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Is The Customer Always King? Finding the Optimum Level of Customer Orientation

By Christian Homburg, PhD, Michael Müller, PhD, and Martin Klarmann, PhD

This article is an extended summary of a study published in the Journal of Marketing in March 2011, pages 55-74.

Whether in retail sales, business-to-business sales, or home sales, conventional wisdom suggests “the customer is always right.” Identifying and meeting customer needs is also at the core of the notion of salesperson customer orientation, introduced by Saxe and Weitz (1982) to the academic marketing literature almost exactly 30 years ago. Moreover, there is much empirical evidence that suggests that customer orientation positively influences customer perceptions. However, as a recent meta-analysis documents, researchers have had a hard time finding an effect of customer orientation on sales performance (Franke and Park 2006).

While it is clear that developing long-term, collaborative relationships with customers is important, the lack of a clear effect on sales performance suggests that maybe a salesperson can put too much emphasis on his customers. This unconventional suggestion is worth consideration, as many salespeople may not realize the cost of customer-related activities, both in terms of time and opportunity costs. Therefore, in our recent study we sought to understand and identify the optimal level of customer orientation in a sales encounter. Specifically, we wanted to determine: “How right should the customer be?” (Anderson and Onyemah 2006).

The results of our study have important implications for salespeople in the real estate industry. Identifying the optimum level of customer orientation that a real estate agent should exhibit can help her maximize her customer relationship potential to achieve maximum sales results.

Defining Customer Orientation and Identifying Outcomes

Against the backdrop of Saxe and Weitz’s (1982) framework of customer orientation, we define customer orientation in sales encounters as the degree to which a salesperson identifies and meets customer needs and interests in the different stages of the sales encounter. Five major stages of a sales encounter are often considered (e.g., Jobber and Lancaster 2006):
1) **Need and Problem Identification**
2) **Presentation and Demonstration**
3) **Dealing with Objections**
4) **Negotiation**
5) **Closing**

These five stages also reflect the typical stages of a home buying transaction. Regardless of the context, though, salespeople can choose to exhibit different levels of customer orientation in each stage. Based on a prior relationship with the client, the potential for a financially significant sale, or a genuine predisposition to meet customer needs, among others, each stage of the sales encounter can tip the scales of the “ideal” balance of time and resources an agent contributes to the transaction.

Finding ways to measure and manage outcomes based on the framework of the five stages of the sales transaction are paramount to conserving resources and maximizing sales potential. In our research we have linked salesperson customer orientation to two key outcome variables.

1) **Sales Performance** – the financial result of sales activities
2) **Customer Satisfaction** – a customer’s overall evaluation of purchase and consumption, based on attitudes toward the salesperson and attitude toward the products

We find it important to include both aspects of performance, because short-term financial performance alone could ignore long-term benefits of customer orientation. This would be particularly important in relational selling environments. In real estate selling this typically depends on the customer structure and the real estate that is being sold. Especially with business customers real estate agents could establish long-term relationships, where it will not suffice to focus on the financial outcomes of selling.

**Studying Sales Managers, Sales Representatives, and their Customers**

Using sales performance and customer satisfaction as outcome variables, we conducted a large study among sales managers, sales representatives, and customers in multiple industry contexts to better understand the optimal level of customer orientation in a sales encounter.

Mail-based surveys were administered to sales managers and sales representatives from more than thirty different business units in the financial services, logistics, health care, and information technology sectors, among others. Overall, we collected survey data from more than fifty sales managers and nearly 200 individual salespeople. Additionally, we were able to obtain data from more than 500 customers of these salespeople. As we sought to understand individual salesperson customer orientation, data were matched at the salesperson level by averaging customer responses from the surveys for each salesperson.
What We Found

The study uncovered key findings for salespeople. First, the data revealed an inverted U-shaped effect of a salesperson’s customer orientation on sales performance, which suggests there is an optimum level of salesperson customer orientation. In fact, the data reveal that that approximately 30 percent of salespeople exhibit customer orientation levels higher than the optimum, resulting in diminishing returns on customer orientation past a certain level.

We also looked at the effect of context factor of the optimum level of customer orientation. In particular, we found that the optimum level of customer orientation is higher for highly individualized products and lower for standardized products (e.g., commodities). Likewise, the optimum level of customer orientation is higher for premium products versus budget products and in competitive environments.

To better understand how a salesperson’s customer orientation can actually reduce sales performance, we also conducted some descriptive analyses of the costs of customer orientation. In particular, our data indicated that salespeople with higher than optimal levels of customer orientation serve much fewer customers than their colleagues. Also about 55 percent of their customer interactions have no sales elements. Hence, the key cost of customer orientation is the time spent on interactions with customers. Very high levels of customer orientation demand a lot of time, which is then missing to serve other customers. For the salespeople with the highest customer orientation levels this is not compensated by additional sales to existing customers.

It is worth emphasizing that the data show that customer orientation in sales encounters has a continuously positive effect on customer attitudes. Not surprisingly, the more time and resources a salesperson contributes to his customer, the better the customer’s attitude towards the salesperson. Finally, a customer’s attitude toward the salesperson and a customer’s attitude toward a supplier’s products influence customer satisfaction. In turn, this positively affects sales performance. Please see the original study for in depth analysis on the study’s constructs and findings.

What This Means for Real Estate Agents

Real estate agents know that making customers a priority is important for building long-term relationships. At the same time, it is important to consider that customer-centric activities require a considerable amount of a salesperson’s time and resources. For agents, our findings can help assess and understand the optimal level of customer orientation and what factors determine its magnitude.

Agents should reconsider the link between salesperson customer orientation and sales performance. Recognize that there is an optimum level of customer-oriented behavior in sales encounters, and activity beyond the optimum level results in diminishing returns. In a struggling economy, finding ways to reduce the time and financial expenses of a real estate transaction
while maintaining performance is imperative. This means that there are times when customer should not always be king. While working to provide high levels of service in real estate transactions is important, more activity does not always mean greater results for the agent. Are you working harder on behalf of your clients? Or are you working smarter?

One way an agent can work smarter to help achieve his optimal level of activity is to monitor his customer orientation more closely. Appendix I provides a portion of the survey used to conduct our study and is included to help an agent assess and manage the individual facets of his customer orientation in a real estate transaction. Consider using the survey quarterly to monitor your activities. The survey is constructed using a 7-point scale, and our study revealed that scores in any stage of the sales encounter above 6 can be a warning sign that behaviors are verging on counterproductive. This simple tool can also help managers manage their teams more closely.

However, it is worth noting that a one-size-fits-all approach to agent-customer interactions can lead to misallocation of resources. Some circumstances (and some customers) require greater levels of customer orientation than others. In particular, real estate agents selling premium property to customers with highly individual needs should not be alarmed if their customer orientation is larger than 6 (or even close to 7) on the scale mentioned above. Our results show that in these environments, the optimum level of customer orientation is larger than what our existing scale can measure.

Conclusion

Contrary to conventional wisdom, the customer should not always be king. While maintaining a high level of customer-oriented service is important for building long-term agent-customer relationships, identifying the optimum level of customer orientation can help an agent maximize his customer relationship potential to achieve maximum sales results.

References


Appendix I - Facets of Customer Orientation in Sales Encounters

Survey

Stage 1: Identification of Customer Requirements
- I ask my customers about their specific performance requirements
- I ask directed questions to determine the specific needs of my customers
- I actively involve my customers in meetings to determine their specific needs
- I attentively listen to my customers to get a proper understanding of their specific needs
- I summarize my customers’ statements to get a proper understanding of specific needs

Stage 2: Presentation of Customer Solutions
- I particularly focus on functional information which is especially relevant for my customers
- I focus on those benefits of our products and services, which are of particular relevance for my customers
- I adapt my sales pitch very much to my customers’ interests
- When presenting our products and services, I respond very individually to my customers’ requirements

Stage 3: Collaborative Handling of Objections and Disagreements
- I am very attentive to customer objections
- I routinely ask my customers for the reasons behind their objections
- I am very committed to resolve disagreements between my customers and me
- I actively create win/win situations to resolve disagreements between my customers and me
- I bring all difference between my customers and me out in the open to resolve disagreements

Stage 4: Consideration of Customer Interests
- In sales negotiations, I extensively account for my customers’ interests
- I reconcile my interests with my customers’ interests to achieve an agreement in sales negotiations
- I make compromises with my customers to achieve an agreement in sales negotiations

Stage 5: Use of Informative Closing Techniques
- I recommend my customers products and services that are appropriate from my point of view in a non-obliging way to facilitate their buying decision
- I summarize for my customers the major benefits of our offer in a non-obliging way to facilitate their buying decision

*Assess survey questions on a seven-point scale: “strongly disagree” to “strongly agree”
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Dr. Christian Homburg is director of the Institute for Market-Oriented Management (IMU) at the University of Mannheim. Since 2007, he has also been Professorial Fellow in the Department of Management and Marketing at the University of Melbourne. His research focuses on market-oriented management, customer relationship management, and sales management. Professor Homburg has published numerous books and articles at both the national and the international level. His research has also received several awards. In November 2005 and in May 2009, he was listed first in a ranking of German management scholars in the Germany business daily Handelsblatt. In March 2006 (Copenhagen Business School) and in July 2008 (Technical University Freiberg), Professor Homburg was awarded honorary doctoral degrees. Before his academic career, Professor Homburg was director of marketing, management accounting, and strategic planning in an industrial company that operates globally. In addition to his academic position, he is chairman of the scientific advisory committee of Homburg & Partner, an international management consultancy.

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Using Online Reviews in Creative Selling
By Katherine Taken Smith, DBA and W. Glynn Mangold, PhD

Think about the last time you purchased a book or selected a movie to see. How did you go about it? The chances are that your decision was influenced by what someone else told you. Imagine that you have just arrived in a new city and are looking for a doctor, a dentist, or a real estate agent. How would you go about it? The chances are that you would, again, rely heavily on someone else's recommendation.

Most of us would agree that word-of-mouth has always been a potent force in the real estate marketplace. In the past, consumers told other consumers about their home, their mortgage company, and their real estate agent. While some consumers were more talkative than others, one’s ability to communicate was primarily limited to face-to-face and small group conversations. But, now, consumers can communicate with hundreds or even thousands of people with only a few keystrokes. Facebook, Twitter, LinkedIn, blogs, and a host of other social media venues have now made word-of-mouth recommendations even more convenient. Word-of-mouth (and specifically, word-of-keyboard) is more powerful than ever before.

Consequently, the power in the marketplace is shifting from the seller to the buyer. Go to Zillow (http://www.zillow.com), choose your favorite real estate market, and examine the ratings and reviews found there. If you were looking for a real estate agent to help you buy or sell your home, would you be influenced by these ratings and reviews? Leveraging these mechanisms and the growing trend towards online reviews, real estate agents can take advantage of prominent online venues, regardless of the size (or relative budget) of their business.

Selling to Millennials

It is not surprising that those who were born between the early 1980s and 1990s are heavy users of these new social media venues. Often referred to as Millennials, many members of this generational cohort are now in their early adult years and constitute an important home buying market. In fact, there are approximately 77 million Millennials (Taylor and Keeter 2010), which constitutes the largest generational group since the Baby Boomers.

A 2011 article we published in Business Horizons specifically addresses the impact that online reviews have on Millennials’ buying decisions across a broad category of products and services. Entitled “Selling to Millennials with Online Reviews,” the article examines whether Millennials are influenced by online reviews and which online venues they are most often using to voice their opinions. The topic of positive versus negative reviews is also explored, along with gender differences in the posting of reviews. Specific recommendations are provided for leveraging online reviews in the selling process.
Our Study

Our survey of 227 Millennials reveals that this generation is undeniably posting reviews online and being influenced by these reviews. Respondents show a definite preference for two online venues: Facebook and company websites. Respondents were more prone to post positive reviews than negative reviews. Males voice their opinions online significantly more often than females.

Do Millennials Read Online Reviews?

Respondents were asked how often they read online reviews written by consumers when they are seeking product information before making a purchase. They were asked to respond on a scale from 1 to 10, where 1 equals never and 10 equals very frequently. Interestingly, 82% were on the positive end of the scale, answering with a score ranging from 6 to 10.

Are Online Reviews Influential?

Using the same scale, respondents were asked if they are influenced by online reviews. Again, a majority of respondents were on the positive end of the scale, as 79% answered with a score ranging from 6 to 10.

Who is Posting and What are They Saying?

Males voice their opinions online significantly more often than females, as shown in Table 1. A study by Kau, Tang, and Ghose (2003) indicates that there are substantially more males than females who rely on the Internet for product information. Companies that target males as their primary customer should be actively leveraging online reviews.

Table 1
Frequency of Millennials Posting Online Reviews

<table>
<thead>
<tr>
<th>Type</th>
<th>Males*</th>
<th>Females*</th>
</tr>
</thead>
<tbody>
<tr>
<td>All reviews</td>
<td>5.14+</td>
<td>3.81+</td>
</tr>
<tr>
<td>Positive reviews</td>
<td>4.96</td>
<td>3.98</td>
</tr>
<tr>
<td>Negative reviews</td>
<td>4.35+</td>
<td>3.05+</td>
</tr>
</tbody>
</table>

*Mean scores on a scale of 1 to 10 where 1 is never and 10 is very frequently.
+ Gender scores are significantly different for this type. Sig=.005
Using the same 10-point scale, respondents were asked specifically about posting positive versus negative reviews regarding a product or company. Both genders are posting positive reviews more frequently than negative reviews. However, there was a statistically significant gender difference in the number of negative reviews posted. Findings indicate that males have a higher propensity to write negative reviews. Companies targeting females as their primary shoppers still need to consider the male consumer because he may be influencing the opposite gender through online reviews.

**Which Websites are Used Most Often for Posting Opinions?**

As shown in Table 2, Facebook and company websites are the most frequently used online venues for voicing opinions concerning a product or company. Interestingly, there was no significant difference between males and females in regard to how often they use each of the online venues for voicing opinions.

**Table 2**

<table>
<thead>
<tr>
<th>Venue</th>
<th>Means*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>4.34</td>
</tr>
<tr>
<td>Company websites</td>
<td>4.32</td>
</tr>
<tr>
<td>Consumer rating/review sites</td>
<td>2.49</td>
</tr>
<tr>
<td>YouTube</td>
<td>2.07</td>
</tr>
<tr>
<td>Twitter</td>
<td>1.96</td>
</tr>
<tr>
<td>Blogs</td>
<td>1.90</td>
</tr>
</tbody>
</table>

*Mean scores on a scale of 1 to 10 where 1 is never and 10 is very frequently.

**How to Leverage Online Reviews in the Home Buying/Selling Process**

Online reviews are influential in the decision-making process and there is potential for real estate agents to leverage this new tool. The following recommendations for leveraging online reviews in the selling process are summarized in Table 3.
• **Monitor.** Online venues should be monitored for reviews pertaining to you and your real estate agency. For example, many agents may want to keep a close eye on Zillow, Angie’s List, and Yelp! Monitoring can also be accomplished by keeping track of communications on and surrounding Facebook groups and pages, by bookmarking relevant blogs and websites, and by subscribing to RSS feeds. Some companies use a technology-based monitoring solution. For example, Google Alerts (http://www.google.com/alerts) is a free and easy-to-use service. TweetDeck (http://www.tweetdeck.com) allows users to monitor conversations across a variety of social media platforms. Google Analytics (http://www.google.com/analytics) can provide insight into which review sites are driving traffic to your agency’s website.

• **Encourage satisfied customers to write a review.** Your agency’s website should contain links to rating and review sites that are relevant to your local market. Encourage your satisfied clients to provide ratings and reviews on those sites. Your agency may want to consider a website design that enables clients to post ratings and reviews directly to the site. Personally thank those who post a positive review.

• **View negative reviews as opportunities.** If you can turn a dissatisfied customer into a satisfied one, you may create a loyal customer who will ultimately promote your company. Find out exactly why the reviewer is dissatisfied and take actions to solve the problem. Use the comments feature to let viewers know that you are concerned and are willing to make things right. When the problem has been resolved, make sure that those reading the review site are aware of the resolution. Use the information gleaned from negative reviews to correct problems that are common to your organization or market.

• **Claim your account.** It is extremely important to make sure that online information about you and your agency is accurate and that your websites achieve page one rankings in local Internet searches. This is more likely to happen if you "claim" your search engine listings and create accounts or profiles with relevant rating and review sites. A few of the relevant sites include Zillow (http://www.zillow.com), Google Maps (http://maps.google.com), Bing Local (http://www.bing.com/local), Yahoo Local (http://local.yahoo.com), and Yelp! (http://www.yelp.com). Fill out as much information as possible for the site listing. This is important because the amount of information included, along with the number of reviews, appears to influence rankings (Jantsch, 2010a, 2010b).
**Table 3**

**Recommendations for Leveraging Online Reviews**

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Tactics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor</td>
<td>1. Observe communications in Facebook and other social media venues</td>
</tr>
<tr>
<td></td>
<td>2. Perform Twitter hashtag (#) searches</td>
</tr>
<tr>
<td></td>
<td>3. Bookmark relevant review sites</td>
</tr>
<tr>
<td></td>
<td>4. Use a technology-based monitoring solution</td>
</tr>
<tr>
<td>Encourage online reviews</td>
<td>1. Showcase positive reviews</td>
</tr>
<tr>
<td></td>
<td>2. Encourage regular customers to participate in the review process</td>
</tr>
<tr>
<td></td>
<td>3. Provide interesting and relevant content</td>
</tr>
<tr>
<td></td>
<td>4. Use opt-in-email lists to encourage regular customers to post reviews</td>
</tr>
<tr>
<td></td>
<td>5. Express thanks to people who have provided positive reviews</td>
</tr>
<tr>
<td></td>
<td>6. Make your website user-friendly for reviews (e.g., provide links to review sites)</td>
</tr>
<tr>
<td></td>
<td>7. Help customers write and publish reviews by providing tutorials and links to sites such as Google Maps, Yahoo! Local, or Yelp!</td>
</tr>
<tr>
<td></td>
<td>8. Highlight positive reviews by showcasing them on the company’s website, newsletter, and advertising materials</td>
</tr>
<tr>
<td>Negative reviews are opportunities</td>
<td>1. Positively engage the customer (i.e., acknowledge the problem; apologize; explain why the problem occurred; take steps to “make it right;” follow up when appropriate)</td>
</tr>
<tr>
<td></td>
<td>2. Correct the product and service problems that are discussed in reviews</td>
</tr>
<tr>
<td>Add reviews to brand advocates program</td>
<td>1. Create a brand advocates program if one does not already exist</td>
</tr>
<tr>
<td></td>
<td>2. Find positive commenters on social media</td>
</tr>
<tr>
<td></td>
<td>3. Invite positive reviewers to become brand advocates</td>
</tr>
<tr>
<td></td>
<td>4. Encourage brand advocates to write reviews by:</td>
</tr>
<tr>
<td></td>
<td>• Providing interesting and relevant content</td>
</tr>
<tr>
<td></td>
<td>• Providing tools that assist the advocates in spreading information</td>
</tr>
<tr>
<td></td>
<td>• Showing appreciation for positive reviews</td>
</tr>
<tr>
<td>Claim your account</td>
<td>1. Create accounts with sites that provide local rankings</td>
</tr>
<tr>
<td></td>
<td>2. Follow the steps necessary to claim and control the listing. Filling out as much information as possible will improve the ranking</td>
</tr>
<tr>
<td></td>
<td>3. Continuously update your listing with fresh content</td>
</tr>
</tbody>
</table>


**Conclusion and Implications**

A power-shift is occurring in the marketplace today. People are able to influence hundreds or even thousands of home-purchase decisions with a few sentences placed in online venues. Advances in user-friendly technology will most likely increase a client’s propensity to rely on online reviews. Opportunities exist to leverage online reviews through strategies that are positive and proactive. Besides leveraging online reviews, agents are encouraged to promote the quality of their services. Information contained in online reviews may enable clients to better discern quality and buy from those agents who provide the highest quality. If so, high-quality providers may be rewarded with more clients and commissions while low-quality providers may find their
professional lives becoming more challenging. The playing field is likely to become more level for small agencies as clients shift their attention from high-cost, mass media advertising to the online venues that small businesses are sometimes better able to afford. Thus, any size business can effectively leverage online venues in creative selling.

References


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Achieving Sales Productivity Success: The Ten Necessary Conditions to Highly Effective Personal Selling
By Charles Fifield, MBA

What is sales productivity? Why should companies pay close attention to sales productivity?

Productivity, as it applies to sales organizations, is not uniformly defined. Simply put, productivity is maximizing sales results (output) by minimizing resources expended (inputs), where resources are expressed in terms of cost (financial), effort, and time required over consistent periods. Companies generally know how important sales productivity gains can be to the bottom line; however, few companies seem to know how to make this improvement happen.

Sales organizations are naturally driven to fulfill or exceed specified revenue goals. Measuring revenue is necessary but not sufficient to assess long-term profitability or shareholder value for an organization. For sales-driven organizations, it is critically important to focus on incremental productivity gains, since well-formulated and -executed productivity gains have an essential cause-and-effect relationship to improving financial results and sustaining a competitive advantage. The real challenge for individuals and organizations is to find a way to systematically improve sales productivity, period over period.

The primary reason many companies cannot consistently improve their sales productivity has little to do with in-depth sales training, what CRM software is used, or how hard salespeople are working. To consistently advance productivity results, sales organizations should be monitoring and measuring the performance of their sales production against the Ten Necessary Conditions to Highly Effective Personal Selling. In other words, productivity must be managed systematically and holistically. Embodied within the Ten Necessary Conditions are the ingredients needed to achieve productivity gains and sustainable competitive advantage. If the Necessary Conditions for productivity success are incrementally applied, then it is likely that enhanced productivity and other desired outcomes will follow.

The Ten Necessary Conditions – A Look-Back

For over two years, we have examined each of the Ten Necessary Conditions in the quarterly Keller Center Research Report. The purpose of this article is to look-back at each of the Conditions to gain a holistic perspective of the Ten Necessary Conditions to achieving sales productivity success:

1. **The Right Attitude** – Do your salespeople demonstrate a positive outlook despite setbacks, respond to requests in a timely manner, and share best practices with co-workers? When should my attitude be competitive (win-lose) versus collaborative (win-win)?
2. **The Right Sales Process** – Does your organization manage its sales process and buyer-seller activities from a holistic (total organization) and cyclical view? Is there a regular and consistent attempt by management to encourage effective and efficient sales process performance?

3. **The Right Day-To-Day Operational Focus** – Is your sales organization challenged to minimize their non-selling activity time and trained to maximize selling time by working smarter, working faster, and learning how to perform necessary work right the first time?

4. **The Right Prospects** – Are your salespeople target market-minded? Are they accessing a high volume of qualified prospects? How productively are salespeople engaged in effective and efficient prospecting activities? How often are referred leads generated from satisfied customers?

5. **The Right Approach Priorities** – Do your salespeople understand the high correlation between the first impression and the ultimate buy- or no-buy decision? Do your salespeople understand the need to be liked, then trusted, and then respected to deliver value in the relationship? People want to know you care before they care about what you know – does your training process put too much emphasis on product or technical knowledge?

6. **The Right Approach Plan of Action or Strategy** – Do your salespeople use a progressive, planned sequence to influence customers to make effective buying decisions? How do your salespeople become aligned with the prospect’s wants, diagnose the “pain,” and then convey possible buying solutions?

7. **The Right Approach Method** – Although adaptability and agility on the part of the salesperson is important during any buyer-seller engagement, do your salespeople employ a standardized approach to minimize waste and maximize sales productivity? The productivity of a given sales call is largely determined by the pre-call preparation – how much emphasis does your sales organization place on anticipating the buyer’s relationship- and value-driven “wants?”

8. **The Right Outcome** – How do your salespeople demonstrate long-term relationship thinking? How often do buyers become repeat buyers and offer referred leads? Is the sales organization’s mindset or culture focused on helping buyers make “winning” decisions?

9. **The Right Metrics** – Does your sales organization employ metrics to assess long-term productivity? Or is the emphasis more on meeting quotas? How well do your chosen performance measures (e.g., cycle time) enable salespeople to quickly identify and correct productivity weaknesses and waste?
10. **The Right Commitment** – Is your sales organization customer service-minded? Is customer loyalty viewed as the organization’s relationship goal? How do you define customer loyalty and how well is it communicated to the sales organization in terms of performance metrics and compensation?

**Summary**

Sales productivity gains have rightfully become a top priority for most companies as they look to streamline their sales organizations and grow revenues from the same or fewer resources. Companies recognize that competent salespeople are difficult and expensive to attract and retain, and the return on even modest increased sales productivity can have a substantial impact in terms of bottom-line corporate performance. So where do meaningful productivity gains come from?

The first step in achieving sustainable productivity gains is hiring the right salespeople who possess the mindset for success. Once on-board, though, consistent productivity gains are often more elusive. Although additional sales skill training and having an effective Customer Relationship Management system installed should produce meaningful short-term gains, these corporate efforts should be viewed as important enablers to an ongoing productivity gain strategy. Embodied in the Ten Necessary Conditions are the tools to achieve long-term, sustainable productivity gains, enhance customer relationships, and gain long-term competitive advantage.

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Finding and retaining high performing salespeople continues to be the #1 challenge for most sales organizations. Organizational commitment has garnered considerable attention regarding the sales role because of its impact on job satisfaction and sales force turnover. Also, in the context of personal selling, the positive relationship between organizational commitment and performance has been found to be stronger for salespeople than for non-sales employees (Jaramillo, Mulki, and Marshall 2005).

Organizational commitment can be described as an attitude that reflects the “strength of an individual’s identification with and involvement in a particular organization” (Mowday, Steers, and Porter 1979, p. 226). This identification includes a salesperson’s broad adoption and support of a company’s principles and objectives. Furthermore, committed individuals possess “a willingness to exert considerable effort on behalf of the organization,” and “a strong desire to maintain membership in the organization” (Mowday, Steers, and Porter 1982, p. 27).

As an individual, how committed are you to your organization? If you are, why? If you are not, what would management need to do to gain your commitment?

Given the important role that organizational commitment plays, researchers continue to seek a better understanding of both its causes and consequences.

This article introduces the concept of psychological contracts related to perceived barriers to career advancement. Furthermore, the consequences of perceived barriers to career advancement such as organizational commitment and job satisfaction will be discussed. This article will also provide real estate professionals an opportunity to reflect on the relationship they currently have with their own organizations, as well as give managers insight regarding how they might improve the organizational commitment they are experiencing with their sales force.
Psychological Contracts, Perceived Barriers to Career Advancement, and Organizational Commitment

Rousseau (1990) concluded that career advancement is a key aspect of an employee’s psychological contract with his/her organization. Psychological contracts exist based on an employee’s beliefs or perceptions regarding reciprocal obligations involving their organizations (Rousseau 1989). These contracts are unwritten and deviations from the contracts are generally perceptual. According to these contracts, employees believe that if they exert considerable effort in their jobs that their organizations should provide commensurate advancement opportunities for the individual. When employees perceive that barriers exist to career advancement, the psychological contract has been broken. Accurate or not, perceptions of a broken psychological contract have been found to negatively impact job attitudes (Kickul 2001; Robinson and Rousseau 1994).

In the current study, a composite score was used to measure perceived barriers to career advancement based on an individual’s perceptions regarding:

- Membership in informal networks within their organization
- Culture fit between the individuals and their work environments
- Mentoring offered by their organizations

High performing employees rely on organization networks, which are dynamic and continually developing. While there are both formal and informal company networks, research shows top performing employees are those who understand and rely on the influence received from participating in informal networks (Armstrong 2003) with such membership being associated with higher compensation, better performance evaluations, and career advancement (Cross and Thomas 2008). In a study of female executives, it was found that they consider networking to be an important approach for breaking through the proverbial glass ceiling (Ragins et al. 1998).

A large body of literature has focused on the concept of “fit” including person-team (group) fit, person-vocation fit, and person-job fit (Kristof 1996). Our focus is limited to person-organization fit, which relates to an individual’s perceptions of how well he/she fits the corporate culture. Research has shown that correspondence or fit between an individual and his/her environment, i.e., company culture is associated with positive psychological consequences (Lopez, Babin, and Chung 2009).

In the sales context, mentoring is defined as “a career-oriented relationship between a more senior salesperson or manager (mentor) and a junior or newly hired salesperson (protégé) initiated for the development of the protégé’s understanding of his or her roles, the social and political nature of the organization, and the advancement of the protégé’s career” (Brashear et al.
Mentoring relationships offer benefits such as friendship, exposure, and visibility, confirmation, counseling, and protection (Fine and Pullins 1998).

In the context of the broadcasting industry (television stations), we surveyed 241 account executives (salespeople), as well as managers and asked them to report on their perceptions regarding perceived barriers to career advancement. Additionally, respondents reported their level of satisfaction with their jobs and organizational commitment.

Findings

Our findings indicate that perceived barriers to career advancement are negatively related to sales employee’s organizational commitment. In other words, the more sales employees believe they are not part of the informal network, do not fit the culture of the company, and are not receiving adequate mentoring, the less committed they are to their organization. Our findings also show that this negative relationship becomes stronger as employee tenure increases. Thus, the organizational commitment of highly tenured sales employees diminishes even more than the commitment of newer sales employees when they perceive barriers to their career advancement. This is important given increased organizational commitment decreases turnover intentions and job performance among sales professionals (Jaramillo, Mulki, and Marshall 2005).

Furthermore, we found that the more sales employees believed they were encountering perceived barriers to career advancement, the less satisfied they were with their job. Past research has reported the less satisfied people are with their job, the less committed they are to their organization (Pettijohn, Pettijohn, and Taylor 2007) and the less committed they are to their organization, the lower their performance (Jaramillo, Mulki, and Solomon 2006).

How Do Perceived Barriers to Career Advancement Differ Across Sales Roles?

While the current study focused on sales employees in the broadcasting industry where advancement opportunities exist, this will not hold for all organizations. Many sales agents work in a flat organization where advancement opportunities into management do not exist. Even if advancement opportunities do exist, some may not have an interest in moving out of sales because they believe they can earn a better income as an agent and they enjoy the autonomy of the sales role.

However, should you be considering a move to another organization, this article should open your eyes to some new ideas. If you are employed in a large brokerage firm that offers advancement opportunities, findings from this study should be of interest to you, as well. Furthermore, if you are currently in a managerial role, you should be able to pick up some valuable ideas that may be of use in your current role.
Implications for Real Estate Agents

Findings from the current study can be used by individual agents, as well as among managers within an organization.

Agent Implications

If you are considering accepting a position in another brokerage firm, whether it be to remain in an agent role or to move into management, we recommend you:

- **Inquire** about what management in this organization does to integrate new employees into informal networks
- **Strive** to gain information about the new organization’s culture, such as values and reflect on how well you match this environment
- **Ask** this organization’s management what formal mentoring programs are currently in place to help employees be successful

Managerial Implications

If you are a manager within a brokerage firm and would like to increase your agent’s commitment to your organization, we recommend you consider the following actions:

- **Strive** to incorporate sales employees into informal networks through enhanced corporate communications, as well as during initial and on-going training sessions. Furthermore, make an effort to include sales employees in social events and informal interactions on and off the job
- **Make every effort** to provide a complete and realistic description of what life is like in the job and the organization to increase fit between sales employees and the firm during recruiting. It is all about managing expectations and it is better to promise less and deliver more than the reverse
- **Evaluate** your organization’s mentoring program and identify ways that it can be improved. Seek feedback from your agents regarding their perceptions of your mentoring program and attempt to incorporate their recommendations where possible. Strive to offer a formal mentoring program that matches mentors with protégés that are similar in attitudes, compared to only focusing on similar demographics in order to enhance protégé organizational commitment (Brown, Zablah, and Bellenger 2008)

The Bottom Line

In conclusion, researchers continue to seek a better understanding of the causes of organizational commitment. This article has shown that perceived barriers to career advancement decrease
organizational commitment and job satisfaction. The sooner that organizations recognize this issue and bring employees into informal networks, strive to develop a good fit between the organization and current/prospective agents, and develop and implement an effective mentoring program, the sooner it will experience higher employee satisfaction and organizational commitment, leading to improved performance.

References


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Elten Briggs’s (PhD, University of Oklahoma), primary research interests are in the areas of business services, minority advertising, and volunteerism. His research has been published in outlets such as Industrial Marketing Management, Journal of Advertising, Journal of Business Research, Journal of Macromarketing, Journal of Nonprofit and Public Sector Marketing, Journal of Personal Selling and Sales Management, Journal of Services Marketing, and Journal of Service Research. He is also a member of the editorial review board for the Service Industries Journal.

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INSIDER: Evolutionary Sales Success
By Jacob Christie, MBA Candidate

Have you ever wondered how Pandora processes your musical preferences and recommends other music you might like? Or how Amazon finds and suggests the exact products that you would want to purchase? These (and many other) popular websites use evolutionary algorithms to analyze your decisions – in these instances, which songs you “like” and what purchases you make – to help the organization understand your decision preferences and to drive future decision-making opportunities.

For real estate agents, the use of evolutionary algorithms has particularly interesting implications in terms of understanding and refining marketing and sales growth opportunities. Which marketing messages will my customers respond most favorably to? Which branding options help (or hurt) my ability to reach prospective clients in my market? These and other important questions can more effectively be answered by tapping directly into the preferences of the market through methods that employ evolutionary algorithms.

THINK POINT #1: How Do Evolutionary Algorithms Work?

Algorithms are mathematical processes that utilize a series of defined conditional statements to evaluate a set of information given key parameters. Evolutionary algorithms are mathematical processes made to resemble the “survival-of-the-fittest” paradigm by mimicking the way Mother Nature selects for specific traits.

In the case of Pandora or Amazon, the song/product “recommendation” process works by gathering together opinions from participants to help make selections/suggestions on behalf of the user. In industry, paid services such as Affinnova employ evolutionary algorithms to simulate the recommendation process on behalf of an organization. By connecting virtually with a pool of willing subjects, an organization can test brand concepts, marketing messages, and product ideas before they go to market.

Through a web-based interface, respondents are presented with two, three, or even four messages/concepts/images at a time and are instructed to select which one they like “best.” The choice the respondent makes stays active on the screen and the others disappear, replaced by new permutations. By gathering enough opinions, it gradually becomes clear which message/concept...
will have the broadest appeal for a given target audience out of, perhaps, many thousands of possibilities. This is particularly helpful for an organization, as consumer insights are drawn from the target audience themselves, rather than from internally-based testing or opinions.

THINK POINT #2: Evolutionary Algorithms At Work – A Sweet Example

Consider a simple example to illustrate the idea of evolutionary algorithms. Assume you work for a major producer of candy bars that wants to develop a new chocolate product. The organization knows that the candy bar market can be hard to break into with a new product, even for an established brand. To give the new product the best chance to succeed, your leadership team has been brainstorming branding and marketing concepts for the past week.

You are familiar with existing production methods and know that there are, perhaps, six physical forms the candy can take (long, round bar; small pieces; wide, flat bar; etc.). Furthermore, your team has come up with five possible packaging options, four catchy names, and ten advertising messages for this new chocolate product. When all is said-and-done, 1,200 possible combinations can be created from these individual elements. Would you order 1,200 unique mockups for testing? Would you identify 1,200 test markets to try these out in? Not likely. By analyzing which combinations (physical form, packaging, name, and ad message) receive the greatest number of “up-votes” through web-based evolutionary algorithm testing, though, the organization can make a decision that will likely have the most impact on the success of the product.

Evolutionary algorithms do not help sell specific products or target specific customers, per se. What they do offer, though, is the ability to test and interpret which features of a proposed product or which aspects of a brand concept or message will resonate with the greatest number of people.

THINK POINT #3: What Does This Mean for the Real Estate Industry?

Evolutionary algorithms optimize outcomes over several iterations (or generations) and require several trials. Far fewer houses are sold each day than candy bars, so the issue of informational efficiency presents itself for real estate agents looking to capitalize on the opinions of the market. A web-based test pool is an efficient way for agents to gain additional consumer opinions to help drive decision-making processes.

An agent looking to employ evolutionary algorithms in daily decisions might first take stock of his current messaging – all of the marketing, branding, and methods he uses to drive sales. Which aspects of these are the primary drivers of making a sale? Ideally, the common denominators in these elements will align with an overall marketing strategy (increase brand awareness in a specific market, advertise for a particular listing, etc.).
Once the agent identifies the primary elements of his messaging, he might begin to brainstorm possible options for a forthcoming campaign. For example, the agent will likely want to include some form of graphic in his promotion: *a company logo* for branding purposes; *a headshot* to convey trustworthiness; *a photo of a large house* (“you could live here!”); and/or *hands shaking* to communicate the idea of a successful negotiation.

Assume he has also developed four basic ad messages to accompany the campaign: “*We sell more homes than anyone else in the San Fernando Valley*” to convey his historical sales volume; “*Anderson Partners – the Real Estate Team You Trust!*” to convey trustworthiness; “*Your Dream Home Awaits*” to appeal to the desire of prospective buyers; and/or “*No One Knows San Fernando Like Anderson Partners*” to communicate local market knowledge.

The agent could conduct controlled experiments with different combinations in different areas of town and still might not come away with a unified messaging strategy to appeal to his audience. In the meantime, he will have spent substantial time and money on advertising in the name of the scientific method.

Instead, the agent could retain the services of a firm (like [Affinnova](#)) that specializes in fusing evolutionary algorithms and input from a user base to gather insights from a specific market. Around 450 survey respondents would login to a web interface and vote on permutations of the agent’s prospective campaign. As respondents progress through the survey, they gradually select which combination of graphics and messages appeal to them most; at the same time, the underlying algorithmic process tracks which elements are selected most often across the sample.

**THINK POINT #4: What is the Significance of the Results?**

An agent could spend his time whittling-down permutations himself, testing messages and making assumptions; however, the end result will still be entirely developed from internal and/or biased opinions. There is a natural inefficiency of information between an agent and his marketplace. Even purchasing all the best market research and conducting thorough surveys and focus groups can still leave an agent with a blind spot. Why spend time and money trying to uncover the desires of your target audience when you can have them tell you instead?

Because different permutations appeal to respondents for different reasons, the evolutionary algorithm process optimizes two factors: *which messaging element* is most important to each respondent and *which combination of elements* is most important to him/her. In harmony with a computerized survey method, the “human element” in the decision-making process helps eliminate combinations that users feel “don’t match” in a way that a computer cannot simulate. In the real estate example, testing will ultimately yield recommendations and provide data to help drive the agent’s marketing decisions.
Conclusion

There is a narrow space that a successful marketing campaign occupies as it balances the promotion of the features of the product/service, its price-point, and the methods to get the message to the customer. Many additional factors go into making a sale, of course; however, we know that these represent a few of the principal vectors at play in any home sale.

As an optimization method, evolutionary algorithms begin from the broadest number of combinations of elements and gradually work towards an optimal set of characteristics best adapted to the parameters of its environment and the pressures applied by that environment. Like any other modeling methodology, though, the tool is only as good as the person wielding it and the accuracy of the inputs they provide. Still, the outcomes of employing evolutionary algorithms can have significant value for an agent willing to tap into the informational efficiencies offered through a virtual, representative sample.

Look forward to the March 2013 issue of the Keller Center Research Report for another look at evolutionary algorithms and their application to the real estate industry.

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Jacob is a graduate student from Portland, OR. He earned his bachelors degree in Linguistics and Music from Tulane and is currently pursuing an MBA with plans of transitioning into technology consulting.
INSIDER: Blogging and Chatting to Promote Your Business and Generate Leads
By Mark Tarro, MBA Candidate

Promotion and lead generation are two essential functions for a successful real estate agent. However, many agents lack the time and financial resources to promote their businesses at the level they desire. Finding ways to maximize any investment in these areas, both in terms of time and cost, is essential for long-term agent success.

“Blogging” and “chatting” are often undervalued online tools that can improve business promotion and encourage leads. In Blog for Business: Leveraging Content for Online Marketing & Lead Generation, author Erik Wolf walks through the essentials of these tools and how to tie their use into an existing online presence. Whether a novice or expert, Wolf shares wisdom relevant to today’s agents, including the how-to’s of website creation and the fundamentals of integrating an online presence for maximum results.

THINK POINT #1: Blog Your Insights and Expertise Which Promotes Your Brand and Your Business

One of the best ways for an agent to promote her business, insights, and industry expertise is through blogging. Blogging is essentially an online, public journal for users to engage in storytelling and/or opinion sharing. In business (and specifically in real estate), blogs are often used to communicate valuable information to a given market. A blog can be a mechanism for an agent to show-off her expertise in a given subject area (e.g., seller financing tips, trends in a specific market, etc.) and to brag about her successes (e.g., sales figures from a given period, average time a property is on the market, etc.). Blog entries can also add dozens of pages of relative content to an agent’s website each year.

When selecting a blogging platform (or a website to host your blogging activities), be conscious of how easy the blog is to update and how easy it will be for a reader to navigate. Visual appeal and simplicity are important components to consider, and can differ depending on the platform you select.

WordPress is one of the easiest and most popular blog platforms to use. Most importantly, it is free. ActiveRain is also another free blogging option, and is tailored specifically for real estate agents.

Whatever platform you choose, make sure to link your blog to your business webpage to encourage cross-site accessibility. By ensuring you have a blog that is easy to use (both for the user and the reader), time spent on blogging activities will be maximized to create value for your business.
As you move begin to promote your business, insights, and expertise, consider these “3 C’s” of a successful blog:

**Content to Promote Lead Generation**

Content is the #1 driver of an effective blog. Readers look for information sources and content that are interesting and thought-provoking. If you (or your work) is stimulating enough, readers will look to you as an information leader, which increases the likelihood they will return to your blog in the future. Remember that an increase in readership often translates to an increase in lead-generation opportunities, as well.

Blog posts should cover a wide variety of topics to engage and entice different constituents. Developments in your city, new legislation, and even world events can serve as effective topics to blog about. Articles from the Keller Center Research Report can also be a source of interesting information to share through your blog. Whatever areas you have interest or expertise in (business- and/or real estate-specific, preferably) can help you develop content that will be relevant for your constituents.

**Consistency to Encourage Readership**

The length and frequency of posts are often considered the next most important part of blogging. If your blog is not updated consistently, your audience will not know when to check for updates. This can discourage readers from returning to your site with any frequency.

A good blogging strategy might include setting aside a certain day/time (or two) during the week as a designated blogging time. If you blog even one time a week, you will add a minimum of 52 pages of content each year to your online profile. In turn, this will enhance your personal and/or company’s Search Engine Optimization (SEO) position and support any Search Engine Marketing (SEM) campaign in which you might be engaged.

**Commitment to Your Investment**

Developing an effective blog takes an investment of time. While the financial costs of blogging are relatively low, the time it takes for a blog to become/remain successful is often undervalued. If you choose to begin or revamp a current blog, commit to it as a valuable component to your overall marketing and lead-generation strategy.

**THINK POINT #2: Chat Services – Connecting to Customers in Real-Time**

If a prospective client is browsing your website and cannot find what he is looking for, most likely he will only search for the answer for a short time before leaving altogether. Although no web strategy can fully anticipate and address all user needs, preferences, and questions, a contingency plan must be in place to help ensure prospective clients do not leave your site lacking information or negative impression of your service.
Many company websites have employed a passive “Contact Us” feature that encourages users to submit a form or send an email to the organization with any questions; however, many businesses are moving toward a more proactive chat feature to provide real-time communication with prospective clients browsing their websites. This feature has important implications for real estate agents, as providing the opportunity to chat live can mean the difference between converting a lead to a client or letting her slip away to a competitor.

Companies like BoldChat and WebGreeter provide website chat functionality at a reasonable price. Depending on the scope of your business, chatting can be executed by an individual agent, an administrative assistant, or, in some cases, subcontracted to an outside firm.

While chat features require a financial investment, there are a number of ways to execute the strategy effectively. If you contracted a professional web design firm to create your website, you can check to see what adding chat features directly to the website would cost. If you developed the website in-house, social media or e-mail-based chat can serve as an alternative approach. The important thing to remember is that regardless of the strategy chosen, a time investment is also required for chatting to be successful.

A chat feature has a lot of positive potential for agents, but should not be treated as a be-all/end-all solution to customer questions. The representative in charge of chatting with customers should be knowledgeable and courteous. She should serve as a “tour guide” for site visitors to ensure information is effectively communicated, that customers have a positive online experience, and ultimately guide prospects toward an in-person interaction with the agent.

Remember that the chatting process is a lead-generation tool for your business. While representatives chat with prospective clients, they can also be requesting pertinent contact information (e.g., e-mail addresses, location identifiers/zip codes, etc.). This deliberate lead-generating practice can help build a database of leads from web interactions and provide valuable data for follow-up activities and future online marketing campaigns.

THINK POINT #3: Your Customers are Your Brand Assets

In today’s socially-minded business environment, many consumers want to connect with the brands and businesses from whom they purchase. Integrated SEM, coupled with blogging, chatting and other social media efforts can help boost an agent’s visibility and brand in a given market, which can promote sales opportunities.

A December 2011 Keller Center Research Report article discussed how to set up an effective SEM campaign. As the article mentioned, a proactive approach to online marketing can help differentiate an agent from his competition and can increase his customer-base if he is willing to invest the time and resources into an effective campaign. Additionally, a proactive approach to blogging, chatting and social media activities create opportunities for your customers to become your advocates – give them something to talk about! As you provide consumers with content,
supported by strong customer-oriented service experiences, you increase your ability to leverage your customers as your brand assets.

Conclusion

It is important to invest in your online business presence. Spending time to engage in blogging, chatting, and other socially-based activities can help promote your business and generate leads. While these activities require minimal financial investment, they do require significant time investment. Regardless of the platforms you choose, a commitment to consistently providing relevant content will improve your online positioning considerably.

Recommended Reading


About the Author

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Mark is a second-year graduate student from Pawtucket, Rhode Island. He earned his BA in Public Relations and Marketing from Pepperdine University in Malibu, California. Mark is currently pursuing an MBA with plans of transitioning into a marketing/consulting role.
INSIDER: The Art of the Sale
By Susan Monaghan, MBA Candidate

In *The Art of the Sale*, author Phillip Delves Broughton conveys the primary role that sales plays in business and in life. As a graduate student at Harvard Business School, though, he discovered that sales courses did not exist in the curriculum. Broughton understood that this gap in schools’ curriculum means that many businesspeople may be unequipped to promote revenue growth in their companies, as sales is the driving force of any business (please visit the University Sales Center Alliance (USCA) website to see those universities who are committed to a professional selling curriculum).

For this reason, Broughton decided to create his own real-life sales course, culminating in *The Art of the Sale*. By journeying across the US and around the world, he sought to learn from the masters of sales, discovering who sells best and how to sell most effectively. He pursued master salespeople “in their element” to determine if sales skills are teachable or innate. Most of all, Broughton desired to understand the mind (more than the character) of a successful salesperson.

Four key sales strategies emerge from Broughton’s international journey. Embracing these strategies will help you master the art of the sale, and can help take your real estate sales abilities to the next level.

THINK POINT #1: Learn to Read Your Customer and Adapt… Quickly

Broughton visited a shop owner in a Moroccan port city souk named Abel Majid Rais El Fenni. Majid has sold his wares to such famous customers as Yves Saint Laurent and Jacques Chirac. An expert at classifying individuals entering his shop and adjusting his sales strategy accordingly, Majid maintains his reputation as master salesperson. Through innovative product displays, finding ways to connect with his customers, and uncovering his customers’ true desires, Majid creates value for his clients and is able to charge more than other shop owners in the souk.

Specifically, Majid understands that sales opportunities develop quickly and that sales strategies must be readily tailored to meet the needs of the customer. This skill is difficult to teach because it involves perceptibility. Real estate agents also require a great deal of sensitivity and adaptability to be successful salespeople. As new sales opportunities arise, whether planned or unplanned, in a formal business setting or a casual social setting, agents must learn to read their customers and adapt their sales strategies to most effectively meet their greatest needs.

Broughton also visited with Norman Levine, an award-winning life insurance salesman and author, living in Palm Springs, California, who expounded on the idea of reading your customer. Levine explained, “To sell, you have to have an effective means for people to achieve what they want. To know what they want, however, you must get inside their heads, have empathy.” To really get to know potential customers, Levine advises salespeople to get involved in the community, church, PTA, school boards, clubs, and community organizations.
How are you getting involved in your community to better understand your current and prospective customers? What organizations in your community might provide fruitful business opportunities in a social setting? Remember, friends can become clients and clients can become friends.

THINK POINT #2: Serve Your Client’s Best Interest, Not Your Own Ego

Broughton was impressed by the master salespeople he met who, after identifying the needs and motivations of their customers, responded not by selling, but by serving. Instead of crafting their identity as successful salespeople, they would let go of their egos and instead focus on their customer’s best interest.

Levine told Broughton that a successful salesperson sells himself as a credible, trustworthy person and is able to create value for his customer. Once credibility and trust are established, the successful salesperson abandons “self” to serve the other person. Ashok Vemuri, head of an Indian company’s operations in America, echoed this sentiment. When Vemuri hired and trained salespeople, he explicitly looked for selfless people who made customer service a priority.

Martin Shanker, an expert sales trainer in New York, reminded Broughton that successful salespeople actually care about their customers. Unfortunately, many salespeople value clients only based on the size of their bank accounts. Emphasis, though, should be placed on serving the client, not in calculating potential financial gain. Remember, successful real estate agents do not profile customers – they genuinely care about them.

For another perspective, Broughton traveled to the other side of the world to visit Chie Shibata, a top Japanese life insurance salesperson at Dai-ichi Life Insurance Company in Tokyo. Shibata built a strong customer base in her early days in sales simply by acting in her clients’ best interests. In the insurance industry, this meant focusing on her clients’ current peace of mind and future well-being. Shibata learned that sales is not only about earning what she needed for herself, but providing the goods and services that her clients needed.

Similarly, people need homes. Real estate agents have an important opportunity to serve their clients’ interests by helping them find the right home – the home that ensures current peace of mind and future well-being. The right home does not necessarily mean the home that translates into the greatest agent commission, which means setting aside ego for the benefit of the customer.

How are you working to understand and serve your client’s best interest? Are you focused on your client’s needs versus the potential for financial gain? What ways can you work to set aside your ego for your customers this week?
THINK POINT #3: Be Resilient – Have “Loose Robes”

Majid, the Moroccan souk shop owner, has developed a very unemotional approach to selling. Majid’s father taught him to have “loose robes,” which means he does not let customers upset him and does not take customers’ opinions or expressions personally. He does confess that sometimes customers can be unreasonable and irrational; however, his “loose robes” allow Majid not to let a perceived snub or insult interfere with a sale.

Resilience, a necessary trait for every real estate agent, is the ability to maintain emotional stability in the midst of unpredictable and unpleasant events. Resilience is particularly useful for anyone who regularly hears no more than yes each day. Great salespeople can take the occasional rejection or failure and use them as building blocks for future success. Great salespeople refuse to shy away from rejection, and choose to see it as a “vaccine” that can improve their resistance to personal criticism. Great salespeople embrace both success and failure as part of the process.

Shibata would advise real estate agents to be genuine, knowing that clients value your intelligence, talent, and service, no matter the package. She divulges that when beginning a sales career (and particularly a career in real estate), most people resign because facing so much rejection and “financial uncertainty” is “brutal on the ego and the wallet.” Shibata would also encourage agents to maintain an objective view of their performance, enjoy difficult situations and maintain passion. Even difficult situations can ultimately lead to a promising future.

THINK POINT #4: Establish Long-Term Relationships with Your Clients

All of Broughton’s insight culminates in a fourth and final point: a successful real estate agent’s goal should be to foster long-term relationships with his/her clients.

To describe the value of a long-term relationship, Broughton shared one of his most positive sales experiences – buying a suit for his wedding. After determining the general specifications Broughton required for the suit, the salesperson had him try on a variety of styles, asking what he liked and disliked about each suit he tried. After walking through this questioning for a couple hours, Broughton selected the suit – the one he would wear on his wedding day.

Broughton insisted the salesperson did not sell him the suit, but rather let the suit sell itself. What enabled the entire transaction, though, was the trust the salesperson build at the outset of the transaction, not any slick moves in the close. The trust Broughton established with the salesperson supported him as he selected the attire for his wedding. The relationship they built in that one transaction, though, translated into many future sales opportunities.

Majid echoes a similar philosophy, encouraging salespeople to establish long-term relationships with customers by building trust, rather than pushing or forcing sales. Majid suggests that in his store, he may back away from the easy sale and offer advice to the customer instead. He advises
salespeople to be patient and thoughtful which fosters trust and credibility, and leads to future, greater sales.

Real estate agents have an opportunity to develop strong relationships with their clients. Home sales/purchases are important, personal transactions and often represent a significant transition or experience in the life of the client. Therefore, a positive interaction built upon trust and credibility can lead to a long-term relationship with the client. A strong relationship will translate into additional sales opportunities and potential for future referrals.

Broughton’s international journey taught him a lot about the global face of sales. Packaged with hard work and patience, these four strategies have the potential to transform an agent from meeting the sales status quo to experiencing significant sales success. Incorporate these strategies into your daily sales practices and you, too, can master *The Art of the Sale*.

**Recommended Reading**


**About the Author**

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Susan is a graduate student from Houston, TX. She earned her bachelors degree in English from Vanderbilt University and her master's in Elementary Education from the University of Houston. She is currently pursuing an MBA with a concentration in Economics.
Contributors

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Elten Briggs’s (PhD, University of Oklahoma), primary research interests are in the areas of business services, minority advertising, and volunteerism. His research has been published in outlets such as *Industrial Marketing Management*, *Journal of Advertising*, *Journal of Business Research*, *Journal of Macromarketing*, *Journal of Nonprofit and Public Sector Marketing*, *Journal of Personal Selling and Sales Management*, *Journal of Services Marketing*, and *Journal of Service Research*. He is also a member of the editorial review board for the *Service Industries Journal*.

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Jacob is a graduate student from Portland, OR. He earned his bachelors degree in Linguistics and Music from Tulane and is currently pursuing an MBA with plans of transitioning into technology consulting.

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Dr. Andrea Dixon (PhD - Indiana University) is the Executive Director of the Keller Center for Research and the Center for Professional Selling. She holds the Frank M. & Floy Smith Holloway Endowed Professor in Marketing at Baylor University. Coming from an industrial background in research, planning and advertising, her research interests embrace behavioral issues related to sales, service and client satisfaction. Andrea has published in the *Journal of Marketing*, *Harvard Business Review*, *Organizational Science*, *Journal of the Academy of Marketing Science*, *Leadership Quarterly*, the *Journal of Personal Selling and Sales Management*, *The Journal of Satisfaction, Dissatisfaction and Complaining Behavior*, and several other journals. In 2002, Dixon's research published in the *Journal of Marketing* was selected as the award-winning research in the sales area.

Prior to joining Baylor, Dixon was the Executive Director of the MS-Marketing Program and the Ronald J. Dornoff Teaching Fellow at the University of Cincinnati. She has co-authored the book, *Strategic Sales Leadership: BREAKthrough Thinking for BREAKthrough Results*, and multiple industry-wide research texts. Dixon serves on two editorial review boards and co-chaired the American Marketing Association's 2007 Winter Educator Conference. While serving as a faculty member at the University of Cincinnati (U.C.) and Indiana University-Bloomington (I.U.), Dr. Dixon taught an array of graduate and undergraduate courses. One of U.C.'s MBA EXCEL Teaching Award winners, Dixon was selected for a national teaching award by Irwin
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Publishing, as a distinguished professor by Indiana University MBA students, and for a university-wide award by her academic colleagues at I.U. In 2008, she was named the Academy of Marketing Science's Marketing Teacher Award winner. Prior to teaching at U.C., Andrea worked closely with GAMA International as the Senior Director of Product Development and Marketing.

**Charles Fifield, MBA**

Senior Lecturer and Sales Coach, Baylor University’s Center for Professional Selling

Chuck Fifield is a Senior Lecturer for Baylor University’s Hankamer School of Business, Marketing Department and serves as the faculty coach to Baylor’s Sales Team and Uproar Music and Entertainment Group, a student managed business. He joined the faculty at Baylor University in 2001, where he has also taught in the Graduate Business School (Operations Management), the Management Department (Negotiations and Conflict Resolution) and the Economics Department (Principles of Macroeconomics). Chuck has taught or guest lectured at other Texas-based Universities in the fields of sales, international business, money and banking and finance/investments. Professor Fifield has conducted sales research and training for several organizations, including most recently State Farm Insurance. Prior to joining Baylor, Chuck was a financial consultant for nearly thirty years to businesses located throughout the U.S. He owned and operated several financial service businesses in the fields of securities, real estate, oil and gas and insurance.

**Christian Homburg, PhD**

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Dr. Christian Homburg is director of the Institute for Market-Oriented Management (IMU) at the University of Mannheim. Since 2007, he has also been Professorial Fellow in the Department of Management and Marketing at the University of Melbourne. His research focuses on market-oriented management, customer relationship management, and sales management. Professor Homburg has published numerous books and articles at both the national and the international level. His research has also received several awards. In November 2005 and in May 2009, he was listed first in a ranking of German management scholars in the Germany business daily Handelsblatt. In March 2006 (Copenhagen Business School) and in July 2008 (Technical University Freiberg), Professor Homburg was awarded honorary doctoral degrees. Before his academic career, Professor Homburg was director of marketing, management accounting, and strategic planning in an industrial company that operates globally. In addition to his academic position, he is chairman of the scientific advisory committee of Homburg & Partner, an international management consultancy.

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Martin Klarmann is currently Professor of Marketing at the Karlsruhe Institute of Technology (KIT). Before, he worked as Professor of Marketing and Innovation at the School of Business and Economics at the University of Passau. Martin Klarmann’s research focuses on a variety of issues, including sales management and personal selling, market orientation, marketing innovations, customer relationship management, B2B branding, and survey research methodology. His research has been published in several leading journals of the field, including the Journal of Marketing, the Journal of Marketing Research, the Journal of the Academy of Marketing Science, and the International Journal of Research in Marketing.

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Dr. Glynn Mangold holds the position of Distinguished Professor of Marketing and Emerging Technologies at Murray State University in Murray, Kentucky. He received the Doctor of Business Administration degree from University of Memphis in 1985 and has served on the faculties of Murray State University, the University of Louisville, and Eastern Kentucky University. He currently serves on the editorial boards of Business Horizons and Journal of Services Marketing. He has previously served as Electronic Resources Editor for Marketing Education Review and as editor for the Journal of Business and Public Affairs. Dr. Mangold has 76 publications to his credit, with much of his research focusing on the marketing of services and on the role of social and digital media in the marketplace. His teaching interests focus on social media marketing, selling and sales management, and retailing.

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Dr. Katherine T. Smith received her Doctor of Business Administration degree from Louisiana Tech University. She teaches consumer behavior and promotion management at Murray State University. Dr. Smith has previously taught at Texas A&M University, University of Mississippi, and Louisiana Tech University. Her teaching and research interests include online advertising, mobile marketing, social media, and green marketing. Dr. Smith's research articles have appeared in a number of publications, including Business Horizons, Journal of Consumer Marketing, and Journal of Strategic Marketing. In 2012, she received the Distinguished Research Award from the Academy of Marketing Studies. She serves on five journal editorial boards. She has co-authored several books. In addition, she has made presentations at professional meetings in the U.S. and abroad. In 2010 she received the Outstanding Educator Award from the Academy of Educational Leadership.

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