

# KellerCenter Research Report



» September 2014, Volume 7, Issue 3

## Keller Center Research Report - Creating a Competitive Level of Engagement

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## INSIDER: The Effortless Experience

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# Keller Center Research Report

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# Keller Center Research Report – Creating a Competitive Level of Engagement

Andrea Dixon, PhD – Editor, Keller Center Research Report

Bridging current academic research and the real estate practitioner audience, the *Keller Center Research Report* plays uniquely in the knowledge marketplace. Our Keller Center team identifies cutting-edge rigorous research with interesting implications for the real estate market. We work closely with our authors to ensure that the scholarly work is translated for our audience. Once the academic research is translated, we work intensely to ensure that each issue of the journal breaks through and captures the attention of you, our reader.



The e-newsletter that announces each issue of the *Keller Center Research Report* includes eye-catching photos and active links to the journal articles to capture your attention and engage you as a reader. In a world where business people receive “piles” of emails each day, we set a goal to beat the click through rates of industry averages. **Using key performance email marketing metrics as a benchmark, we are pleased to report competitive levels of engagement among our *Keller Center Research Report* readers.**

## The Comparison: Who

When we compare metrics measuring email activity levels (Silverpop 2013), we see how the *Keller Center Research Report* compares to the national industry averages. Relevant comparison groups include the real estate industry, education and nonprofit organizations. Benchmarking the *Keller Center Research Report* against these three targets on key email metrics gives us perspective on how competitive the *Keller Center Research Report* is when engaging our audience.

## The Comparison: What

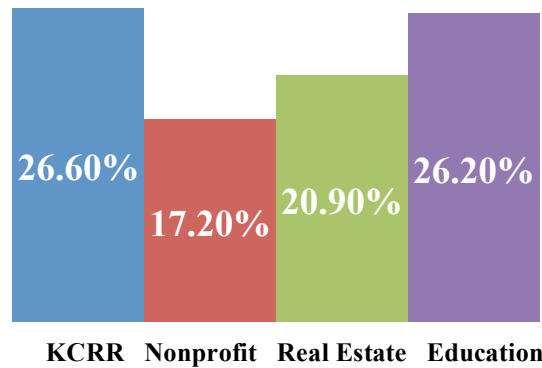
Two key metrics provide perspective on the target audience’s level of engagement: open rates and click-through rates. Useful for observing trends, the *open rate* is measured by the number of times an email message is opened. The *open rate* can be measured as *gross* or *unique*. While the *gross open rate* (which represents the number of times an email is opened either by original recipients or others to whom the email has been forwarded) is an interesting metric, the *unique open rate* narrow this definition to include just one opened email per one recipient. Thus, the *unique open rate* tells us how well we are reaching our subscriber audience. Open rates are not the only significant measure of subscriber engagement. In fact, the *click-through rate* measures the percentage of email messages that captured at least one click from a recipient. As a result, the *click-through rate* suggests a *level-deeper engagement*.

## The Competitive Comparison

Compared to industry averages (Nonprofits, Education, and Real Estate), the *Keller Center Research Report* strikes a very competitive position in the areas of *unique open rates* and *click-through rates*. The *Keller Center Research Report's* average *unique open rate* was 26.6% which exceeds all benchmark industry comparisons. The nonprofit arena's *unique open rate* at 17.2% represents the lower end of our benchmarking comparisons while the real estate industry's *unique open rate* is a little higher at 20.9%. Coming in closest to the *Keller Center Research Report* is education with the *unique open rate* of 26.2%. When comparing *Keller Center Research Report's unique open rate* to these other industry averages, our journal's newsletter narrowly beats education but outperforms real estate (by 5.7%) and nonprofits (by 9.4%).

### Comparison of Unique Open Rates for 2013

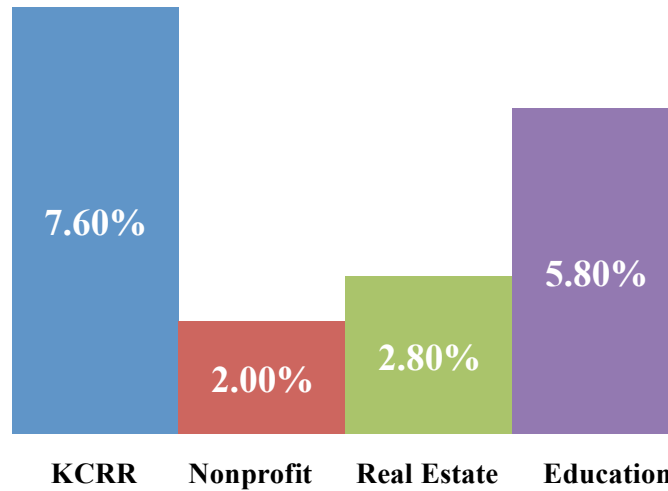
(Source: Silverpop 2013 vs. Internal Records)



Open rates are not the only significant measure of subscriber engagement. To ensure that the content from the *Keller Center Research Report* impacts our readership's businesses, we were eager to compare *click-through rates* to these other industries. Since the *click-through rate* measures the percentage of email messages capturing at least one click from a recipient, it is a measure of impact of the content itself.

Compared to industry averages (Nonprofits, Education, and Real Estate), the *Keller Center Research Report* strikes a very competitive position in *click-through rates*. The *Keller Center Research Report's* average *click-through rate* was 7.6% exceeding all industry comparisons. The nonprofit's *click-through rate* at 2.0% is again the lowest comparison while the real estate industry's *click-through rate* is a little higher at 2.8%. Education fares better than nonprofit or real estate with a *click-through rate* of 5.8%. When comparing *Keller Center Research Report's click-through rate* to the industry averages, our journal's newsletter bests education (by 1.8%), real estate (by 4.8%) and nonprofits (by 5.6%). Again, as the table below illustrates, the *Keller Center Research Report* exceeds national industry averages for nonprofits, education, and real estate.

### Comparison of Click-Through Rates for 2013 (Source: Silverpop 2013 vs. Internal Records)



By studying the *unique open rates* and *click-through rates* for several industries, we see that the *Keller Center Research Report* provides our readers with an engaging knowledge environment. *Click-through rates* are particularly important because they show how well the Keller Center is able to attract viewers and visitors.

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#### About the Author

##### Andrea L. Dixon, PhD

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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

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# Who's the Boss: You or Your Cell-Phone?

Jim Roberts, PhD

The cell-phone is an indispensable tool in the real estate professional's tool box. This heavy dependence upon one's cell-phone, however, can come at a high cost. Let's be honest with each other. Do you talk, text, or search listings on your cell-phone while driving your car? A brief report by the National Safety Council (NSC) entitled, "The Great Multitasking Lie," lays to rest the idea that we can operate a 2,000 pound plus motor vehicle and text/talk without placing ourselves and others at risk. Trying to do two or more things at once is often referred to as *inattention blindness*. Drivers talking on their cell-phones miss as much as 50% of their driving landscape including stop signs, pedestrians, or on-coming traffic. We know we should not do it, yet we continue to do so despite the risk to life and limb. Loss of control is the sine qua non of addiction. Does your cell-phone use also interrupt conversations with friends and loved ones? Have you argued about your cell-phone use with your spouse? Have you tried to cut-back but couldn't?



Dare I say, you might be addicted to your cell-phone? Do you check your cell-phone every 6.5 minutes and up to 150 times a day? Do you have 6,234 Facebook friends? Or, spend the majority of your waking hours with your cell-phone on your body? If you said "Yes" to any of the above questions, please read the remainder of this article closely.

One does not begin life as a cell-phone addict – it's a process. The process of addiction begins when a seemingly innocent behavior (shopping, Internet use, exercise, or cell-phone use) becomes harmful and slowly morphs into an addiction (Grover 2011). All behavioral addictions eventually reach a *tipping point* where the affected individuals can no longer control their cell-phone use and the quality, and even quantity (in the case of texting and driving) of their lives are being undermined. Treatment is more likely to be successful if the behavior in question can be caught before the individual hits his or her *tipping point*.

Fortunately, we have identified what is considered the six core components of any type of addiction - substance or behavioral (Grover 2011). The six signs of cell-phone addiction include: salience, mood modification, tolerance, withdrawal, conflict, and relapse. Please read the description of these six signs that follow and answer the two questions at the end of each description. By the time you've completed this task, you will have a better idea of whether you've reached your *tipping point* when it comes to your cell-phone use.



## The Six Signs of Cell-Phone Addiction Scale

1. **Salience:** A behavior becomes salient when it is deeply integrated into your daily routine. It is an essential activity that dominates your thinking, dictates your emotions, and plays an important role in your daily routine. Sixty-eight percent of adult Americans sleep with their cell-phone next to their bed, which is causing problems for many whose sleep is being interrupted throughout the night by tweets (not from the birds outside), beeps, vibrations, bells, and whistles that are part of the cell-phone's irresistibility. In essence, your phone is saying, "You can't ignore me, I am essential to your happiness and I won't be ignored." Answer the following two questions as it pertains to how salient your cell-phone is to your everyday activities.

- A. **Is the first thing you reach for after waking in the morning your cell-phone?** Yes No
- B. **Would you turn around and go back home if you left your cell-phone at home on the way to work?** Yes No

2. **Euphoria:** The feeling of anticipation or excitement that precedes and/or follows the use of your cell-phone is a mood modification resulting in euphoria. For a sales professional, it could be your next big sale. Who knows what the beep, buzz, whistle or stylized ring-tone might have in store for you - exciting stuff. An uplifting text from a friend, a funny tweet, or hilarious six-second Vine video, or a racy disappearing Snapshot picture, or a large number of *likes* to various posts on Instagram, Pinterest, or Facebook can all brighten your day. Please answer the following two questions that ask the role your cell-phone plays in managing your mood.

- A. **I often use my cell-phone when I am bored.** Yes No
- B. **I have pretended to take calls to avoid awkward social situations.** Yes No

3. **Tolerance:** Like in drug and alcohol abuse, tolerance addresses the need for an ever-increasing *dose* of the behavior to achieve the desired *high*. Research has shown that the longer people had their cell-phones, the more they are likely to use it. The increasing array of functions that can be performed on one's cell-phone guarantees that our dependence on our cell-phone is likely to increase. Please answer the following two questions as they relate to your cell-phone use.

- A. **I find myself spending more and more time on my cell-phone.** Yes No

- B. I spend more time than I should on my cell-phone.** Yes No

4. **Withdrawal symptoms:** The feelings of irritability, stress, anxiousness, desperation, and even panic that often occur when you are separated from your cell-phone are good examples of withdrawal symptoms. Sixty-eight percent of all adults have an irrational fear of losing their phone. British researchers first coined the term “Nomophobia” (fear of no mobile phone) to describe the fear many of us feel when our cellular umbilical cord is severed for even the briefest of time. How long was it before you replaced your cell-phone the last time you broke it, lost it, or heaven forbid, had it stolen? My guess is not long - the same day if possible. These are the same types of reactions drug users have when separated from their drug of choice. Answer the following two questions as they relate to any type of withdrawal symptoms you may have experienced when separated from your cell-phone.

- A. I get agitated or irritable when my cell-phone is out of sight.** Yes No

- B. I have gone into a panic when I thought I had lost my cell-phone.** Yes No

5. **Conflict:** A common outcome from addiction to one’s cell-phone is conflict. Does your spouse or children complain that you are always on your phone? Do you allow texts, calls and e-mails to spoil your vacations and personal time? Are your work activities interrupted by playing games, visiting Facebook and other countless forms of entertainment offered via your cell-phone? Don’t even get me started on calling and/or texting while driving and the havoc that wreaks. Please answer the following two questions as they relate to the conflict created in your life by your cell-phone use.

- A. I have argued with my spouse, friends, or family about my cell-phone use.** Yes No

- B. I use my cell-phone while driving my car.** Yes No

6. **Relapse:** When we acknowledge that our cell-phone use may be undermining our well-being, we attempt to stop. But, then we slip back. It’s like any bad habit we might have, say smoking or eating too much, we start a diet, attempt to quit smoking or drinking, only to relapse after a short period of time. It’s like being an alcoholic; you must be constantly vigilant if you want to keep cell-phones from invading every aspect of your life. Have you ever been interrupted by a text or

phone call that you just had to answer when having a conversation with a loved one? If you have, you may have crossed the tipping point. Please answer the following two questions as it relates to your attempts to control your cell-phone use.

A. **I have tried to cut-back on my cell-phone use but it didn't last very long.** Yes No

B. **I need to reduce my cell-phone use but am afraid I can't do it.** Yes No

### Your Cell-Phone Addiction Score

Well, it's time to see if you have crossed the tipping point from reasonable cell-phone use to potentially addictive cell-phone habits. To calculate your score, simply add up the number of "Yes" responses to each of the twelve questions of the Six Signs of Cell-Phone Addiction scale.

#### Results Key

- 8 + "Yes" answers I will personally make a reservation for you at the Betty Ford Clinic for habitual cell-phone users.
- 5-7 "Yes" answers You have crossed the *tipping point* and are moving full-steam ahead to full-blown cell phone addiction.
- 3-4 "Yes" answers You have not yet reached your *tipping point* but need to carefully assess how your cell-phone is impacting your life.
- 0-2 "Yes" answers You are either living in a monastery or at least have the patience and self-restraint of a monk. Or, technology simply scares you.

If you answered "Yes" to five or more of the questions on the Cell-Phone Addiction scale, it's still not too late. I prescribe a Digital Detox to help you set healthier boundaries regarding your cell-phone use. There's no magic cure but with a few simple life-style changes, you can control your cellular life rather than having it control you. It's about finding a balance.

Try instituting a cell-phone-free meal time. All cell-phones must be off and out of sight. You can even place all cell-phones in a cell-phone "prison" (I bought one at Dillard's) and set the sentence for one hour or however long you want. No cell-phones until they have served their time. Just maybe you will rediscover the beauty of a leisurely meal and good conversation.

How about no cell-phones after 10:00 p.m.? Give yourself time to decompress before going to bed. The restorative power of a good night's sleep pays benefits all day long. Set aside a few

minutes at night before you go to bed or on your days off to check texts and e-mails but no more - no peeking.

Enlist your spouse, kids, friends, and colleagues to help you stick to your new life-style. Detoxing can be difficult for some but it's worth the effort. Breaking the wireless chains leaves time for reflection, introspection, solitude, time with others, more exercise and less stress.



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## About the Author

### James A. Roberts, PhD

#### Ben H. Williams Professor of Marketing, Baylor University

Dr. Roberts is a well-known author with approximately 75 articles published in the academic literature. He is the Ben H. Williams Professor of Marketing at Baylor University in Waco, Texas where he has been a faculty member since 1991. His research regularly appears in many of the top marketing and psychology journals and has received two *Paper-of-the-Year* awards.

A primary focus of Dr. Roberts' work over the last 10-15 years has been the psychology of consumer behavior. Somewhat of an anomaly among marketing scholars, his research is largely focused on the *dark side* of consumerism and marketing. Current research efforts focus on the topics of materialism, compulsive buying, credit card abuse and self-control. His book, [Shiny Objects](#), takes a careful and amusing look at how our love of material possessions impacts our happiness and what we can do to find true happiness in a culture awash in material possession love. A nationally recognized expert on consumer behavior, Dr. Roberts has been quoted extensively in the media and has appeared on the CBS Early Show, ABC World News Tonight, Yahoo.com's "The Daily Ticker", Time.com, *US News & World Report*, *New York Times*, *USA Today*, *The Wall Street Journal*, National Public Radio, *Cosmopolitan Magazine*, *Glamour*, and many other newspapers, magazines, websites, and television appearances.

# Listening, Empathy, and Sales Effectiveness

Susie Pryor, PhD and Avinash Malshe, PhD

Communication skills are the single most important determinant of effectiveness in both sales and sales management (Deeter-Schmetz, Goebel and Kennedy 2008). Poor listening behaviors by sales personnel contribute significantly to performance failure -- costing American businesses billions of dollars in revenues annually (Brownell 1990; Grossman 2011). Research confirms the importance of listening, determined its cognitive dimensions, and identified positive outcomes, including buyer loyalty. Researchers have begun to investigate affective components of listening – such as empathy and concern – and the relationship between these and adaptive selling and sales performance (cf., Castleberry and Shepherd 1993).



In this article, we report the findings of a study involving in-depth interviews with home buyers that concerns buyer perceptions of real estate agents' listening behaviors. This work offers insight to real estate professionals concerning forms of listening and their role in building and maintaining long-term buyer-seller relationships (Aggarwal, Castleberry, Ridnour, and Shepherd 2005).

## Background

Interpersonal communication includes both outwardly-oriented (expressive) behaviors and inwardly-oriented or listening (recognition) behaviors (Nichols 1995). Listening behavior comprises three components: sensing, evaluating, and responding (Ramsey and Sohi 1997). Sensing (the initiation of listening behaviors stimulated by verbal and nonverbal cues) and evaluating (the assessment of customer statements to discover underlying meaning) are cognitive activities. Responding is behavioral and its purpose may be to inform, control, empathize or ritualize (Mead 1986). We know there is a positive association between listening perceptions and relational outcomes. Scholars have speculated that salespeople must engage in all three components of listening to be perceived as effective listeners (Ramsey and Sohi 1997).

While early researchers focused on cognitive features of listening, more recent work suggests that listening skills are best understood if examined within relational structures. In fact, it is argued that: the effectiveness of sales interactions is determined by the interpersonal interaction between the salesperson and the customer, relational listening is a communicative phenomenon enacted “in-relationship,” and the processes underlying relational communication may be productively understood by examining how relational partners account for the listening process (Halone and Pecchiono 2001; Williams and Spiro 1985).

Salespeople who display empathy may be particularly effective communicators. As the salesperson's empathy increases, their level of listening increases, as does their subsequent effectiveness (Comer and Drollinger 1999). Empathy is the ability to accurately perceive the

internal frame of reference of another as well as underlying emotions and meanings (Rogers 1959). When salespeople use active empathic listening (AEL) they attempt to intuitively assess the meanings underlying buyer messages by placing themselves in the customer's place throughout the interaction (Comer and Drollinger 1999). From an AEL perspective, for interpersonal communication in the buyer-seller relationship to be effective, genuine concern (empathy) on the part of the salesperson is requisite.

Research finds a strong positive correlation between empathy and salesperson listening, trust in the salesperson, and satisfaction with the salesperson; trust and satisfaction, in turn, are positively related to future interaction expectations (Aggarwal, Castleberry, Ridnour, and Shepherd 2005).

Literature from diverse fields suggests that empathy has both cognitive and affective components (Duan and Hill 1996). The cognitive component, sometimes called perspective-taking or cognitive-role-taking, consists of an intellectual understanding of another person's situation (Barrett-Leonard 1962). The cognitive component involves understanding on an objective level. The affective component, sometimes called empathetic concern, consists of an internal emotional reaction that produces understanding of another's feelings (Allport 1961). The affective component is more difficult to explicate than is the cognitive component, since it involves emotional bonds between people that enable them to sense and process emotional states. A number of theorists have adopted the position that cognitive and affective aspects are both essential and work together (Brems 1989), while others feel that empathy can be either cognitive or affective depending on the situation (Gladstein 1983).

## **Our Study**

Because of our interest in developing a deeper understanding of buyer beliefs, feelings, and experiences, we conducted indepth interviews with 31 home buyers. Informants had established a commercial relationship with a realtor within the past 12 months. The length of the commercial relationship ranged from two to six months. Buyers ranged from 21 to 65 years in age; 52% were female and 40% were first-time home buyers.

From the buyer's perspective, every characteristic of listening (sensing, evaluating, responding) has both cognitive and affective characteristics. That is, sellers signal simultaneously the extent to which they understand buyers' needs and concerns and the extent to which they care about such needs. In this study, buyers identified empathetic listening behaviors as key to the development of long-term buyer-seller relationships.

Buyers were alert to the extent to which their realtor paid attention to what they were saying, as well as whether the salesperson appeared aware of buyers' verbal and non-verbal cues. Buyers themselves were sensitive to nonverbal aspects of the salesperson's listening (sensing) in the form of their facial expressions, body language, gestures, alertness, and/or maintaining eye contact. As a result, our study suggests that each of the three dimensions of listening sensing, evaluating, and responding have affective and cognitive dimensions.

Not surprisingly, buyers found realtors to possess greater understanding of their needs over time. Importantly, buyers attributed this not merely to an accumulation of information by the realtor

but an indicator of a shift in the realtor's perspective towards a more relational and empathetic viewpoint. Buyers discussed this in terms of both cognitive and behavior components of the realtor's performance. Many buyers talked about whether they felt their realtors were trying to gain a more relational-level of understanding of them or simply viewed them as just "customers" looking for a service -- a purely transactional-level assessment (Comer and Drollinger 1999).

Finally, when evaluative communication is imbued with affect (such as empathy or caring), customers perceived the seller to be more effective at sales. Realtors who were perceived to be empathetic listeners showed houses which better met buyers' needs and interests (creating efficiency for all parties), provided more ancillary information (e.g., regarding loans, schools, churches), met with buyers at times convenient to them, and communicated through means appropriate to the buyers' own modes of communication.

### **Implications for Real Estate Professionals**



This study offers insight useful to real estate agents in terms of understanding buyer attitudes and expectations. Customers are not naïve and they fully know that salespeople employ various strategies to create a positive impression. Yet, buyers expect appropriate sales behaviors which serve as important cues into the realtor's level of attention to buyer needs and also to the realtor's level of empathy.

Few would be surprised to learn that there is a strong relationship between listening skills and buyers' perceptions of sales effectiveness and satisfaction (Aggarwal, Castleberry, Ridnour and Shepherd 2005; Ramsey and Sohi 1997). However, this study suggests that all listening is not equal. Buyers want not only evidence that the real estate agent has heard and understood them, but that the agent has a genuine interest in the buyer. Agents, then, have the opportunity to enhance relationships merely by signaling to the buyer not only are needs understood, but also that they matter.

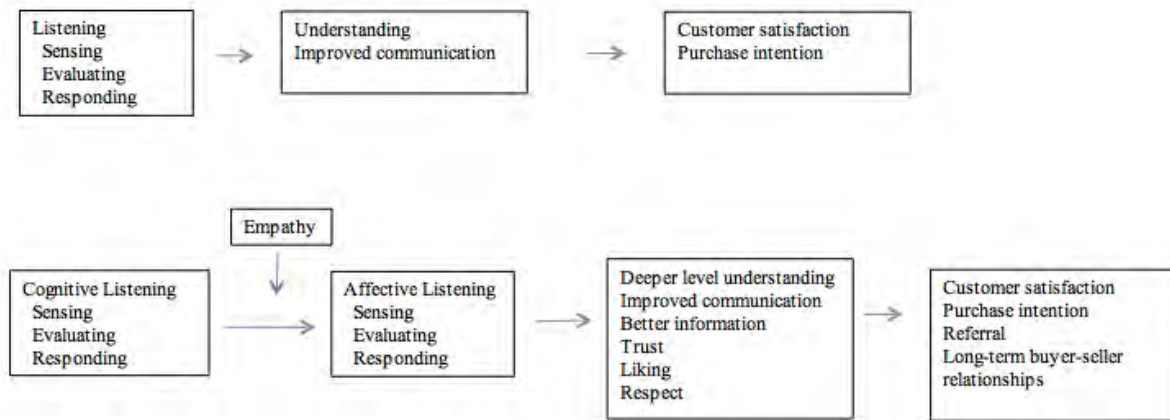
The expression of empathy is an important predictor of the maintenance of successful, stable relationships (Long 1993; Long and Andrews 1990). The good news for sales managers is that empathy is a trainable skill and has been developed for a number of groups, including high school students, college students, medical students, nursing staff and parents (Guerney 1988; Hatcher et al. 1994; Patore 1995, Herbeck and Yammarion 1990, Brems, Baldwin, and Baxter 1993). The focus of these programs is the creation of an environment conducive to the expression of empathy.

The impressions of affective and cognitive empathy created during sales interactions may play a key role in developing buyer-seller relationships. Specifically, our data suggest that when the realtors expressed the affective and cognitive components of empathy through listening activities as a part of their manner, buyers interpreted this as genuine concern for the outcome of the sales process. The examples buyers provide of these behaviors were generally very simple. Agents adjusted the air conditioning in the car to suit the customer, made reflective statements that drew

upon past conversations with the buyer, and sent simple welcome gifts that reflected the buyer’s unique interests and lifestyle. On the other hand, non-empathetic realtors were liable to make statements that showed a disinterest in the problems a particular house purchase may create for the buyer in terms of improvements, neighborhood, school satisfaction, etc. Buyers were particularly reactive to negative evidence. In the words of one first-time home buyer, “She [the agent] said it was nothing – nothing! – to restore those hardwood floors!” The customer then recounted, in disgust, how he was forced to hold onto his home because of the massive repairs that his agent had dismissed.

Finally, consistent with traditional thinking in sales, buyers suggest that the number and duration of interactions with the agent increased understanding, communication, and relationship quality. Therefore, agents can simply create a strategy for increasing the number of interactions and communication quality with buyers in order to enhance trust and purchase intent.

*The Role of Empathy in the Traditional Listening Model*





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# Competitiveness, Coachability, and Context as Key Determinants of Sales Performance

*Kirby L.J. Shannahan, PhD, Rachele J. Shannahan, PhD, and Alan J. Bush, PhD*

The real estate industry is fiercely competitive. Since the 1990s it has not only been a competition between individual agents but one between agents and realtor teams (Greene 2014). For agencies utilizing a team structure, recruiting and retaining top performing sales agents is a key concern given that more than 50% of sales agents who are National Association of REALTORS® members have been with their current agency for no more than five years (National Association of REALTORS® 2014).



## Who Makes a Good Sales Team Member?

With the underlying assumption that, to some extent, good salespeople are born, sales force hiring practices often target individuals with competitive backgrounds (Plotkin 1987). However on its own, the personality trait of competitiveness has been able to account for only a small amount of the variance in sales performance. In fact, neither strictly personal factors like competitiveness nor strictly situational factors like leadership style have been particularly strong or reliable indicators of sales performance. Accordingly, some have suggested we focus on “influence-able” determinants of sales performance – things like “selecting, motivating, coaching and training by sales managers” (Churchill, Ford, Hartley, & Walker 1985, p. 117).

Salesperson coachability is one influence-able aptitude factor (see Verbeke, Deitz, & Verwaal 2011) particularly relevant for the realtor team context. Coachability is indicated by the extent to which salespeople are open to seeking, receiving, and using external resources to increase their sales performance in a personal selling context (Shannahan, Bush, & Shannahan 2013).

Observable and coachable behaviors include: 1) a salesperson’s willingness to learn from the sales manager or sales coach, 2) provide information to the sales manager, display trust in and respect toward the sales manager or sales coach, 3) demonstrate flexibility and adaptability to changes in routine, and 4) willingly seek and deal with feedback and information from other sources so as to improve his or her own sales performance. The potential outcomes of such observable coachable behaviors include enhanced interpersonal relationships and/or sales performance.

## **What is the Right Context?**

Salesperson coachability is an individual personality difference that relies on both the competitive context of personal selling as well as the salesperson–sales manager exchange to be elicited and manifested. Achievement motivation theories suggests that task-involvement and ego-involvement goals exist in achievement situations (Nicholls 1989). Individuals who are more task-oriented tend to focus on task involvement, personal improvement, working hard, and being immersed in the activity, gauging their success in terms of improvement relative to their own past performance. Individuals who are more ego-oriented are highly concerned with displaying superior competence in relation to others, defining success and competence as defeating others in a competitive situation.

Personal selling is an achievement situation in which the salesperson’s coachability is a display of task orientation in that it is the manifestation of proactively working to get better at selling. Salesperson trait competitiveness is an ego-orientation since it is concerned with the desire to win or keep a customer’s business from competitors in a competitive market environment. Further, personal selling is an achievement situation that can be greatly influenced by the sales manager since the manager creates the context in which salespeople are managed, in which they perform, and in which their coachable characteristics are brought to light. While salesperson coachability can be elicited by a sales coach or manager’s emphasis, priorities, values, and means of communication, it is the coach or manager’s leadership style and associated behaviors that are the key contextual features eliciting or inhibiting the level of coachability of a particular subordinate (Giacobbi 2000).

## **Our Study**

Our two-part empirical study first adapted a measure of athletic coachability (Giacobbi 2000) and applied it to salespeople in a business-to-business sales context. We then explored the relationships among salesperson trait competitiveness, salesperson coachability, sales manager leadership style, and sales performance by surveying 271 outside sales representatives. Given that managers practicing transformational leadership impact sales performance by being “coach-like” and working to develop their subordinates (Grant 1981; MacKenzie, Podsakoff, & Rich 2001), we expected transformational leadership to positively influence sales performance by triggering their subordinates’ coachable characteristics. Since salesperson coachability can impact sales performance when elicited, we expected salesperson coachability to be the mechanism through which transformational leadership influences sales performance relationships.

## **What Did We Find?**

In the achievement of personal selling, we identified that competitive individuals can realize performance gains through being exposed to and open to the developmental coaching process.

We demonstrated that the effect of salesperson trait competitiveness on sales performance is in part transferred through salesperson coachability. We also determined that sales manager leadership style works entirely through salesperson coachability to impact sales performance. Our results suggest that sales performance is significantly more positive when salespeople are high in trait competitiveness, high in coachability, and when the sales manager's level of transformational leadership is high.

## Discussion

Real estate sales are based on overt competition between individual agents or agencies for the business of a particular customer. Our findings highlight the importance of recruiting and retaining coachable salespeople while fostering the kind of environment that allows a



salesperson's coachable characteristics to thrive. Potentially, highly coachable salespeople may be less effective if their sales managers do not create an environment that facilitates coachability. Alternatively, sales managers employing a developmental, coach-like leadership style may be ineffective if salespeople are low in competitiveness and coachability.

Our measure of salesperson coachability could be used by sales managers to assess their sales force as well as discern which dimensions are lacking in poor performing salespeople, allowing sales managers to focus sales training on overcoming any coachability weaknesses (i.e., working with others, becoming more open to feedback and criticism). Given the high cost of training new recruits, salesperson coachability may be a useful criterion in the selection process. Being able to identify coachable qualities in salesperson candidates such as, inquisitiveness and openness to criticism or coachable behaviors (like reading sales-related books in their spare time and working well with others in the past) can easily be incorporated into the interview process.

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# How the Internet Can Impact Your Business and What to Do About It

Jane Lee Saber, PhD

Wondering what the impact of Internet-based residential real estate information is on your clients' perceptions of the value of your service? Are you curious about the likelihood of clients using your real estate services in the future given pervasive "e-information?" There is definitely a mouse in the house...and action is imperative.



Data from this research shows that prospective buyers and sellers tend to *value the services* of residential real estate professionals *less* because of the wide availability of e-information. In addition, these buyers and sellers indicate that as a result of e-information, their likelihood of *using a real estate professional in the future is also reduced*. Despite these findings, this research offers some strategies that can offset the potentially revenue-negative impact of e-information.

## Background

Disintermediation – that's defined as when buyers and sellers no longer use market intermediaries to complete their transactions. When disintermediation occurs, consumers transact directly between themselves (Baen and Guttery 1997). The travel industry is a striking example of disintermediation where most travellers no longer arrange trips through travel agents, instead making travel plans by searching travel e-information and booking trips on their own (Lewis, Semeijn and Talalayvesky 1998). This situation has led to systemic and serious changes for the entire industry.

Although booking travel is clearly not the same as deciding on a residential real estate transaction (due to the high-dollar and high-involvement nature of the real estate decision), millions of potential clients search real estate e-information every month (e.g., per ezimba.com 2014, there were 36 million searches on Zillow, 23 million searches on Trulia, 20 million searches on Yahoo Homes). Is today's real estate industry likely to face some level of disintermediation because of the availability of e-information as well?

## The Study and Findings

Data for this study was collected by surveying 190 middle-class consumers in a medium-sized Canadian city and surrounding suburbs and 225 middle-class consumers in a similarly sized American city and surrounding suburbs. Half of the participants took the perspective of a potential buyer and the other half, the perspective of a potential seller. Results from Canada and the United States were not significantly different and were therefore combined for this analysis.

Among other things, participants were directly asked if the availability of e-information impacted their valuation of residential real estate services: “Does the availability of real estate information on the web make a difference in terms of how much you value having an agent help you buy (sell) a property.” Participants were likewise asked if the availability of real estate information on the web made a difference in the likelihood of using a real estate agent for a future purchase (sale) of a residence. Both questions were answered on a five point scale with answers ranging from *value an agent much more* to *value an agent much less* and *much more likely to use an agent* to *much less likely to use an agent*.

Approximately 72% of potential sellers and 67% of potential buyers indicated that they would value an agent *less* or *much less* because of the availability of e-information. Further, approximately 59% of potential sellers and 53% of potential buyers also indicated that their likelihood of using an agent for future transactions was *less* or *much less*. Interestingly, even the participants who identified themselves as *not at all technologically experienced* also had similar perceptions of value and their likelihood of using a residential real estate professional for assistance in this e-information environment.

Theoretically, these results are consistent with the principles of transaction cost economics (Guttery, Baen and Benjamin 2000). Since clients apparently decide that the information search in a real estate transaction can be fairly easily self-produced, clients perceive less value from a residential real estate professional completing the information search tasks. As a result, clients may not be as willing to pay as much for real estate services as before (Crowston and Wigand 1999) or alternately, not be as likely to use a real estate professional for future transactions. The current popularity of for-sale-by-owner (or FSBOs) and low-priced, low-service residential real estate alternatives have been shown to be positively related to this finding for normal market conditions (Saber and Messinger 2010).

Despite these results, it is quite unlikely that the residential real estate industry will experience significant disintermediation because real estate transactions are complex and represent more than simple information search functions. Although a full list of real estate transaction tasks will not be reproduced here, it is abundantly clear that there are many tasks in a real estate transaction that leverage the social networks and time of a real estate professional (cf., Bourdieu 1983).

When theories of social capital and social embeddedness are applied to real estate transactions, it is evident that many real estate transaction tasks require expertise and specialized skills which include *network ties* such as awareness of qualified buyers, available properties and sellers, lawyers, mortgage brokers and other necessary parties. The *network configurations* allow real estate professionals to acquire information about the real estate market much more quickly, efficiently and accurately than individual buyers or sellers. Real estate professionals’ *relational components* yield trust, common expectations and possibility of sanctions which guard industry-based ethical behavior in transactions. Finally, real estate professionals’ *cognitive components* suggest they have complete and accurate knowledge of necessary steps in a transaction, how to complete the transaction, which parties need to be included in the transaction. Based on these theories, if clients truly are aware of the expertise and skill required for an optimally efficient real estate transaction, they will still value the real estate professional’s work despite decreased value of information search due to e-information.



To test this concept, study participants were also asked about how much they valued the socially embedded real estate transaction tasks that go beyond simple information search functions. Results show that there is a significant positive relationship for both buyers and sellers in terms of how much they value socially embedded tasks and how much they value and are likely to use real estate professionals in the future. When potential clients are aware that specialized skills and expertise are required for an optimized real

estate transaction and also recognize that they, themselves, are likely not *up to the task*, both buyers and sellers will tend to perceive higher agent value and also have a greater likelihood of using an agent in the future.

A key strategy for the industry and individual real estate professionals, therefore, is to emphasize socially embedded tasks in a real estate transaction in a way that clearly and irrefutably sticks in the minds of the prospective clients.

## Conclusion and Recommendations

With the wide availability of e-information comes a reduction in the perceived usefulness of real estate professionals in the area of information search. Such a contextual change threatens client perceptions of an agent's value and likelihood of future use of agent services. Based on these results, some level of industry disintermediation could be anticipated. On the other hand, if potential clients are made aware of the diverse and important socially embedded tasks that take place in the context of successful real estate transactions, prospective clients will tend to value and use the services of real estate professionals at higher levels and disintermediation will be less likely.

Based on the results of this research, real estate professionals may wish to consider the following strategies:

1. Real estate professionals and their related organizations should ensure that significant amounts of marketing communications emphasize the socially embedded tasks involved in a real estate transaction rather than focussing on information search tasks. Prospective clients must be educated about the complexities of transactions to ensure real estate professionals' services are valued and used.
2. Once a real estate professional has contact with a potential client, the agent should carefully and specifically outline the series of socially embedded tasks that have to be accomplished for an optimized and successful real estate transaction and minimize information search task communications. The agent should also emphasize the importance and usefulness of networks in shaping the efficiency and effectiveness of completing the transaction. The agent should also be sure to remind clients that, without

this expertise, the residential real estate transaction could be inefficient, time-consuming or fraught with many problems making the transaction difficult to complete.

3. Further, while communicating with the client throughout the transaction, the real estate professional should regularly update the client that all tasks are being completed in the transaction, being careful to emphasize the socially embedded tasks. Not only will this educate the client about all of the steps that are included in a transaction but this could also increase satisfaction with the agent because the client will know exactly what is going on in the transaction and be in a better position to appreciate the time and effort that the agent dedicates to the individual client's transaction. Typically, the higher the levels of client satisfaction, the higher the rates of repeat and referral business (Anderson and Sullivan 1990).
4. Finally, once a transaction is completed, the real estate professional should review all of the tasks that were performed on the client's behalf in order to emphasize the complex and substantial efforts that were taken to ensure the smooth and successful completion of the transaction. Again, the agent should emphasize the socially embedded tasks rather than information search tasks perhaps via a customized letter or in a face-to-face discussion. The advantage of a written format is that clients will be able to refer to the documentation long after the transaction has been completed. This type of follow-up not only reminds clients about socially embedded tasks that have been completed in their transactions, but also reminds them about the efficient and effective individual services that the agent provided. This strategy could also increase the probability of repeat and referral business by keeping the agent's name and good work in the mind of the client.

By employing these communication strategies to inform, persuade and remind clients about the agent's socially embedded skill sets and tasks necessary for an optimized and successful real estate transaction, both the individual agent as well as the industry will likely be able to mitigate much of the negative impact that e-information has on buyers' and sellers' valuation and likelihood of using a residential real estate professional in the future.

### **Recommended Reading**

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# What Makes Working in Sales Satisfying: Who You Work With or What You Work For?

Kirk Wakefield, PhD

What makes your work satisfying? Does what drives you to succeed ultimately lead you to be satisfied with your job?

Compared to most other things, which of these best describe what motivates you to reach your goals?

1. **Pay:** A higher base salary and increased commission level
2. **Recognition:** Public and private recognition of performance by superiors and peers
3. **Rewards:** Competitions that reward the individual vs. team



Some believe that all sales management needs to do is to tweak compensation plans now and then to satisfy salespeople, because, after all, *it's all about the money*. We know from personality and behavioral studies that some are motivated more by recognition, so perhaps that's what makes some salespeople happy. And, in today's world of inclusion and teamwork, maybe it's a good idea to set up incentives for the entire sales team to achieve.

But, the question we ask is: Which of these leads to more satisfied salespeople?

## The Study

We conducted a study among 309 entry-level salespeople from 25 organizations which compensate with similar base salaries, commission levels and bonuses. In addition to measuring what motivated each salesperson, we also collected information on three other factors likely to influence job satisfaction:

1. **Sales confidence:** How confident are you in your own selling abilities?
2. **Ethical climate:** Does your organization enforce ethical standards with policies, code of ethics, and reprimands?
3. **Reported pay:** base salary, commissions, and bonuses received in past 12 months.

## Who Can't Get No Satisfaction?

For all of the talk about the importance of compensation in satisfying salespeople, the funny thing is that those who *said* they were highly motivated by money were significantly less satisfied with their jobs. On the other hand, those who actually *earned* more money with higher salaries, commissions and bonuses were more satisfied.

These findings remind of a quote from Jack Handey:

It's easy to sit there and say you'd like to have more money. And I guess that's what I like about it. It's easy. Just sitting there, rocking back and forth, wanting that money.

So, it's one thing to say you'd really like more money, but the reality is that those who spend a lot of time thinking about it and talking about it seem to end up not very satisfied.

We found that of the three motives to reach goals, those motivated by individual rewards were the most likely to be satisfied, followed by those who were motivated by recognition for their work. To put it another way, those who preferred team or group-based incentives (compared to individual-based) and didn't want recognition were the most dissatisfied with their jobs. I think you can see where this is going. The reason some people like group rewards is because they aren't likely to get individual rewards. If they aren't likely to earn individual rewards, they aren't likely to be doing a very good job or to be recognized as such. And that's not very satisfying.

## What Influences Satisfaction the Most?

The somewhat surprising answer is: ethical climate. Sure, we each have our own internal motors that get us going every day. But, hardly anyone is a happy camper in a place where others behave unethically and get away with it.

If you're in sales management, the number one thing you can do to reduce turnover and keep the salesforce satisfied is to:

1. Enforce a formal, written code of ethics.
2. Have and strictly enforce policies with regard to ethical behaviors.
3. Don't tolerate unethical behavior.
4. Reprimand salespeople for unethical behavior even if the behavior led to financial gain for the company.

The second thing you can do is hire confident salespeople. Stronger than any of the individual motives to perform, salespeople confident in their own ability to know the right thing to do in

selling situations and who just believe they are good at selling will be satisfied with their jobs. Makes sense, since they're salespeople.

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# INSIDER: The Power of Visual Storytelling

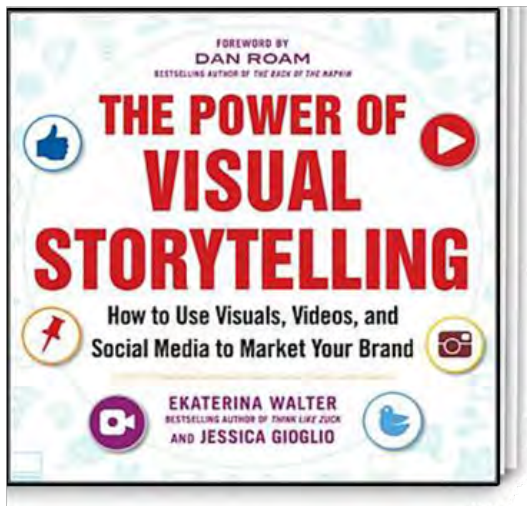
Natasha Ashton, JD/MBA Candidate

Industry-leading companies have embraced the art of visual storytelling resulting in improved consumer relationships and, thus, improved end-goals, such as sales and profits. Just as visuals have shaped humans thought and communication for thousands of years and like the old adage “a picture is worth a thousand words,” visuals are re-forming modern media and adding value to the interactions between people and companies.

*The Power of Visual Storytelling: How to Use Visuals, Videos, and Social Media to Market Your Brand* by Ekaterina Walter and Jessica Gioglio, explains how to best leverage social media and real-time marketing to form one’s own visual storybook. This book teaches real-estate professionals to capitalize on the inherent tendency of the human mind to visualize messages as well as the recent evolution of visual social media.

## THINK POINT #1: Significance of Visuals and Visual Storytelling

Visual storytelling is defined as “the use of images, videos, infographics, and other visuals on social media platforms to craft a graphical story around key brand values and offerings.” Visual storytelling is a result of the evolutionary process behind social media. This evolution began in the late 1990’s when blogging platforms quickly moved toward MySpace and, eventually, the myriad social media platforms present today.



Questions like, what will the rise in social media mean for real-estate professionals or will the visuals really make a difference when compared to text alternatives, could be asked. According to data and research, we can conclude that the answer is “yes.”

Ninety percent of information transmitted to the brain is visual, and visuals are transmitted to the brain 60,000 times faster than text (Eagling 2014). According to MPG Advertising (2014) for 67 percent of consumers, clear and detailed images carry more weight than product information, descriptions and customer ratings. For instance, a

Facebook post that includes photographs results in a 37 percent increase in engagement.

Furthermore, page traffic grows an average of 12 percent for publishers who use infographics versus those that do not (Alexander 2012). According to a study conducted by EyeViewDigital (2014), conversion can be increased by 80 percent when video is used on a landing page.

This research demonstrates the necessity for real-estate professionals to master the available social-media platforms and to leverage appropriate visuals to improve online traffic, increase prospects and conversion, and successfully market their brand.

## **THINK POINT #2: Types of Visuals and Their Advantages**

Well-composed photos are not a foreign concept to companies. Photography represents a good start for a company's visual storytelling. Companies tend to use these photos for websites, ads, news media and retail. Using realistic photographs is an excellent way to connect with consumers and communicate sincerity, because consumers desire realistic and mission-aligned images.

User-generated visuals are also useful for communicating sincerity with users. Collaborative storytelling that involves the company and consumers deepens their relationship and in return can lead to improved brand loyalty and referrals. Additionally, user contributions can shed light on motivations and interests of individual and mass consumers, which can later be incorporated into internally created visuals.

Graphs are helpful to simplistically and easily communicate a more technical product or message. Often, visualization of data makes the information easier to understand and share with others.

Other types of visuals can be used for capturing audience attention and interest. Photo collages can sometimes communicate more of a story than a single image. Photos with text overlays are an enhancement of a traditional image. This photo-text approach allows more control over the interpretation of visuals as well as the message communicated prevents important captions from being overlooked. Postcards and ecards are a unique modernization of a traditional message medium. Word photos, memes, cartoons, GIFs, and infographics can be used to communicate messages with inspiring, humorous, or informative themes.

Videos and presentations take storytelling a step further by communicating an entire process or product in an easy-to-follow and entertaining format. This would be best used if a single image would not be representative or informative enough for consumers.

## **THINK POINT #3: Key Elements of Visual Storytelling**

Design is all about embracing the visual imagery. Think about creating a unique visual that is stunning or inspiring to consumers. Authors, Gioglio and Walter, suggest collaborating with talented artists and photographers to feature remarkable imagery.

A single piece of content should not be used for every platform or outlet in which a company markets itself. Each platform has distinct features that foster different types of company and consumer engagement. Personalization, an element of visual storytelling, can help with the process by tailoring visual content to the specific platforms utilized. Additionally, adapting

content to these outlets will prevent redundancy. Most consumers connect to companies and professionals through multiple social-media platforms. Seeing the exact same images across platforms will cause disinterest and a decline in engagement. Maintaining a consistent theme throughout distinct content will tell a story without boring one's consumer base.

Usefulness, another element of visual storytelling, adds value beyond mere marketing information, prompting more interest, engagement, and loyalty from consumers. Adding tips, advice, and "how-tos" through visual content can be a great way to engage consumers rather than just promoting one's services. Measuring the engagement of this useful content can help professionals identify motivations and needs of consumers, leading to further refined visual storytelling.

Personality is important in conveying a human element of visual storytelling. Consumers who are humans don't want to connect to a big corporate entity. To bridge the gap between companies or professionals and consumers, avoiding a "buy this now" lead is imperative. Using a friend approach is much more effective. Sharing content should be similar to how a friend or loved one might recommend a product or service. Additionally, spotlighting user-generated content will nurture a level of trust, friendliness, and growing relationships that cannot be matched by professional content.

Visual storytelling takes photos and videos beyond random segmented ads. Promoting content tied together by a theme tells the story of significance in the minds and hearts of consumers. A story can be inspired from a variety of sources, such as, core values, use of company services, holidays, or relevant events.

Another element of visual storytelling such as share-worthiness drives referrals, prospects, and sales. Creating and promoting content that compels followers and friends to share, retweet, post, or pin will exponentially expand the number of people touched and inspired by a professional's visual story.

The impact of visual content can be amplified by real-time engagement. Daily engagements are essential for connecting consistently with consumers. Maintaining a library of relevant content is the best way of keeping up with daily demand for interaction. However, real-time amplification also applies to current events. Current events must be utilized only if they can be aligned with one's strengths and core values. Tailoring visual stories to recent events promotes relevancy and personality. The one contention is that a tragedy should never be seen as an opportunity to market a brand. Marketing and exploiting a tragic event will alienate consumers and damage a brand's reputation. However, heartfelt sympathies or inspiring messages during such events will build relationship and brand loyalty.

## THINK POINT #4: Platforms for Visual Storytelling

Pinterest is a pin-board site where users share images on boards based on particular themes. Using catchy board titles, attractive images, and strong themes to tie pins together will attract consumers to your pins.

Youtube is the second largest search engine in the world after Google (Bullas 2014). Because Google owns Youtube, using appropriate titles, key words, and video descriptions is an optimum way to leverage the world's largest search engine. The site allows for visual content in the form of videos, among other things. Users, particularly marketing professionals, can create entire YouTube pages with customizable banner titles, introductory trailer videos, and video lists. Additionally, users can incorporate hyperlinks directly into videos, allowing traffic to be driven directly to company websites and other social media pages. The key to leveraging this platform is to entertain. While some videos may be informational or a response to consumer questions, videos should be entertaining and not a sales pitch. Additionally, limiting the length of one's video, targeting specific topics, and getting creative will generate and maintain consumer interest.

Facebook currently has 1 billion users and more than 77 percent of business-to-consumer (B2C) companies and 43 percent of business-to-business (B2B) companies acquired customers through Facebook (Jorgensen 2012). Facebook offers the perfect platform to share photos as well as videos, user-generated content, and visual contests for consumers, generating conversation, which then prompts consumer likes, comments and shares.



Twitter, a microblogging platform, has recently allowed easy incorporation of images with each microblog, or tweet. According to a study conducted by the Anderson School of Business at UCLA, 76 percent of content shared on Twitter included an image. The key to mastering story telling on Twitter is to develop a theme and a voice that tailors every image and message accordingly. Without presuming that a follower is going to a company's Twitter page to read previous tweets, each tweet message should easily stand-alone. Tweets should also be fresh, consistent, and should show the more casual, relaxed, side of one's brand.

Instagram is all about images with 40 million photos posted on Instagram daily and about 8500 likes and 1000 comments occur every second. Professionals can create a page that humanizes the brand through photos. Additionally, using a hashtag as the page's banner notifies consumers on

the best way to tag a company or brand in photos, allowing companies to effortlessly leverage user-generated content.

Tumblr is a blogging platform intended for short, simple, visual inspiration. The platform's key differentiation is the ease of reblogging and the simplicity of one's page. Vine similarly leverages simple re-shareable visuals, but in the form of 6-second videos.

Slideshare allows for online sharing of presentations and other content, such as webinars, word and PDF files. Content is shared and tagged on Slideshare, and embedded into blogs and websites. This platform is primarily used and most effective in B2B interactions and professional communities.

Google+ is now the second largest, social media platform and has 80 percent unique users (Sullivan 2013). Like YouTube, this platform leverages the world's largest and most used search engine. The platform facilitates brand pages that incorporate the networking features of LinkedIn and the usability of Facebook. This platform allows for community features as well as video streaming. Google+ is better positioned for visual interest with a significantly expanded cover image and the ability to filter which segments of followers get which visual content.

### **THINK POINT #5: Implementing Your Story**

The first step in taking visual storytelling from theory to reality is setting a goal. A mindless stream of content does not fulfill an overarching strategy. Having a clear understanding of the role visual storytelling is to play in a professional's business will make all subsequent platform and image decisions more effective and efficient.

The next step is auditing and analyzing one's current social-media use and content. Track which platforms, types of visuals, and times a day you are receiving the most engagement. Additionally, listen to what consumers are asking for or discussing on these platforms to gauge what needs are and are not being met with one's own and competitor's content.

Once the consumer demand is identified, determine the platforms, content mix, and frequency to use based on the audit of current efforts.

Professionals need to plan for the unexpected when implementing a visual story. Cross-functionality of marketing and public relations will allow professionals to promote current content and cope with market changes, customer requests and complaints.

Finally, professionals should be constantly creating and obtaining unique, stunning visuals for consumer engagement. This engagement also requires company feedback and response when users engage in the visual content in order to keep the conversation going.

## Conclusion

Real estate professionals can and should leverage social-media platforms to humanize their branding efforts and connect with consumers. Utilization of visual storytelling will drive consumer engagement with the brand, encouraging traffic, referrals, and ultimately loyalty and revenues.

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# INSIDER: The Effortless Experience

Grant Senter

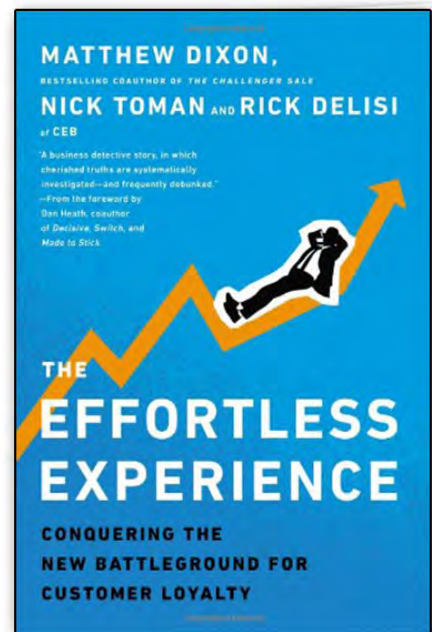
On April 30, 1943, at the height of World War II, a fisherman stumbled across a corpse floating in the water off the coast of southwestern Spain. The body was that of an adult male, Major William Martin of the Royal Marines. Martin was dressed in a military uniform with accompanying military boots and one odd addition—a black case chained to his wrist. The mysterious black case, which appeared to be of utmost importance, was immediately brought to Spanish authorities. It wasn't long before German intelligence officials in the area caught wind of the suspicious black case. In the dark of night, German spies finagled their way to the case, indiscreetly opening its contents revealing a letter sent from Lieutenant General Archibald Nye, the vice-chief of the Imperial General Staff, in London, to General Harold Alexander, the senior British officer under Eisenhower in Tunisia. The letter disclosed the Allies plans to invade Greece and Sardinia—a shocking and startling revelation.

The only issue was the holder of the black case, “Major William Martin,” was a work of fiction. The body wasn't that of Major William Martin but was that of a deceased vagabond, dressed in military garb carrying a fabricated letter. He was one piece in a brilliantly crafted plan by British spies to convince the Germans that the Allies were invading Greece. Germany allocated resources to Greece and by the time they realized it was a fake, it was too late (Gladwell 2010).

Like the Germans, we've been duped—only this time, our “Major William Martin” is the myriad real estate seminars, corporate executives, strategy session plans, and personal goals that tell us to win the battle of customer service, we must delight the customer. Matthew Dixon, Nick Toman, and Rick Delisi of the Corporate Executive Board in their new book, *The Effortless Experience*, implore us to realize that sometimes the obvious isn't so obvious—sometimes the statistics tell a different story.

## THINK POINT #1: Rethinking Customer Service

After years of extensive research into customer service, 89% of customers surveyed told the Corporate Executive Board (CEB) they were focusing more of their efforts on exceeding expectations or they're continuing their focus in this direction. The perception among real estate gurus and corporate executives is that exceeding customer expectations has an exponential payout—that the more we delight our customer, the stronger their loyalty becomes. When we look closer, this may not be the truth. After analyzing more than





97,000 customer responses, a very different picture was painted—a picture that has dropped conventional wisdom on its head. Researchers discovered virtually no difference between the loyalty of customers whose expectations had been exceeded and customers whose expectations had been met.

In fact, after customer expectations are met, loyalty remains the same, no matter how much a company exceeds customer expectations.

To complicate matters, in CEB's global survey, they found no statistical relation between satisfaction and customer loyalty. The two variables weren't related. However, what was similar was the relation between customer service interactions and disloyalty. CEB found that any customer service interaction is **four times** more likely to drive disloyalty than to drive loyalty.

So if customer service interactions don't create loyalty and are more likely to spawn disloyalty where does that leave us? How do we create loyalty with our clients?

*The Effortless Experience* believes we need to ask a different question. How do we mitigate disloyalty?

## **THINK POINT #2: Low-Effort Interactions**

Think for a second about your personal experiences with the companies you do business with. For example, think about your trips to the bank. Does the vase of newly picked daffodils on the counter or the complimentary cookie really matter to you? Probably not, they're nice add-ons, but at the end of the day, your customer service experience is going to come down to whether you're able to get in and out and complete your transaction smoothly. Your customer experience comes down to the amount of effort you have to exude.

The authors state that “96 percent of the customers who had high-effort experiences reported being disloyal, compared to only 9 percent of customers with low-effort interactions.” This is an astonishing figure. The amount of effort the customer exudes makes or breaks loyalty.

So, what does additional customer effort look like in real estate? Is it additional calls made to you, the agent? Is it viewing houses that don't fit customer's requests? Perhaps additional customer effort occurs when the customer must repeat information. Or additional effort may result from the perception that you, the real estate agent, aren't working hard enough to solve the customer's problems. Additional customer effort can be found in many shapes and forms, and it can be both perceived effort and actual exertion required from the customer.

According to the CEB, four of the five drivers of disloyalty involve additional effort customers must put forth, which includes the customer having to:

- Make more than one call to resolve an issue

- Deal with generic service delivered by rep
- Repeatedly provide information
- Expend (according to his perception) additional effort to resolve issues

In order to mitigate the disloyalty, agents should focus on delivering an “effortless experience.” Minimizing customers’ perceived and actual effort ensures a seamless experience that leaves customers content.

### **THINK POINT #3: Psychology of Low-Effort Interactions**

Customer effort can be broken up into two segments:

- 1) 36.6%            Customer’s Actual Exertion or Effort  
(number of steps and actions required during the service experience)
- 2) 65.4%            Customer’s Subjective Interpretation of Effort  
(impression of how the process made the customer feel)

As you can see, what matters most to the customer is how the customer feels. Effort is two-thirds feel and one-third action. With “feel” being a crucial component for how customers determine effort, the psychology of customer service plays an integral part in how we communicate with our clients.

Taking control of the customer conversation and delivering a perceived low-effort experience revolves around the concept of “experience engineering”—constructing the conversation or process in a manner that improves how the customer interprets what they’re told or experience. Experience engineering has proven to be crucial in managing the customer conversation and interestingly enough, increasing customer loyalty.

No one likes to be told “no,” especially by her real estate agent. A real estate agent is charged with a tall task—not just aiding in the process of finding a house, but a home—a place where memories are to be made, stories will be told, and life will happen. All of this to say, buying a home can be one of the biggest buying decisions a consumer faces: it is complex, stressful, and lays a tremendous burden upon the real estate agent to consistently deliver “dream homes” to his or her clients. Since the customer’s perceived effort is always high in the real estate business, real estate agents need to be armed with tactics to mitigate disloyalty.

To have a positive effect on customer’s perceived effort, employ these three strategies:

- 1) Be an Advocate: Align with the customer’s interests and actively support the customer.

- 2) Use Positive Language: Convey your messages positively and refrain from using language that includes “no” or “can’t.”
- 3) Anchor Appropriately: Position your outcomes as more positive and desirable by comparing them to another less desirable outcome.

## **Conclusion**

After customer expectations are met, loyalty remains the same. It does not matter how much a company exceeds customer expectations. Using your resources to “delight the customer” isn’t a cost-effective or sensible approach. The battle ground for customer loyalty isn’t won with complimentary cookies or steep discounts, it’s won by producing low-effort experiences for your customer in the way you operate and the way you talk.

## **Recommended Reading**

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