Lam, & Dick, 2009; Xu, Liu, & Guo, 2014). Therefore sales managers' emotional skills may impact the effectiveness of salespeople's customer interactions, as expressed by their CO/SO. It rests upon a sales manager to perceive the varying emotional states of individual salespeople, acknowledge differences among them, and guide each of them appropriately to ensure that these emotions do not get in a way of "*getting the work done*" (Goleman, Boyatzis, & McKee, 2002, p. 12).

However, sales managers will differ in their ability to register, attend to, and decipher emotional massages during interpersonal interactions (Dolan, 2002). Ability to perceive emotions (APE) draws from the mental ability framework of emotion, and we conceptualize it as being derived from the sales manager's appraisal and expression of sensory information and nonverbal information, through facial expressions or other visual or auditory stimuli (Mayer, Salovey, & Caruso, 2000). Despite the growing body of research in the domain of leadership and emotions (e.g. Mulki, Jaramillo, Goad, & Pesquera, 2015; Wong & Law, 2002), the understanding of the importance and impact of the sales manager's ability to perceive emotions on the effectiveness of salespeople's behavior remains underdeveloped. Thus, this study explores whether the effectiveness of salesperson orientation (i.e. SO & CO) is affected by this ability of sales managers to register, attend to and decipher emotional messages during interpersonal interactions with salespeople.

Based on these insights, this study contributes to theory by first examining how CO and SO together contribute to sales outcomes in a nonlinear fashion, and further by examining this relationship from both the perspective of salespeople (Study 1) and customers (Study 2). The study also shows how sales managers can influence these relationships, through their ability to perceive the emotions of their salespeople. Finally, this study is intentionally placed in B2C setting, augmenting present empirical studies on similar topics conducted in B2B sales settings (Evans et al., 2012), which contributes to B2C sales practitioners, who must no longer assume that results from B2B research should by default also apply to their setting.

2. Literature review and conceptualization

2.1. Salesperson orientation and sales performance

Over the past several decades, the core meaning of CO has remained relatively consistent, as the "*degree to which salespersons practice the marketing concept at the level of an individual by trying to help their customers make purchase decisions that will satisfy customer needs*" (Saxe & Weitz, 1982, p. 343). Customer oriented salespeople have a high concern for others, focusing on the needs of the customer not only as they are at present, but also on how they might evolve in the future, suggesting a willingness to build long-term relational alliances with customers (Schultz & Good, 2000). However, implementing CO is a resource intensive (e.g., time consuming) investment, and this may diminish its net positive effects on revenues, profits and salesperson financial performance (Homburg et al., 2011; Verbeke, Belschak, Bakker, & Dietz, 2008). For example, understanding customer's needs as they evolve over time requires additional investments in time and effort (e.g. Franke, Keinz, & Steger, 2009). These activities may come at an opportunity cost to salespeople (Guenzi et al., 2011), as the time they spend engaging in such activities redirects salespeople from other selling-related activities (e.g. acquiring new customers or tending to other customers).

In addition, while CO places long-term customer benefits and interests above short-term sales performance (Saxe & Weitz, 1982; Wachner et al., 2009), management also places requirements on salespeople to reach short-term sales targets. The most successful salespeople must therefore identify the situations in which CO is truly important (Anderson & Onyemah, 2005).

Homburg et al. (2011) question the prevailing assumption that "*the more CO the better*" and show that there is an optimum level of CO behaviors (Homburg et al., 2011) in a B2B context, after which CO has diminishing effects on sales performance. However, the question of the form of the CO-performance relationship is especially salient in the B2C context, as B2C salespeople experience a large number of face-to-face selling situations daily, many, if not most, of which require quick responses which may not lend themselves naturally to a CO approach, in comparison to a classical high-value B2B solution sales context.

Taking into account the "customer learning-cost" logic (Thompson, Hamilton, & Rust, 2005) we argue that high CO salespeople may make the purchase experience too complex for many customers, since they need to devote more time and additional effort to communicating with the salesperson while looking for the product they need, which can result in a diminishing effect on closing the actual deal, and further on their willingness to return back to the store. In other words, we suggest what might appear paradoxical, that customer behavioral outcomes will become less favorable for the salesperson and for the firm, if customers feel that the salesperson is over-focused on him/her. This logic implies that there is an optimal level of CO, after which salespeople's efforts may become counterproductive (Clee & Wicklund, 1980). Further logic for this argument is explicated through sales practitioners' advice: "being blindly customer focused … ironically, presents issues similar to those that we've historically needed to solve for organizations that *aren't* trying to be customer focused" (emphasis added, Keller, 2014). Consequently, the first hypothesis is as follows:

H1. An inverted U-shaped relationship exists between customer orientation and sales performance.

A sales-oriented salesperson seeks to stimulate demand, rather than responding to customer needs, and emphasizes closing the deal, more than customer relationships (Saxe & Weitz, 1982). A meta-analysis shows that the impact of SO on performance may vary across industry types, and in particular that any negative linear effect of SO on performance is weaker in the B2C context (Goad & Jaramillo, 2014). This may be due to the specificities of B2C purchasing situations, in which retail customers are task oriented, simultaneously responsible for assessing products and making decisions as to whether to buy or reject those products (Kaufman, Jayachandran, & Rose, 2006), and as such it might be that they actually *expect* SO in salespeople (Boles et al., 2001). In this case, SO might not be harmful to performance in all instances (Guenzi et al., 2011).

Following information processing theory, different customers will