

KellerCenter Research Report



» March 2014, Volume 7, Issue 1

Accidental Referrals

Bryan Lilly, PhD and Aliosha Alexandrov, PhD

Engineering Success for Your Agents

*Andrea L. Dixon, PhD, Karen E. Flaherty, PhD, Son K. Lam, PhD, Nick Lee, PhD,
and Jay P. Mulki, PhD*

Improving Performance by Managing Sales Call Volume

G. Alexander Hamwi, PhD and Brian N. Rutherford, PhD

Protect and Prevent: Neutralizations and Unethical Sales Behavior

Laura Serviere-Munoz, PhD and Michael L. Mallin, PhD

Leveraging Market Orientation for Real Estate

Samaa Taher Attia, PhD (Egypt)

INSIDER: Contagious: Why Things Catch On

Stephen Chandler, MBA Candidate

INSIDER: Jab, Jab, Jab, Right Hook

Susan Monaghan, MBA Candidate

Keller Center Research Report

Baylor University, Keller Center for Research
Hankamer School of Business
One Bear Place #98007, Waco, TX 76798
www.baylor.edu/kellercenter » Keller_Center@baylor.edu

Keller Center Research Report is a trademark owned by Baylor University.
© Baylor University. All rights reserved.

Editorial Staff

Andrea Dixon, PhD
Editor

Curtis Schroeder
Associate Editor

Table of Contents

Accidental Referrals	1
<i>Bryan Lilly, PhD and Aliosha Alexandrov, PhD</i>	
Engineering Success for Your Agents	6
<i>Andrea L. Dixon, PhD, Karen E. Flaherty, PhD, Son K. Lam, PhD, Nick Lee, PhD, and Jay P. Mulki, PhD</i>	
Improving Performance by Managing Sales Call Volume	14
<i>G. Alexander Hamwi, PhD and Brian N. Rutherford, PhD</i>	
Protect and Prevent: Neutralizations and Unethical Sales Behavior	19
<i>Laura Serviere-Munoz, PhD and Michael L. Mallin, PhD</i>	
Leveraging Market Orientation for Real Estate	24
<i>Samaa Taher Attia, PhD (Egypt)</i>	
INSIDER: Contagious: Why Things Catch On	29
<i>Stephen Chandler, MBA Candidate</i>	
INSIDER: Jab, Jab, Jab, Right Hook	35
<i>Susan Monaghan, MBA Candidate</i>	

Accidental Referrals

Bryan Lilly, PhD and Aliosha Alexandrov, PhD

For realtors and other providers of professional services, customer referrals are one of the most important sources of new business. As service providers, we want customers saying good things about our brand, and to intentionally recommend our brand to prospective customers. The *last* thing we want is for customers to say negative things about our brand. Unfortunately, our desire for positive word-of-mouth runs squarely against the anecdotal belief that *customers are 10-times more likely to say negative things about a brand than to say positive things.*



What are the implications of this 10-to-1 belief? In some companies, practices are implemented to standardize customer experiences. Senior leaders figure, “If word-of-mouth is much more likely to be negative than positive, then let’s eliminate unique experiences, so people have fewer interesting things to talk about. We will lose some positive word-of-mouth, but we will lose ten times as much negative word-of-mouth.” The drive to standardize resonates especially well among people who work in areas such as operations management and legal departments, where low variability equates to low risk (which is good).

To some extent we sympathize with a desire to create standardized experiences. After all, consumers should have clear expectations of a brand’s core benefits, and consistent experiences solidify these expectations. Also, some brands are preferred largely because consumers want a very consistent experience, such as at Starbucks. However, we also recognize the existence of three counter issues:

1. Inconsistency in experience is sometimes critical to generating delight. Research shows dissatisfaction is often evoked if inconsistency exists on basic-expectation features. But delight (very high satisfaction) is rarely caused by consistent performance on basic features; delight is caused by *unexpected* positive experiences (Ponnam, Sahoo, and Balaji 2011).
2. Even when negative experiences occur, service recovery research shows customers are largely forgiving of negative experiences if they were caused unintentionally, and if the service provider apologizes and tries to perform better in the future.
3. Some research in marketing shows the 10-to-1 ratio does not always hold. For example, consumers *recall* engaging in negative word-of-mouth more readily than they recall

engaging in positive word-of-mouth, but *actual* word-of-mouth is more positive than negative (East, Hammond, and Wright 2007).

So, how can service providers better understand and leverage word-of-mouth? Of course, positive word-of-mouth is very useful for generating referrals. Service providers also want to avoid practices that lead to negative word-of-mouth. Yet, discouraging negative word-of-mouth by being overly consistent might hinder an agent's ability to delight her customers who help generate referrals.

These ideas about word-of-mouth led to our own research study, where we examined positive and negative word-of-mouth, without assuming they are opposites from each other. We posed the question, "Does positive word-of-mouth occur through a different process or motive than negative word-of-mouth?" If so, then perhaps service providers can work to increase positive word-of-mouth in ways that pose low risk of evoking negative word-of-mouth.

Conversing About a "Brand" Versus Conversing About "Myself"

We developed a list of conversation motives. Notably, much of the word-of-mouth research in marketing focuses on instances where consumers discuss brands in an effort to recommend for or against a brand. However, people naturally converse with each other for many reasons. People may share feelings without any intent to support or detract from a brand. For example, if a friend asks you how your day is going, you might mention things that occurred during your day (your experiences), and speak positively or negatively about them. These experiences may involve brands or interactions with service providers. The point of your conversation is simply to talk about your day; brands or service providers just happen to be part of your day's experience. On the basis of your comments, your friend may seek out a brand or service provider, and therein lies a referral. But the referral was not *intentional*, it was *accidental*.

Our list of conversation motives drew from prior research in areas such as communications, psychology and sociology. We then whittled these motives down to a manageable set, based on how frequently they motivate everyday conversations. Our final set of motives included factors such as a desire to affirm or enhance one's image, a desire to compare one's self to others, a desire to form and strengthen (or lessen) emotional bonds with others, a desire to help (or harm) others, and a desire to intentionally support or attack a brand or service provider. We then collected data in multiple waves, both from our university students, from the adult population around our university, and from an online panel. We asked people to think of the last time they mentioned a brand or service provider to someone else, and to then describe what they mentioned, and why they mentioned it (the conversation motive). We also asked people to disclose the brands they mentioned and we collected demographic data.

The results of our analyses reveal an interesting pattern. Yes, consumers engage in negative word-of-mouth. But more frequently, consumers engage in positive word-of-mouth, and by a

ratio of almost 3-to-1. So why does prior research find people recall sharing negative word-of-mouth more than positive, while we found the reverse? When we look at specific motives, the pattern changes. Sure enough, when a motive is specifically to support or attack a brand, negative word-of-mouth wins. When people feel ‘taken advantage of’ by a brand or service provider, they use word-of-mouth as a form of revenge. Speaking negatively about the brand or service provider is how they pursue this revenge and feel better. But across all conversations, these instances of wanting revenge are few. Other motives are much more frequent, tend to be positive, and tend to lead people to converse positively about brands and service providers. For example the motive of comparing one’s self to others occurred frequently, as when a person hears about someone’s experience on a vacation and then tells about their own vacation. In these instances, people talk much more positively than negatively about their experiences.

Across all of the conversations we studied, close to 90% were not motivated by a desire to support or attack brands. Normal conversations are not about brands, they are simply about “myself.” That is, people converse about themselves when talking to others, and mentions of brands or service providers are made simply because the brand happens to be part of the person’s experience. Moreover, people talk about things that interest them, and mainly discuss experiences that are positive and interesting (e.g., ‘worth talking about’). Culturally, many people in our society are counseled early in life about being positive, for example by grandparents who say, “Nobody likes a complainer” or “If you don’t have anything positive to say, then don’t say anything at all.” It seems that people basically adhere to these recommendations except when they have a grudge to bear with a brand or service provider, and those cases are rare.

Implications for Real Estate Professionals

Aside from core benefits you provide in your service, think about how the customer progresses through your service as part of their day. For example, as a realtor, if an out-of-town customer is looking at houses, you can take them past an interesting attraction in your area and get a photo you can later send them (e.g., “This is a photo of me near the Denver Mint, and the realtor took it



while showing me houses in the area.”) Or if a customer comes with young children, find something interesting to occupy the children’s time. The goal is not just to give the children something to do, but to give them something to do that your customer finds “worth talking about” with others. Every customer is different, and with each customer you must judge whether/how to infuse something interesting.

Gain expertise on a wide range of common interests, and then ask customers about their interests. For example many people have hobbies or other strong interests, and these interests often surface in daily conversations. To some extent, you may find creative opportunities to add value to a customer's area of interest. For example, your knowledge of area caves might be conversation worthy to someone with a spelunking hobby, your knowledge of the local garden club might be conversation worthy to an avid gardener, etc. Useful questions to ask customers include, "So what do you do when you're not at work?" and "So what do you like to talk about with your friends?" Listen to what people say, and progress from there.

Be consistent with delivering core brand benefits, but provide unique experiences. A little trial and error might be needed, and look for a wide variety of opportunities. For example, you might develop a "joke of the week" card and print copies of the card customers can take with them. The goal is to add some unique experiences that are worth talking about. When you find something that resonates with customers, encourage them to share with others and to mention you. This is an indirect request for a referral. You are not saying, "Please refer me." You are saying, "If you share this with a friend, please also mention me and invite your friend to stop by and meet me." You can still directly ask for referrals, but realize you can generate strong word-of-mouth through customers who have conversations where a referral is not the intent of the conversation, and is more *accidental* in nature.

References

Alexandrov, Aliosha, Bryan Lilly, and Emin Babakus (2013), "The Effects of Social- and Self-Motives on the Intentions to Share Positive and Negative Word-of-Mouth," *Journal of the Academy of Marketing Science*, 41(5), 531-46.

East, Robert, Kathy Hammond, and Malcolm Wright (2007), "The Relative Incidence of Positive and Negative Word-of-Mouth: A Multi-Category Study," *International Journal of Research in Marketing*, 24, 175-84.

Hsin-Hui, Lin, Wang Yi-Shun, and Chang Li-Kuan (2011), "Consumer Responses to Online Retailer's Service Recovery After a Service Failure," *Managing Service Quality*, 21(5), 511-34.

Ponnam, Abhilash, Debajani Sahoo, and Makam Balaji (2011), "Satisfaction-Based Segmentation: Application of Kano Model in Indian Fast Food Industry," *Journal of Targeting, Measurement and Analysis for Marketing*, 19 (Sep/Dec), 195-205.

About the Authors

Bryan Lilly, PhD

Professor of Marketing, University of Wisconsin - Oshkosh

Bryan Lilly, PhD is a Professor of Marketing at the University of Wisconsin Oshkosh. Dr. Lilly teaches courses in sales, marketing strategy and statistics. He also consults with companies on using voice-of-customer information to drive growth.

Aliosha Alexandrov, PhD

Associate Professor of Marketing, University of Wisconsin - Oshkosh

Aliosha Alexandrov is an Associate Professor of Marketing at the University of Wisconsin Oshkosh. Dr. Alexandrov teaches marketing research and an introduction to marketing course.

Engineering Success for Your Agents

Andrea L. Dixon, PhD, Karen E. Flaherty, PhD, Son K. Lam, PhD, Nick Lee, PhD, and Jay P. Mulki, PhD

A leader is the leader because he has the title, right? Conventional research takes this top-down view of leadership where the “job title is key.” However, as people often look to more than one individual for leadership at work, the concept of distributed leadership gains momentum (Mehra, Smith, Dixon, and Robertson 2006). The purpose of this article to explain how emerging academic research about leadership applies to the real estate agency context (Flaherty, Lam, Lee, Mulki, and Dixon 2012). Distributed leadership as a concept is important for a real estate agency, because the formal leader (perhaps the “one named on the door”) may impact the organization’s agents less than he believes – unless he attends to the network of connections underlying the organization.

Organizations operate with flatter leadership structures today (i.e., there are fewer levels of formal leaders in today’s organizations). As a result, informal social networks in such organizations become more important. People occupying formal leadership roles and holding leader/manager titles are no longer guaranteed to be the key influencer of the organization’s thinking and doing. Distributive leadership is important to formal leaders of real estate operations because agent learning, motivation, and even market perspectives result from the connections occurring between people (Burt 1992).

Our research team is exploring how social networks can be orchestrated by formal leaders (see Flaherty, Lam, Lee, Mulki, and Dixon 2012). Based on our research, we propose that the real estate agency leader’s role should be viewed as that of a network engineer. What this means is the formal leader (or the one with the title) must focus more on the relationships between people and less on the people themselves. The end goal is less about shaping individual agents and more about orchestrating the desired pattern of relationships among and between the full set of agents in the agency.

Social Networks Are Naturally Occurring Relationship Patterns

Relationship connections between agents may involve information sharing, mentoring, shared open houses, shared community activities, or friendships, to name a few. An analytical approach used by scholars called *social network analysis* considers the presence and the absence of connections between agents as relevant. What this type of analysis suggests is that the agency leader should know the existing connections that need to be supported, and where missing connections



might be introduced. Building and supporting positive connections makes intuitive sense. We also believe there are situations, perhaps rare, when the agency leader needs to consider how she might disrupt a connection between two agents that promises to be unproductive or harmful to an individual agent and/or collective agency results. Before we talk about disrupting unproductive connections, let's take a look at productive connections.

Productive Connections – Are Strong Connections Always Better?

No, social network research shows that strong and weak connections are both important and productive for different reasons. Strong network connections involve frequent interaction, substantial historical interaction, intimacy, reciprocity, and openness in exchanges. Conversely, weak connections represent distant, casual relationships that may be nonreciprocal (Granovetter 1973). To be fair, no one has enough time to maintain strong connections with every single work colleague. While strong connections enable more complex information and knowledge to be exchanged, weak connections allow for the exchange of novel information because weak connections typically include broader sets of relations (Granovetter 1973). So, strong and weak connections are both productive for the agency network.

In addition to the strong vs. weak distinction, a connection between two agents may be a one-way or a two-way connection. When there are more two-way connections in a real estate agency, the agency is more cohesive, which yields better outcomes (Mehra et al. 2006). Relationship patterns represented by more two-way connections (reciprocal and close connections) yield higher levels of cooperation (Gulati 1998) and increased resource transfer (Moran 2005), which fuels an agency culture where individual agents focus on collective (agency-level) results in addition to their own performance or results.

When You Manage Connections, You are Managing Resources

Resources flow across social network connections (Balkundi and Harrison 2006). Resources that flow through the connections can be work-related (e.g., information that helps an agent conduct his business) and/or psycho-social (expressive or emotional content that can support an agent in his role). Such resources are important to help agents decide what to do (work smart) and give agents the motivation to persist in the work (work hard).

Four types of resources are likely to pass through the connections in the social network of a real estate agency: (1) cognitive, (2) affective or emotional, (3) behavioral, and (4) other resources (e.g., shared technology or financial resources). Agents who are similar to each other (vis-a-vis others in the agency) tend to share information and resources, leaving other agents who are less similar on the outside of the sharing. Consequently, agents in the same agency, reporting to the same agency leader, can have access to very different resource networks. Agent success, or lack thereof, may simply be due to her inability to access resources through the agency's social network.

Engineer the Networks Needed for Success

Leaders can play a critical role in their agents' performance, and make a difference in building the right network connections. This network-building mindset is particularly important for real estate agency leaders since many agents work remotely out of their homes, personal offices, and cars. In the real estate context, the agency leader shapes the agents' performance by controlling access to resources, information, and support. To assume the role of the network engineer, the agency leader must assess the situation, each agent's characteristics, and the blend of connections that each agent might need. Effective agency leaders develop connections within and outside the agency, orchestrating connections to help agents meet their goals. One simple approach to understanding what connections or resources might be needed is to ask the agent.

When an agency leader constructs the right set of relationships providing the right resources for an agent, the agent's individual goals can be accomplished in harmony with the agency's goals. Such agents can become absorbed with their work and operate at top capacity. Research shows that creativity and effectiveness result when people are totally focused on their work – in essence, they are “in a flow” (Csikszentmihalyi 1990). As a result, such intrinsically-motivated agents will demonstrate an inner clarity and self-confidence. If some of your agents are not operating at top capacity, you might ask yourself (or them) if their networks are engineered for success.

To develop a high-performing, creative environment, the agency leader needs to focus on developing the right relationship networks for each agent in the agency. As the agency leader develops a reputation and pattern for making productive connections between people, the leader becomes known as an idea source, which enhances his status in the agency or network. The leader's ability to access weak connections between members of different groups, as well as strong connections within groups, makes it easier for the leader to introduce creative strategies for goal achievement (Granovetter 1973). Multi-level connections offer faster access to information, support, and resources that leaders can make available to their agents (Mehra et al. 2006).

Disconnect Unproductive Network Connections

Some agents operate as what we call flow disruptors in that they create confusion, uncertainty, or distraction within a network or agency. As a result, productivity may be negatively impacted. Leaders in an agency are well served to identify and disrupt the connections associated with such agents. The payoff can be compliance with appropriate agency/sales practices in the short run. In the long run, a leader who manages or disrupts connections that spur negative results will improve the way in which she is viewed within the organization (Kelman 2006). Being viewed positively within the organization is important, as such perceptions assist leaders in successfully selling their ideas and leveraging resources (Ashford, Rothbard, Piderit, and Durrone 1998).

Disrupting connections may even be easier than it might appear. Recently, researchers discovered that a significant influence can be exerted via small behaviors. When judging negative characteristics, individuals need only five-seconds of behavior to accurately judge business partners, while positive characteristics need a slightly longer time for comparable accuracy (Carney, Colvin, and Hall 2007). This research suggests that disrupting negative connections may be easier than creating a positive connection. Perhaps making a single negative comment about an agent's role is enough to reduce the connections that others (in hearing such a comment) might have with him.

Network Connections are a Place for Leadership

Leaders use social exchange to motivate agents toward better performance. Leaders develop connections with agency clients to gather fresh perspective which helps them help their agents (Sparrowe and Liden 2005). When the leader is positively recognized for her abilities to provide fresh perspective, her image and reputation is enhanced, which increases her status in the eyes of her agents (Venkataramani et al. 2010). This perceived status enables the leader to motivate others to perform well, while discouraging behaviors that counter the agency's interests. Our work highlights how a social network approach enhances perspective for the real estate agency leader. While the traditional view of leadership was driven by a top-down, leader-centered paradigm, today's agency leader faces a social-work context marked by rich social network connections and higher-levels of collaboration. The real estate agency leader can make a marked difference on agency outcomes by creating, enhancing, and changing connections between her agents.



Recommended Reading

Flaherty, K., S. Lam, N. Lee, J. Mulki, and A. Dixon (2012), "Social Network Theory and the Sales Manager Role: Engineering the Right Relationship Flows," *Journal of Personal Selling and Sales Management* (Winter), 29-40.

References

Ashford, S.J., N.P. Rothbard, S.K. Piderit, and J.E. Dutton (1998), "Out on a Limb: The Role of Context and Impression Management in Selling Gender-Equity Issues," *Administrative Science Quarterly*, 43(1), 23-57.

Balkundi, P. and D.A. Harrison (2006), "Ties, Leaders, and Time in Teams: Strong Inference about Network Structure's Effects on Team Viability and Performance," *Academy of Management Journal*, 49(1), 49-68.

Burt, R.S. (1992), *Structural Holes: The Social Structure of Competition*. Cambridge, MA: Harvard University Press.

Carney, D.R., R.C. Colvin, and J.A. Hall (2007), "A Thin Slice Perspective on the Accuracy of First Impressions," *Journal of Research in Personality*, 41, 1054-172.

Csikszentmihalyi, M. (1990), *Flow: The Psychology of Optimal Experience*, New York, NY: Harper and Row.

Granovetter, M. (1973), "The Strength of Weak Ties," *American Journal of Sociology*, 6, 1360-380.

Gulati, R. (1998), "Alliances and Networks," *Strategic Management Journal*, 19(4), 293–317.

Kelman, H.C. (2006), "Interests, Relationships, Identities: Three Central Issues for Individuals and Groups in Negotiating Their Social Environment," *Annual Review of Psychology*, 57(1), 1-26.

Mehra, A., A.L. Dixon, D.J. Brass, and B. Robertson (2006), "The Social Network Ties of Group Leaders: Implications for Group Performance and Leader Reputation," *Organization Science*, 17(1), 64–79.

Mehra, A., B.R. Smith, A.L. Dixon, and B. Robertson (2006), "Distributed Leadership in Teams: The Network of Leadership Perceptions and Team Performance," *The Leadership Quarterly*, 17, 232-45.

Moran, P. (2005), "Structural versus Relational Embeddedness: Social Capital and Managerial Performance," *Strategic Management Journal*, 26(12), 1129–151.

Sparrowe, R.T. and R.C. Liden (2005), "Two Routes to Influence: Integrating Leader-Member Exchange and Social Network Perspectives," *Administrative Science Quarterly*, 50(4), 505-35.

Venkataramani, V., S.G. Green, and D.J. Schleicher (2010), "Well-Connected Leaders: The Impact of Leaders' Social Network Ties on LMX and Members' Work Attitudes," *Journal Of Applied Psychology*, 95(6), 1071-084.

About the Authors

Andrea L. Dixon, PhD

Frank M. And Floy Smith Holloway Professorship in Marketing, Baylor University

Dr. Andrea Dixon (PhD - Indiana University) has 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 three 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 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.

Karen E. Flaherty, PhD

Associate Professor of Marketing, Oklahoma State University

Dr. Karen Flaherty (PhD, University of Massachusetts at Amherst) is Associate Professor of Marketing in the Spears School of Business at Oklahoma State University. Her research agenda focuses primarily on the management of boundary spanners. She studies two key boundary-spanning groups-frontline sales professionals and middle managers. In particular, her research focuses on topics including the motivation, leadership, and control of these boundary spanners. Her work has been published in journals such as the *Journal of the Academy of Marketing Science*, the *Journal of Retailing*, the *Journal of Personal Selling & Sales Management*, *Industrial Marketing Management*, and the *Journal of Business Research*. She is the author of several book chapters, including a chapter on Strategic Leadership in Sales in the Oxford Handbook of Sales Management and Sales Strategy (edited by Cravens, Le Meunier-Fitzhugh, and Piercy). She serves on the editorial boards of the *Journal of Personal Selling & Sales Management* and the *Journal of Marketing Theory and Practice*. She received the Richard W. Poole Research Excellence Award from the Spears School of Business in 2008 and 2009. Karen is an active member of the American Marketing Association. She has served as sales and sales

management track chair for the Summer Educator's Conference, and also as Chair of the AMA Selling and Sales Management Special Interest Group. Karen has taught courses at the undergraduate, graduate, and postgraduate levels at OSU. Currently, she teaches Marketing Strategy (PhD program), Principles of Marketing (undergraduate), and Sales Management (distance course). She was nominated for the Greiner Teaching Award in 2011 and 2005, and was named a faculty member of distinction by the Spears School Business Student Council in 2012.

Son K. Lam, PhD

Assistant Professor of Marketing, University of Georgia

Dr. Son K. Lam (PhD, University of Houston) is Assistant Professor of Marketing at Terry College of Business, University of Georgia. Son's current research is focused on (1) sales management and customer relationships using social network, multilevel and dyadic analyses, and (2) identity-motivated relationships in internal marketing, sales management, services marketing, and customer-brand relationships. Son's work has appeared in the *Journal of Marketing Research*, the *Journal of Marketing*, *Strategic Management Journal*, the *Journal of Retailing*, among others. In 2013, Son Lam was invited to attend the Marketing Science Institute Young Scholars Program, which recognizes the most productive young scholars in marketing. Son was ranked No. 8 in research productivity in premier AMA journals (the *Journal of Marketing* and the *Journal of Marketing Research*) in the 2009–2013 worldwide research productivity report.

Nick Lee, PhD

Professor of Sales and Management Science.

Loughborough University School of Business and Economics

Dr. Nick Lee (BCA, BCA(hons.), PhD) is the Professor of Sales and Management Science at Loughborough University School of Business and Economics, and the Honorary Chair of Marketing and Organizational Research at Aston Business School. His research interests include sales management, social psychology, research methodology, and ethics. Prof. Lee is the Editor in Chief of the *European Journal of Marketing*, the Section Editor for Sales Research Methods for the *Journal of Personal Selling and Sales Management*, and he serves on the review panel or editorial board of several other journals. In 2009 he was featured in The Times as "one of the 15 scientists whose work will shape the future." His research has won multiple awards, including the 2010 Joseph Lister Award for Social Science from the British Science Association, the 2005 Emerald Outstanding Special Issue Award, and the 2002 EMAC award for best doctoral work. He is a regular speaker at international conferences on sales and methodological issues. Prof. Lee's work has appeared in journals such as *Organization Science*, the *Journal of Management*, the *Journal of the Academy of Marketing Science*, the *Journal of Business Research*, the *Journal of Business Ethics*, the *Journal of Personal Selling and Sales Management*, the *Journal of Interactive Marketing*, *Frontiers in Human Neuroscience*, *BMC Neurology*, the *American Journal of Bioethics*, and the *International Journal of Psychophysiology*. His work has featured

in popular outlets such as *The Times*, the *Financial Times*, and he has appeared on *BBC Radio 4*, *BBC Radio 5Live*, and *BBC Breakfast* television. His first book, *Doing Business Research*, was published by Sage in 2008.

Jay Mulki, PhD

Associate Professor of Marketing, Northeastern University

Dr. Jay Mulki (PhD, U. of South Florida) brings academic research and business practice to his classroom teaching after holding several senior positions in Fortune 500 companies before leaving business to pursue academic interests. Professor Mulki has received awards and recognition for teaching and research. In 2008, Mulki received the Renfro Fellowship award which recognizes consistent achievement in research and teaching. He has also been recognized for his research and work in the development and implementation of service programs to increase customer satisfaction, promoting new electro technologies, and the implementation of one of the largest energy efficiency programs in the country. Professor Mulki's primary research interests are in the areas of personal selling and sales management and services marketing. His research has been published in *Journal of Business Research*, *MIT Sloan Management Review*, *Psychology & Marketing*, *Journal of Personal Selling and Sales Management*, *International Journal of Service Industry Management*, *Journal of Marketing Theory & Practice*, and *Journal of Business Ethics*. He was a board member of Sales and Marketing Executives (SMEI) of Tampa Bay and Honolulu. He served on the Customer Service Council of EPRI (Palo Alto, CA) and was a member of Edison Electric Institute's (Washington DC) Residential and Light Commercial Planning Group.

Improving Performance by Managing Sales Call Volume

G. Alexander Hamwi, PhD and Brian N. Rutherford, PhD

How can a salesperson improve her performance? This is a question that sales management researchers have spent a great deal of effort and time trying to answer. Researchers have approached the problem from many different perspectives: salesperson, sales manager, and customer. One tried-and-true method for improving a customer's perception of a salesperson's performance, though, is to ensure the salesperson consistently meets the client's expectations. In a buyer-seller relationship, clients form expectations about a variety of things: price, features/benefits, product/service performance, and the level of service after the sale, just to name a few.

While published research examines complex methods of improving a salesperson's performance by meeting client expectations (e.g., Cravens et al. 1993, Fang et al. 2005), more easily-implemented methods to improve performance have received much less attention, even though they can improve salesperson performance and enhance buyer-seller relationships. Assuming that simplicity is synonymous with ineffectiveness, real estate professionals and agency managers, among others, tend to ignore easily-implemented, simple methods of improving salesperson performance by working to better understand and meet clients' expectations with more regularity.

The Importance of Face-to-Face Communication

While there are a variety of ways in which clients and sellers can communicate (telephone, fax, email, videoconference, etc.), the strongest, deepest form of communication is the face-to-face sales call. Face-to-face communication is the only form of communication that gives both parties the opportunity to communicate in real-time and to be privy to each other's non-verbal cues (the most important part of the communication process). In sales calls not conducted face-to-face, salespeople experience a 50% decrease in useful information obtained because they lack the benefit of non-verbal cues. The salesperson loses an additional 10 % of useful information when they cannot hear a client's voice (Weitz et al. 2007).

Even with the breadth of communication technology available for business use, buyers and sellers still prefer face-to-face communication, especially when the information being communicated is of increased importance and/or sensitivity (Cano et al. 2005). The same holds true in a real estate context. The use of technology in



sales communications is preferred more as an enhancement than a primary means of communication (Ferrell et al. 2010).

Our study investigates the impact of meeting the client's expected number of face-to-face sales calls on *behavioral outcomes* and the client's *evaluation of the salesperson's overall performance*. Clients have expectations about the number of face-to-face calls they want to receive in a given time period, and achieving this ideal number will improve a client's perception of the agent's performance. Meeting these expectations should also lead to increased customer retention and profit.

Direct Influence

When a salesperson meets a client's expectations concerning the number of face-to-face calls s/he wants to receive, what specific outcomes happen? How is the buyer-seller relationship enhanced? Our research, involving 203 customers of a Fortune 100 firm selling high tech systems, confirmed the following results:

1. Higher Perception of Salesperson's Commitment → Greater Client Trust

When a salesperson meets a client's expectations concerning the number of face-to-face sales calls s/he wants to receive, the client perceives that the salesperson is committed to the relationship. In turn, the client's trust in the salesperson increases.

2. Higher Perception of Salesperson's Commitment → Greater Client Commitment

One party's perceived commitment influences the other party's actual commitment. If a client perceives a salesperson as committed to the relationship because the salesperson meets the client's expectations concerning the appropriate number of sales calls, the client will be more committed to the relationship (Anderson and Weitz 1992).

3. Greater Client Satisfaction → Greater Client Commitment

When a salesperson meets a client's expectations concerning the ideal number of face-to-face sales interactions in a given time period, the client will be more satisfied with the salesperson. Many studies have shown that increased satisfaction leads to increased commitment (e.g., Brown and Peterson 1994; Johnson et al. 2001); and satisfaction reinforces the client's decision to participate in a relationship with the salesperson, which over time leads to increased client commitment (Fornell 1992).

4. Greater Client Trust → Greater Client Commitment

When a client commits to a relationship, the client is making himself vulnerable to the salesperson. The client relies on the salesperson to interpret and evaluate the client's wants and needs, as well as find satisfactory solutions to problems. If the salesperson has opportunistic intentions, the client could suffer harm. Clients will be more committed to salespeople who have earned their trust (Morgan and Hunt 1994).

5. Greater Client Commitment → Higher Perception of Salesperson's Performance

When a client is committed to a relationship, s/he trusts the salesperson, is satisfied with the salesperson, and perceives the salesperson to be committed to the relationship, as well. The client will naturally have a higher perception of salesperson performance than in a case where there is a disconnect between what is expected and what actually occurs. Confirmation of expectations has a positive influence on salesperson performance.

Implications for Real Estate Professionals

When a real estate professional contacts a client with the expected frequency (as perceived by the client), the client is more committed to and more trusting of the agent. Additionally, the relationship with the client is more likely to continue long-term. When the agent reaches the ideal number of face-to-face interactions, the client perceives the salesperson as being more committed to the relationship and also evaluates the salesperson's performance more positively.

Results of our study show that meeting a client's expectations concerning number of face-to-face interactions can result in an increase in client's perception of salesperson performance by 5%. A 5% increase in perceived performance considered over time across the entire customer base of an agent (or his/her firm) could greatly improve financial performance. Reicheld and Sasser (1990) found that a 5% increase in performance can lead to an almost 100% increase in profits. The minimal amount of effort necessary to understand a client's expectations and respond accordingly makes it clear that this small effort is worth putting out.



There are several ways in which customer expectation data can be obtained. Call reports can be reviewed to see how often the client is called on. Many managers already monitor the call frequencies of their sales force through a CRM (customer relationship management) system. Next, an agent or manager can determine the client's desired level of face-to-face interactions. This information can possibly be obtained by: 1) having the agent ask the client, 2) using a customer satisfaction survey, and/or 3) the manager contacting the client directly. While there will be some expenses involved in obtaining this information, the costs may be minimal considering the possible long-term increases in profitability.

Once agents and/or firm managers obtain data regarding customer expectations, they should consider the costs of making additional face-to-face calls. Recent studies estimate the cost of one face-to-face sales call ranges from \$400-\$1200 (Weitz et al. 2007). Prior research has also suggested using the Customer Lifetime Value framework (Reinartz and Kumar 2003; Rust et al.

2004; [Dixon 2010](#)) to determine which client-supplier relationships are worthy of increased attention.

Managing face-to-face call volume is a simple strategy that promises key payoffs for the agent, the manager and the client.

References

Anderson, Erin and Barton Weitz (1992), "The Use of Pledges to Sustain Commitment in Distribution Channels," *Journal of Marketing Research*, 29(1), 18-34.

Cano, Cynthia R., James S. Boles and Cynthia J. Bean (2005), "Communication Media Preferences in Business to Business Transaction: An Examination of the Purchase Process," *Journal of Personal Selling and Sales Management*, 25(3), 283-94.

Cravens, David W., Raymond W. LaForge, Gregory M. Pickett and Clifford E. Young (1993), "Incorporating a Quality Improvement Perspective into Measures of Salesperson Performance," *Journal of Personal Selling and Sales Management*, 13(1), 1-14.

Dixon, Andrea L. (2010), "Personal 'Touch' Portfolio (PTP): Connecting with the Right Clients," *Keller Center Research Report*, 3(2), 20-28.

Fang, Eric, Kenneth R. Evans and Timothy D. Landry (2005), "Control Systems' Effect on Attributional Processes and Sales Outcomes: A Cybernetic Information-Processing Perspective," *Journal of the Academy of Marketing Science*, 33(4), 553-74.

Ferrell, Linda, Tracy L. Gonzalez-Padron and O.C. Ferrell (2010), "An Assessment of the Use of Technology in the Direct Selling Industry," *Journal of Personal Selling and Sales Management*, 30(2), 157-65.

Fornell, Claes (1992), "A National Customer Satisfaction Barometer: The Swedish Experience," *Journal of Marketing*, 56(1), 6-21.

Morgan, Robert A. and Shelby D. Hunt (1994), "The Commitment-Trust Theory of Relationship Marketing," *Journal of Marketing*, 58(3), 20-38.

Reichheld, Frederick F. and Earl W. Sasser (1990), "Zero Defections: Quality Comes to Service," *Harvard Business Review*, 68(5), 105-11.

Reinartz, Werner J. and V. Kumar (2003), "The Impact of Customer Relationship Characteristics on Profitable Lifetime Duration," *Journal of Marketing*, 67(1), 77-99.

Rust, Roland T., Valerie A. Zeithaml and Katherine N. Lemon (2004), "Return on Marketing: Using Customer Equity to Focus Marketing Strategy," *Journal of Marketing*, 68(1), 109-27.

Weitz, Barton A., Stephen B. Castleberry and John F. Tanner, Jr. (2007), *Selling: Building Partnerships*, New York: McGraw Hill.

About the Authors

G. Alexander Hamwi, PhD

Assistant Professor of Marketing, Missouri State University

Dr. Alex Hamwi (PhD - Georgia State University) became an Assistant Professor of Marketing at Missouri State University in Fall of 2009 after receiving his PhD in Marketing from Georgia State University. Dr. Hamwi's research interests include sales management and behavioral and environmental aspects of sales and ethics. Dr. Hamwi's work has been published in the *Journal of Personal Selling and Sales Management*, the *Journal of Business Research* and the *Journal of Business and Industrial Marketing*.

Brian N. Rutherford, PhD

Assistant Professor of Marketing and Professional Sales, Kennesaw State University

Dr. Brian Rutherford (PhD - Georgia State University) received his PhD from Georgia State University in 2007 and then joined the faculty at Purdue University. In 2011, Dr. Rutherford joined the faculty at Kennesaw State University. Dr. Rutherford has published over thirty peer-reviewed journal articles, found in journals such as the *Journal of Personal Selling and Sales Management*, the *Journal of Business Research*, the *Journal of Marketing Theory and Practice* and the *Journal of Business and Industrial Marketing*.

Protect and Prevent: Neutralizations and Unethical Sales Behavior

Laura Serviere-Munoz, PhD and Michael L. Mallin, PhD

A realtor’s name is her brand, which is a cue for trust, due diligence, empathy, referrals, and success. A realtor understands she has to maintain her “brand equity” by reinforcing the “assets” that support a positive brand identity, and limiting the “liabilities” that detract from her brand. A liability many salespeople overlook might be *neutralization*, or an excuse used to justify unethical behavior.



Neutralizations are present everywhere, from adolescents who argue “everybody does it” to police officers who display higher loyalties towards “one of their own.” A recent survey conducted by Inman News uncovers that there are many practices that are both questionable and unethical among realtors. More importantly, the survey highlights the fact that attitudes about unethical practices are split, and many realtors see certain unethical practices as “acceptable” (Carter 2011). Neutralizations are relevant in the real estate context so agents and agencies understand how to protect their brand and prevent unethical sales behavior.

What Are Neutralizations?

Neutralizations are the excuses employed when someone engages in questionable practices or behavior. Neutralizations are used because of the power they have to mute or block any guilt, shame, or discomfort that one could experience when exhibiting unethical behavior. Originally introduced in 1957 by Sykes and Matza, neutralizations have become one of the leading theories used to explain and address deviant activity. People typically use neutralizations to deflect guilt or shame by denying anyone got hurt by a behavior, shifting blame to another party, or even denying wrongdoing occurred. People can turn to neutralizations to justify activity before or after it occurs, although most research suggests people usually turn to neutralizations to rationalize behavior before acting.

There are five general neutralization techniques that can be used to justify one’s actions:

<u>Neutralization</u>	<u>Definition</u>	<u>Example</u>
1. Denial of Responsibility	Individuals negate personal responsibility	<i>“It was not my fault”</i>
2. Denial of Injury	Individuals deny that any injury or harm was caused as a result of their actions	<i>“No one got hurt”</i>

<p>3. Denial of Victim</p>	<p>Individuals accept personal responsibility for the behavior but feel it is acceptable to engage in certain practices because the “victim” deserved the injury</p>	<p>“He had it coming”</p>
<p>4. Condemning the Condemners</p>	<p>Individuals repress the wrongfulness of their acts by blaming those who critique or disapprove of their actions</p>	<p>“Who are you to judge me? I know you do worse things than I do”</p>
<p>5. Appeal to Higher Loyalties</p>	<p>Individuals tend to explain that they did not act unethically for themselves, but for a higher purpose (such as family or an organization)</p>	<p>“I had to do it. I have my family to think about”</p>

Source: (Sykes and Matza 1957)

When Do Neutralizations Happen In Sales?

Our research explores three areas to determine whether salespeople employ neutralizations, and if so, which neutralization techniques are employed. Our study looks at three sales behaviors: *sales promoting behaviors*, *customer relationship-building and maintenance behaviors*, and *behaviors towards the sales organization*. In the real estate context, these sales behaviors might take shape when entertaining clients or documenting travel expenditures (*sales promoting*), seeking out new clients and maintaining relationships after a sale (*customer relationship-building and maintenance*), and building the real estate office’s visibility by assisting other agents with open houses (*behaviors towards the sales organization*).

By using a cross-industry sample of sales professionals (n=157), the results show that when neutralizations are employed, an individual’s ethical judgment and ethical intention may become incongruent; that is, salespeople acknowledge their behavior is wrong yet they continue to behave questionably.



First, *denying injury occurred*, salespeople may believe that no negative outcomes occur as a result of their actions, and might perceive their behavior as “part of doing business.” This neutralization might also be employed due to of the nature of the job and industry competitiveness or as salespeople deal with role conflict or job stress. For example, salespeople might attempt to justify not following policies or turning-in inaccurate expense reports because they feel time pressured to engage in selling behaviors.

The second most prevalent neutralization, *appealing to higher loyalties*, was present when salespeople engaged in sales promoting and customer relationship-building and maintenance

behaviors. Salespeople put their families, organization, or personal interests first and justify unethical behaviors based on their loyalty. For example, a listing agent might mention to potential buyers that a home “has offers pending” when none actually exist to make sure she earns enough money to support her family that month.

Our study found that a third technique - *denial of responsibility* - was also common. Different than the other two neutralizations, though, salespeople who employ *denial of responsibility* alter their overall ethical judgment and ethical intention; that is, when a salesperson denies responsibility for his unethical actions, he might not experience any remorse or conflict since his ethical judgment and intention are so greatly impacted.

Protect Yourself from Ethical Dilemmas

It is clear that marketplace demands have the potential to make salespeople engage in neutralizations to mask unethical behavior. *So how does a real estate sales professional protect himself and/or his sales team?*

Here are some principles to apply in your personal and professional practice:

- 1. Do not let it happen.** Yes, it sounds very straightforward, yet most of the attacks that an individual’s brand suffers are self-inflicted. Try to objectively observe your behavior and assess whether you are engaging in any of the five neutralization techniques.
- 2. Admit it and fix it.** If you discover you are employing neutralizations, do not point fingers. Rather, take responsibility for your actions and address them. To fix behaviors in your real estate practice, consider scheduling training sessions so your entire team can identify and understand unethical behaviors and the resulting implications. Allow training to be interactive and non-judgmental, where everyone’s participation is valued. Make your team members active participants in finding ways to prevent neutralizations from masking questionable behavior.
- 3. Do not allow top performers to succumb to neutralizations.** If an individual is performing well, her sales record may overshadow the fact that she might be engaging in questionable behavior, such as failing to follow company policies. If an individual is generating profits by justifying unethical actions, then the individual’s real value to the organization should be questioned.
- 4. Establish clear consequences.** Make it clear to your sales team that unethical behavior and practices are unacceptable, and may result in dismissal from the role.
- 5. Live your brand.** Your brand represents you, your family, and everything that you have built personally and professionally. Actively promote ethical sales behavior where excuses and neutralizations are not tolerated.

- 6. Create an anonymous reporting mechanism.** To help team members self-manage questionable behavior, you must empower employees to safely and anonymously report unethical behavior. An anonymous comment box or an ombudsman may help your team feel more comfortable with presenting questionable activity to management.

Conclusion

For real estate professionals, neutralizations are of great relevance. A sales role presents challenges and pressures that may sometimes cloud good ethical judgment. Given the knowledge of neutralizations and the principles presented, real estate brokers and agents can begin to develop the awareness and strategies necessary to prevent neutralization from tarnishing one of their most important assets – their brand.

References

Carter, Matt (2011), “A Peek ‘Behind the Curtain’ at Real Estate Practices,” *Inman News*, (accessed January 19, 2014), [available at: <http://www.inman.com/2011/08/10/a-peek-behind-curtain-real-estate-practices/2/>].

Serviere-Munoz, Laura, and Michael L. Mallin (2013), “How do Unethical Salespeople Sleep at Night? The Role of Neutralizations in the Justification of Unethical Sales Intentions,” *Journal of Personal Selling & Sales Management*, 33 (Summer), 291-308.

Sykes, Gresham M. and David Matza (1957), “Techniques of Neutralization: A Theory of Delinquency,” *American Sociological Review*, 22(6), 664-70.

About the Authors

Laura Serviere-Munoz, PhD

Assistant Professor of Marketing, University of Dallas

Laura Serviere-Munoz received her PhD in Business Administration - Marketing from the University of Texas-Pan American and is currently serving as an Assistant Professor of Marketing at the University of Dallas. Her area of research includes Professional Selling and Sales Management, Entrepreneurship, and Consumer Behavior. She has published over 15 refereed publications, one of them in the *Journal of Personal Selling and Sales Management* (a top 20 marketing journal). She also has over 20 papers accepted at numerous conferences, including the American Marketing Association (AMA), the Association of Consumer Research (ACR), the Academy of Marketing Science (AMS), and the National Conference of Sales Management. Furthermore, she has presented three times in the National Conference of Sales Management as part of the Best Teaching Practices sessions and is an active reviewer for national conferences. She has received awards for her student support and research activities. In

2013 she became a King/Hagar scholar and will be attending the Case Method Workshop at Harvard in the spring of 2014.

Michael L. Mallin, PhD

Associate Professor of Marketing and Sales, University of Toledo

Michael Mallin is an Associate Professor at The University of Toledo's Edward H. Schmidt School of Professional Sales. He holds a PhD in Marketing from Kent State University, an MBA from The University of Dayton, and a BS in Computer & Information Sciences from The Ohio State University. He teaches and researches in the area of sales and sales management. His research interests include salesforce leadership, motivation, and performance issues. His research has appeared in the *Journal of Personal Selling & Sales Management*, *Journal of Selling & Major Account Management*, *Direct Marketing – An International Journal*, *Journal of Entrepreneurship Education*, *American Marketing Association Educators Conference Proceedings* and the *National Conference for Sales Management Conference Proceedings*. Prior to joining the University of Toledo, his industry experience includes positions as Sales Director for The SBC Corporation, Sales & Marketing Manager, and Account Executive for AT&T Corp.

Leveraging Market Orientation for Real Estate

Samaa Taher Attia, PhD (Egypt)

*This article is an extended summary of a [study](#) published in the *Journal of Strategic Marketing*.

Customers are becoming increasingly sophisticated, and organizations must adapt to meet the changing needs of the marketplace (Hooley et al. 2012). One way companies can respond is to become more market-oriented by focusing on four key components of Market Orientation: *customers*, *competitors*, *long-term perspective*, and *inter-functional coordination*.



Shifting towards a Market Orientation (MO) is important because of its potential to positively impact company outcomes. In order to effectively interpret the relationship between market orientation and company outcomes, the four components of MO must be evaluated to leverage the positive benefits available to firms.

Our research looks at how companies in the Egyptian business context engage with and value these four MO components in their businesses. Understanding how MO can positively impact business outcomes can also have important implications for real estate professionals looking to respond to the changing marketplace.

Customer Orientation

The companies from our research focus more on customers than any other MO component. Being *customer-oriented* means knowing as much about current and potential customers as possible, and adjusting business activities to meet customer needs. The types of activities associated with customer-oriented firms include acquiring information about customers in a target market and disseminating customer information clearly and consistently across the organization (Narver and Slater 1990).

Creating value for the customer should be a firm's ultimate goal. For real estate professionals, obtaining accurate customer information to uncover where and how value is created in the real estate process will lead to greater customer satisfaction. Whether you gain information about your customers from customer surveys or other sources, having current information on consumer preferences in your area will help you employ the specific sales strategies to sell most effectively.

Remember that replacing a customer is more expensive than keeping a current customer (Hooley et al. 2012). Keep in mind, though, that focusing too much on a customer can yield diminishing returns ([Homburg et al. 2012](#)).

Competitor Orientation

The second most emphasized component of MO in our study is *competitor orientation*. Similar to customer orientation, competitor-oriented activities include collecting and disseminating all available and relevant information related to competitors (Narver and Slater 1990; Tay and Tay 2007). Competitor orientation also involves understanding current and future competitive strengths, weaknesses, capabilities, and strategies, and being aware of competitive reactions to changing and turbulent environments (Narver et al 2000; Slater and Narver 2000a,b; Cambra-Fierro et al. 2011; Tay and Tay 2007).

The real estate business environment is becoming increasingly global and hypercompetitive (Too et al. 2010), so keeping a close eye on a broader set of competitors is crucial. Research shows that agents can compete more effectively by providing innovative marketing/communication and ensuring agents are honest (Meyers and Harmeling 2011). Remember that all activities related to competitor orientation should be conducted in harmony with customer-orientated activities, as both are essential to agent success.

Long-Term Perspective

Although the *long-term perspective* component is not emphasized among the companies we study, it is an important component to consider.

Long-term perspective is defined as a company's overriding business objective (Hooley et al. 2012). As real estate professionals work to increase customer satisfaction, positive word-of-mouth (WOM) generated by satisfied customers helps create greater awareness of the agent/company, which can yield new business opportunities. Positive WOM and awareness impact the opportunity for long-term sales growth (Tay and Tay 2007). Meyers and Harmeling (2011) also emphasize that successful real estate firms must make decisions based upon both the short-term goals (pleasing customers today) and long-term goals (pleasing customers tomorrow) to build loyalty.

It is also crucial for long-term survival to develop dynamic capabilities that are hard for competitors to imitate. This could include gaining unique knowledge of a local market and/or engaging in real estate holding arrangements (Too et al. 2010). Additionally, leveraging a long-term perspective also includes understanding competitors' long-term capabilities and strategies (Sorensen 2009).

Inter-Functional Coordination

Inter-functional coordination does not have the emphasis among our Egyptian companies as do the other MO components. Surprisingly, though, Tay and Tay (2007) finds inter-functional

coordination is crucial for real estate firms looking to achieve greater market performance (i.e. identifying new opportunities, client satisfaction, etc.).



Leveraging inter-functional abilities can provide great value for clients and the firm. Sharing client feedback with team members and seeing how other successful firms utilize inter-functional teams can help a real estate agency create greater customer satisfaction. Very few studies discuss inter-functional coordination, but it is important to establishing a long-term orientation and generating firm success (Hwang et al. 2013).

Conclusion

Real estate professionals must understand that it is important to focus on each of the four dimensions of Market Orientation. While maintaining a strong focus on customers, it is equally important to focus on competitors, establish a long-term perspective, and ensure internal functions are coordinated. When each works in harmony with the others, real estate professionals can leverage MO components to maximize the potential for positive sales results.

Appendix - Our Study

The purpose of our study was to examine the extent to which Egyptian firms satisfy customers, how sensitive they are to rivals' reactions, their focus on long-term planning, and the extent to which Egyptian firms rely on inter-functional planning.

Quantitative data were collected from eight firms. A total of 134 usable questionnaires were collected and showed evidence of reliability and validity. Data were interpreted using factor and regression analysis.

Key findings from the study include the identification of the practice of the components of market orientation; customer orientation, competitor orientation, long-term perspective, and inter-functional coordination. The study contains lessons for practitioners and researchers in other countries. Also, it provides managers with insights on the importance of all market orientation components.

References

- Attia, Samaa Taher (2013), "Market Orientation in an Emerging Economy – Egypt," *Journal of Strategic Marketing*, 21(3), 277-91.
- Cambra-Fierro, Jesus and Yolanda Polo-Redondo (2011), "Post-Satisfaction Factors Affecting the Long-Term Orientation of Supply Relationships," *Journal of Business & Industrial Marketing*, 26(6), 395-406.
- Homburg, Christian, Michael Muller, and Martin Klarmann (2012), "Is the Customer Always King? Finding the Optimum Level of Customer Orientation," *Keller Center Research Report*, 5(4), 3-9.
- Hooley, Graham, Nigel Piercy, and Brigitte Nicoulaud (2012), *Marketing Strategy and Competitive Positioning (5th Ed)*, Essex, England: Prentice Hall.
- Hwang, Jiyoung, Jae-Eun Chung, and Byungho Jin (2013), "Culture Matters: The Role of Long-Term Orientation and Market Orientation in Buyer-Supplier Relationships in a Confucian Culture," *Asia Pacific Journal of Marketing and Logistics*, 25(5), 721-44.
- Meyers, Yuvay and Susan Harmeling (2011), "Best Address: The Use of Innovative Marketing in the Real Estate Industry," *Journal of Research in Marketing and Entrepreneurship*, 13(1), 74-84.
- Narver, John and Stanley Slater (1990), "The Effect of a Market Orientation on Business Profitability," *Journal of Marketing*, October, 20-35.
- Narver, John and Stanley Slater, and Douglas L. MacLanchlan (2000), "Total Market Orientation, Business Performance, and Innovation," Working Paper Series, Cambridge, MA: Marketing Science Institute.
- Slater, Stanley and John Narver (2000a), "The Positive Effect of a Market Orientation on Business Profitability: A Balanced Replication," *Journal of Business Research*, 48, 69-73.
- Slater, Stanley and John Narver (2000b), "Intelligence Generation and Superior Customer Value," *Journal of Academy of Marketing Science*, 28(1), 120-27.
- Tay, Jasmine and Linda Tay (2007), "Market Orientation and the Property Development Business in Singapore," *International Journal of Strategic Property Management*, 11(1), 1-16.
- Too, Linda, Michael Harvey, and Eric Too (2010), "Globalisation and Corporate Real Estate Strategies," *Journal of Corporate Real Estate*, 12(4), 234-48.

About the Author

Samaa Taher Attia, PhD

Associate Professor of Marketing, British University (Egypt)

Dr. Samaa Attia is an Associate Professor of Marketing at the British University in Egypt. Dr. Attia earned her PhD from Aston University in the UK. She also earned her MBA from the Netherlands, where she received distinguished recognition in the form of a fellowship from the Dutch government. Dr. Attia works as an academic, trainer, and consultant at many companies. Dr. Attia has earned several research grants to pursue her passion for research in marketing, particularly in the areas of selling and sales management, strategic marketing, and branding. She is a Fulbright Alumnus and has published articles in several international journals.

INSIDER: Contagious: Why Things Catch On

Stephen Chandler, MBA Candidate

Can you believe there is a steakhouse in Philadelphia that sells a cheesesteak for \$100? What about a YouTube channel showcasing videos of a blender tearing through different Apple products? And that channel has close to 700,000 subscribers where two videos have been viewed a combined 28 million times.

Now, would you be shocked to learn these stories are related? On its face, a YouTube video that showcases the power of a blender, and a 100-buck Philly cheesesteak seem to have nothing in common - but **both share attributes of all things that go viral.**

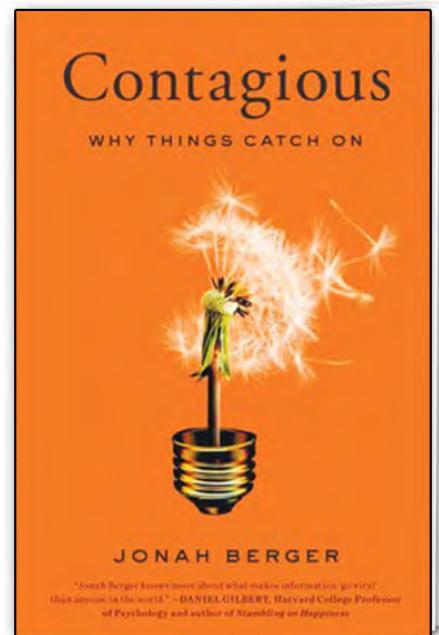
According to Jonah Berger, a Wharton Marketing professor and the author of *Contagious: Why Things Catch On*, the premise is simple and fairly intuitive.

Whether you are in marketing, real estate, or even politics, understanding how to push your products, services, and ideas to catch on is essential for success. To do so, users need to discover how to make content (stories, news, and information) *contagious*. Berger sets up a contagious framework with six steps: (1) Social currency; (2) Triggers; (3) Emotion; (4) Public; (5) Practical value; and (6) Stories (**STEPPS**). STEPPS make even the most boring content (like a blender) go viral.

Being contagious means likely to spread or diffuse from person-to-person via word-of-mouth or social influence. In business, including real estate, it means marketers and firms should design messages, products, and ideas with contagious ingredients in mind to make their brand more likely to go viral.

THINK POINT #1: Why Contagious?

People love to share stories, news, tidbits and information with those around them. Social transmission is important, as the things others tell, email, and text us have a significant impact on what we think, read, buy, and do. According to research outlined in Berger's book, word-of-mouth is the primary factor behind 20-50% of all purchasing decisions. Why? Information shared via word-of-mouth is persuasive, especially compared to advertisements, which are perceived as biased and less credible. Word-of-mouth is also targeted. Naturally, consumers share information because they believe they have an interested audience.



What percent of word-of-mouth conversations do you think happen online? If you said about 50-60%, you would be like most people. Unfortunately, you would also be wrong. According to research by the Keller Fay Group, **the number of word-of-mouth conversations that take place online is actually only seven percent.** Consumers spend quite a bit of time online, but spend eight times as much time engaged in offline conversations.

This fact about social transmission makes an important point about online engagement: *social media is a technology, not a strategy.* Just posting something on Facebook or Twitter does not mean anyone will notice or even spread your message. Social media is not always the best vehicle. You may have a broad audience, and it is important to recognize that not all potential recipients will see every message you send.

Online conversations are all about social currency. *Is sharing this information going to make me look smart or cool?* Offline conversations are all about triggers. *What is top-of-mind to fill conversational space?* Marketing professionals and real estate professionals who engage in personal branding need to carefully consider how consumers share information to maximize marketing efforts and make content contagious.

THINK POINT #2: Master the STEPPS to Becoming Contagious

An idea, product, or service that becomes contagious is not random. Six ingredients (STEPPS) exist in all content that goes viral:

1. Social Currency: How does it make people look to talk about a product or idea?

Real estate professionals need to find the “inner remarkability” of their ideas, products, and services to make their audience feel like insiders. The most powerful form of marketing is a personal recommendation. Research shows that more than 40% of what consumers talk about centers around personal experiences and relationships. Consumers use social currency to achieve desirable positive impressions among peers. Marketing products or services should give consumers a way to make themselves look good while promoting the product. Remember, anything can be remarkable.

Social currency can be earned, even in the most simple of ways. Consider the social capital Snapple earns by placing an interesting fact found on the inside their bottle caps: *Real Fact # 27: A ball of glass will bounce higher than a ball of rubber.* Snapple’s bottle cap facts are so interesting that people share them with each other. In other words, they are remarkable, and talking about them makes the consumer seem remarkable, too.

How can you earn social currency through your real estate business? What messages about your business or the real estate industry (e.g., “Real Estate Fact #27...”) might subtly encourage your audience to spread your message for you?

2. Triggers: The foundation of word-of-mouth and contagiousness.

Consumers talk more about Cheerios than they do about Disney World. Surprised? Berger mentions a study he conducted that looked at the relationship between a product's interest score and how frequently it was talked about over a defined time period. The result: There is no correlation. Interesting products do not receive any more word-of-mouth than boring products.

The key for real estate professionals is to determine how to make products, services, and ideas more visible. In the example above, Cheerios are more visible than Disney World, so consumers talk about the cereal more often.

Practically, real estate professionals need to enhance existing triggers and create new triggers by linking products and ideas to prevalent cues in the marketing environment. The average American engages in more than 16 word-of-mouth episodes (separate conversations where consumers say something positive or negative about an organization, brand, product, or service) every day. Triggers are important because accessible thoughts lead to action and impact behavior. So consider the context of where and how the message will be received rather than just aiming for a catchy message. Think about whether the message will be triggered by the everyday environment of the target audience; a strong trigger can be much more effective than a catchy slogan.

What are the triggers in your marketing messages? How can your target audience's environment change the way your message is received and acted upon?

3. Emotion: When we care, we share. Don't harp on function. Harp on feelings.

Few consumers have time to seek out the best content in an ocean of information. Consumers often start by checking out what others have shared. Some emotions - like excitement, awe, and anger - increase sharing while other emotions decrease sharing. Berger notes that sadness, for example, decreases the likelihood of information being shared by 16%. There are two reasons people typically share content: the information is (1) interesting or (2) useful.

Here is an exercise you can do to seed positive emotions in your marketing messages: Ask yourself, "Why someone would want to buy a house?" Next, ask three more "why" questions (e.g., "Why do consumers prefer homes on a cul-de-sac?" etc.) to dig deeper and discover the emotional core of an idea (cul-de-sacs provide greater feelings of security). Rather than focusing on statistics and providing information, real estate professionals need to focus on consumers' feelings, as activating emotion is key to transmission.

Why do consumers care about real estate services? What emotions can you engage in your messaging to help your audience connect with your business?

4. Public: Can people see when others are using our product or engaging in our desired behavior?

Making behaviors observable makes them easier to imitate, which makes them more likely to become popular. Berger argues that marketers should design products and initiatives that advertise themselves and create a “behavioral residue” that remains even after people have bought the product or espoused the idea. A great example of this concept is how Steve Jobs, the founder of Apple, Inc. agonized with his marketing team about the direction of the Apple logo. Should the logo be right-side up to the user when it is closed? Or should it be upside down when it’s closed so that when it is open, it is observable to others? If you have an Apple laptop, you can see Jobs went with the latter because he wanted his products to be observable primarily to the outside world to spur purchase and action.

This concept applies to social media as well. For example, the “like” feature found on Facebook allows consumers to show an affinity for and spread the word about a product, idea, or organization. Berger also reports that ABC News found that installing “like” buttons increased Facebook traffic by 250 percent.

How can you increase the public visibility of consumers who utilize your real estate services? How might social media tools be adapted for use in the home-buying process, making the consumer’s process (and therefore your services) more public to others?

5. Practical Value: People like to help others, so if we can show them how our products or ideas will save time, improve health, or save money, they will spread the word.

Sharing information and ideas brings consumers closer together because our friends/networks see that we know and care about them.

Take the story of Ken Craig as an example of practical value. Ken is eighty-six years old and grew up on a farm. Ken’s daughter-in-law created a YouTube video of Ken doing a little trick with corn to ensure you get all the silk off an ear of corn. Instead of shucking the corn, he tosses a few ears in the microwave for a few minutes, and after they’re cooked, Ken cut a half-inch off the bottom, gave it a shake, and the corn popped out. No silk. The video went viral and has collected more than 5 million hits since it was created.

The bottom line: Lots of products and services have practical value - the key is making them stand out so people want to share.

How can you communicate practical value to current and prospective clients so they share that value with their personal networks?

6. Stories: Build your own Trojan Horse! People do not share information; they share stories, or vessels that carry information with them.

Stories save time and hassle and give consumers the information they need in a way that is easy to remember. The real magic of stories is that important information travels under the guise of what seems like idle chatter. A great example we all know is Subway Jared's story. Jared lost 245 pounds just by eating Subway. From this simple story we can conclude several facts about Subway: (1) the restaurant offers healthy options that encourage weight loss; and (2) the food must be pretty good if someone could eat Subway for three months straight and still come back for more. Subway is the key component of the Jared story, meaning advertisement campaigns need to maintain a product-focus. Do not forget that while getting consumers to talk is important, they should be talking specifically about your product or service. Berger defines this as "valuable virality" – make something viral but make it valuable to the sponsoring company or organization.

What stories do you have from doing business that would be of value to your prospective clients? How can you communicate your stories more effectively?

Conclusion

Any product, idea, or service can be contagious. However, a product or service does not need all six STEPPS to be contagious. Take the blender video - pulverizing expensive technology products is amazing (emotion) and remarkable (social currency). The video also showcases the blender's benefits (practical value) into a broader narrative (stories) to get consumers talking about a common household appliance. Now look at the \$100 cheesesteak - it is remarkable (social currency), surprising (emotion) and features an interesting narrative (story). The cheesesteak showcases the quality of the steakhouse it is served in (practical value), and perhaps the next cheesesteak you see will remind you of it (triggers).

Even in the real estate context, social epidemics are driven by products, services, and ideas. Certain characteristics make products, services, and ideas more likely to be talked about and shared, and Berger's six STEPPS can help real estate professionals identify ways to make their real estate business contagious.

Recommended Reading

Berger, Jonah (2013), *Contagious: Why Things Catch On*, New York, NY: Simon & Schuster.

About the Author

Stephen Chandler, MBA Candidate

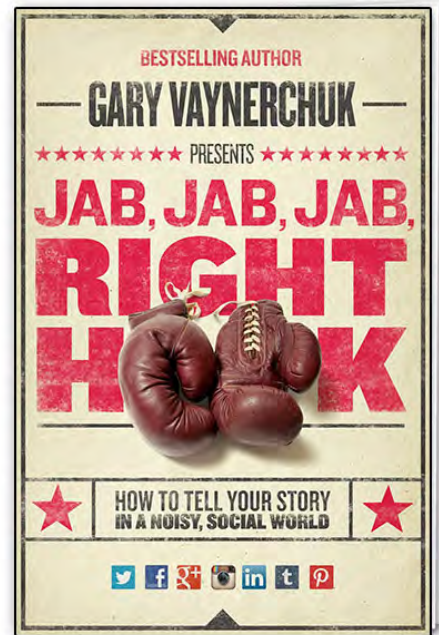
Baylor University

Stephen is a graduate student from Shreveport, Louisiana. He earned his bachelor's degree in Political Science from Louisiana State University. Before enrolling at Baylor, Stephen worked as an advisor to several Members of Congress in Washington, DC, specializing in healthcare, transportation, finance, agriculture and foreign affairs policy. He also has operational and administrative experience working in a large non-profit healthcare system. Stephen is currently pursuing an MBA with a concentration in healthcare with plans to enhance his career in the health services industry.

INSIDER: Jab, Jab, Jab, Right Hook

Susan Monaghan, MBA Candidate

With social media becoming the fastest growing area of marketing today, real estate professionals can attract more clients by expanding their reach across popular social media platforms. In his book, *Jab, Jab, Jab, Right Hook: How to Tell Your Story in a Noisy Social World*, Gary Vaynerchuk compares effective marketing through social media to a boxing match. Vaynerchuk refers to *jabs* as “lightweight content that benefits customers by making them laugh, snicker, ponder, play a game, feel appreciated or escape; *right hooks* are calls to action that benefit your businesses.” Vaynerchuk demonstrates how to create shareable, relevant, value-driven content that ensures future clients will pay attention to your story, share your content, and create engage in word-of-mouth marketing on your behalf. Specifically, social media platforms (including the Big Five: Facebook, Twitter, Instagram, Pinterest, and Tumblr) can help real estate professionals increase their social media presence to increase sales.



THINK POINT #1: The Six Rules to Social Media Success

Vaynerchuk contends that outstanding content throughout social media platforms should follow six rules.

1. **Content should be native.** Though many social media platforms overlap, each has a specific function, style, context, and community – your content should reflect this. Your content should blend with native content, while allowing you to tell an individualized story on each social media platform.
2. **Content should not interrupt.** If a social media platform is meant to entertain, then the content you post must entertain the platform’s audience. Remember your content should benefit your audience, not cause interruption.
3. **Jabs should be generous, funny, informative, and inspiring.** The value of jabs to you is to build an emotional connection. Consumers are then more likely to share emotional content with a friend and remember you when it is time to sell or buy a house. Your jabs allow you to *give* first, before asking someone to do business with you.

4. **Outstanding content leverages pop culture.** Engaging with pop culture shows potential clients you are relevant and that you can identify and understand what matters most to them.
5. **Think micro.** Small, unique nuggets of information, humor, commentary, or inspiration should inform your content strategy. Respond to today's culture, conversations, and current events in real time in the social media platform's native language and format.
6. **Outstanding social media content is consistent and self-aware.** In other words, outstanding content must help current and prospective clients understand who you are. The way you tell your story across each of the social media platforms can change, but the core story must remain the same as well as your personality and brand identity. Keep your message consistent in every social media setting.

Each of these steps has meaning for real estate professionals to create value for consumers. Social media must fit in naturally along the customer's path to everyday living as well as making a purchase decision.

THINK POINT #2: Understanding the Big Five

Facebook

[Facebook](#) is considered the most familiar (and the most personal) social networking site. Vaynerchuk cites that over a billion consumers currently use Facebook, including 680 million who actively use the platform on a mobile device. This marketing tool can give real estate professionals insight into the lives and interests of potential clients. Consumers go to Facebook to catch up, connect, socialize, discover what others are doing, reading, listening to, wearing, eating, thinking, working, living, and where they are going.

Tips for using Facebook most effectively:

1. Keep posts short, simple, provocative, entertaining and/or even surprising
2. Use high-quality, engaging photos
3. Place your business' logo visibly on pictures
4. Consider purchasing sponsored stories or page posts through Facebook's advertising platform

Twitter

According to Vaynerchuk, [Twitter](#) is considered the second-most familiar social media platform with 100 million users in the US and 500 million users worldwide. Users are limited to sharing thoughts and pictures within a 140-word "Tweet." Useful for news and information, real estate professionals can use this platform to make a statement, stake out a position among other agents,

and establish a voice in the marketplace. To accomplish these objectives, users need to skillfully spin, interpret, or remix news information in a unique style.

One advantage of Twitter for real estate professionals is that it allows users to initiate a relationship with potential clients. Vaynerchuck explains, “It is still the only platform where you can jump into a conversation unannounced and no one thinks you are a stalker.” Real estate professionals can publically share their Twitter profile and also use Twitter’s search and discover functions to find people who are talking about topics related to their homes, a new job, or real estate. Even if you only tangentially respond, you can add your own perspective and humor - and context - to the conversation. Take advantage of this platform because it is free and makes it possible to reach people who do not even know you exist.

Tips for using Twitter most effectively:

1. Spin your content to be authentic, to the point, so it resonates with the audience
2. Use high-quality, engaging photos
3. Use memorable hashtags (#) in your posts to gain attention and search-ability
4. Do not re-Tweet fan praise or nice things said about you – bragging is boring to your followers

Instagram

Engaging multiple platforms for marketing allows real estate professionals to use the platform where they have the most information to drive people to look across social media platforms. Users can also move data from one social media platform to another to increase their presence across new social media platforms. An example of this is that users can connect an [Instagram](#) account to Facebook and Twitter, which can increase awareness of business, product, or service.

Instagram is a photo-based platform owned by Facebook, and has over 130 million users. Vaynerchuk maintains that Instagram users upload more than 40 million photos per day and generate 1000 photo comments per second. As with Facebook and Twitter, real estate professionals can use Instagram to tell a story, reinforce their name and brand, and build impressions. Instagram users can posts photos, and viewers can “like” a photo and offer comments to show public support of the content. Instagram photos are similar to high quality ads in magazines, but electronically accessible to an audience of over 100 million users. Best of all, sharing content is free.

Tips for using Instagram most effectively:

1. Instagram content should be unique, artistic, authentic, and non-commercial
2. Use multiple, descriptive hashtags (#) to help viewers discover and connect with your brand

Pinterest

Most people may not think to use [Pinterest](#) as a marketing tool to build a real estate business, but as Vaynerchuk indicates, Pinterest boasts more than 48 million users (16% of all Internet users). Additionally, 68% of Pinterest users in the US are women, half of which are mothers.

Pinterest makes it easy for consumers to engage in online research and share ideas in one place on virtual bulletin boards called “pinboards.” Boards allow users to “pin” and organize images, recipes, etc. for future accessibility. Pinboards showcase images that help consumers represent who they are and who they would like to be.

Pinterest is becoming a powerful marketing tool and a natural fit for real estate professionals because it is a platform consumers use to discover and develop material and emotional wish lists. Aspiration and acquisition are also powerful motivators that drive people to make purchase decisions, and Pinterest reinforces both. A survey by Steelhouse shows that Pinterest users are 79% more likely to purchase or use something they spot on Pinterest versus Facebook (Steelhouse 2012). Also, Pinterest produces four times the revenue per click of Twitter.

Tips for using Pinterest most effectively:

1. Make sure all pins are visually appealing. Consider pinning a unique and/or elegant photo from each of your listings (e.g., a stunning staircase or an ornate fireplace) to drive interest in your page
2. All pins should link back to your website so that viewers can take action to become a client
3. Make sure you have high quality content, photos, and/or aspirational messages. Pinterest users usually get to a page by following images they see being re-pinned by others
4. Create a catchy caption to spark users’ interest

Tumblr

Real estate professionals should also consider [Tumblr](#) to increase their social media presence. Tumblr is a microblogging social media platform that allows users to post content in a blog format. Vaynerchuk explains that Yahoo-owned Tumblr has 132 million monthly users and generates 60 million new posts every day. The platform ranks number one in average number of minutes spent per visit, whereas Facebook ranks number three. Unlike the other social media platforms, Tumblr is not for everyone, attracting a younger crowd (primarily 18-34 year olds), and slightly favors women.

Real estate professionals can greatly benefit from using Tumblr as a marketing tool. Unlike Facebook and Twitter (which guide social connections through who you know), Tumblr makes

connections for according to the interests of the people using it. Tumblr is a great social media platform for helping potential clients find you.

One special feature unique to Tumblr (and blogs in general) is the animated GIF (Graphics Interchange Format), which is a moving picture or animation. Consumers are more likely to engage with moving pictures than with still ones. GIFs are new to social media and contain elements of surprise and wonder. They function like moving emoticons and become a vehicle for self-expression. Another great feature of Tumblr is that you can display links to your Facebook, Twitter, and personal or company website.

Tips for using Tumblr most effectively:

1. Know your audience and tell a story (rather than self-promotion)
2. Take advantage of pop culture by posting content that will attract clients.
3. Add animated GIFs to create additional interest

Conclusion

Vaynerchuk emphasizes that social media content is most powerful when is un-intrusive, adds value for consumers, and fits along the customer's decision-making path. Consider how you can reach more potential clients using these five unique social media platforms.

Recommended Reading

Vaynerchuk, Gary (2013), *Jab, Jab, Jab, Right Hook: How to Tell Your Story in a Noisy Social World*, New York, NY: HarperCollins Publishers.

References

Steelhouse (2012), "*Pinterest Users Nearly Twice as Likely to Purchase than Facebook Users, Steelhouse Survey Shows*,"(accessed January 17, 2014), [available at: <http://www.steelhouse.com/press-center/pinterest-users-nearly-twice-as-likely-to-purchase-than-facebook-users-steelhouse-survey-shows/>].

About the Author

Susan Monaghan, MBA Candidate

Baylor University

Susan, a graduate student from Houston, TX, earned her Bachelor's degree in English from Vanderbilt University and her Master's in Elementary Education from University of Houston. Before enrolling at Baylor, she taught first grade for 11 years in Highland Park ISD, in Dallas, TX. Susan is currently pursuing an MBA in General Business with plans to transition into a financial services role.

Keller Center Research Report

Baylor University » Keller Center for Research » Hankamer School of Business
One Bear Place #98007 » Waco, TX 76798
www.baylor.edu/kellercenter » Keller_Center@baylor.edu

*Keller Center Research Report is a trademark owned by Baylor University.
© Baylor University. All rights reserved.*