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Better Together: Competitive Agents and Competitive Climate in the Agency

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Erick Huntley, 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

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Better Together: Competitive Agents and Competitive Climate in the Agency

Keith A. Richards, PhD, Wyatt A. Schrock, PhD Candidate, Douglas E. Hughes, PhD, Frank Q. Fu, PhD, and Eli Jones, PhD

One of the most important issues associated with building a high-powered real-estate organization is hiring the right people. According to the 2012 Economic Census there were just over 86,000 offices of real estate agents or brokers in the United States. How can your agency rise to the top of this crowded field? How can your agency have a break-through year? One consideration is to hire competitive people.



Sales managers across a number of industries foster competition among their salespeople as an attempt to motivate them and to elevate performance (Krishnan et al. 2002). The logic seems simple enough – hire competitive individuals and their desire to win will propel them to higher performance. However, until recently, the science behind hiring competitive salespeople was inconclusive. Sometimes studies show positive performance results when salespeople are competitive (Brown and Peterson 1994), but other studies show that competitive salespeople perform no better than their non-competitive peers (Brown et al. 1998). These types of conflicting results left managers unclear on the value of hiring competitors.

In a recent study published in *Marketing Letters* (Schrock et al. 2014), we set out to clarify the value of competitive salespeople to an organization. Specifically, we were interested in learning if there were other conditions in the company that had to be in place for competitive salespeople to outperform non-competitive salespeople.

What we learned is that competitors need to be in a competitive climate to thrive. So hiring competitive people is only half the battle. To build a high-performing agency, you need both competitive people and a competitive climate within the agency.

Does hiring competitive agents increase agency performance?

First, what does it mean to be competitive? A competitive person likes interpersonal competition. They want to be better than others and they want to win (Spence and Helmerich 1983). This

desire to win fuels higher performance levels as competitors channel their “inner fire” to win according to Croner and Abraham (2008). It sounds like competitors will make great agents because they will be driven to succeed by their desire to win!

So then why do these competitive salespeople sometimes perform better and sometimes fail to produce better outcomes than non-competitive peers? One explanation is captured in the idea of person-organization fit (Caldwell and O'Reilly 1990; Holland 1985). This theory suggests that when you build an organizational climate that is consistent with the type of individuals you hire you get the best performance. Could it be that competitive salespeople only perform at their peak in competitive climates?

To understand this we need to be clear about what it means to have a competitive climate in an organization. A competitive organizational climate occurs when salespeople perceive that the rewards in their organization are based on a comparison between their performance and the performance of others in the company (Brown et al. 1998). In other words, when an agent perceives that the best rewards and recognition go to the top performers, it creates a competitive climate.

Putting it all together, we wanted to know if hiring competitive salespeople and putting them in a competitive environment would boost performance. We also wanted to understand what happens to competitive salespeople who are placed in an organization that is not perceived by the salespeople as having a competitive climate – would their performance suffer?

Our Study

To answer these questions, we collected survey data from 117 salespeople who sell business services. Their responses were combined with performance information gathered directly from company records to ensure that accurate performance outcomes were examined. The results of that analysis showed that when both competitive salespeople and a competitive climate exist simultaneously, outcomes are better than when you have either one without the other. That means when competitive salespeople are placed in a competitive climate, the best performance outcomes occur.

Interestingly, when competitive salespeople are placed in a non-competitive climate, they perform no better than their non-competitive peers. This is surprising and seems to explain the inconsistencies found in previous studies. If you have competitive salespeople in a non-competitive climate, the climate overrides their competitive nature and they perform no better than any other salesperson in the organization.

It looks like we found the missing link! It is not enough to hire competitive salespeople. If you want to have a high performing agency, you need both competitive agents and a competitive climate in your organization.

So What Should You Do?

First, make sure that your agent's level of competitiveness is matched by your agency's competitive climate. If you have one without the other, you will sub-optimize your agency's performance. Second, consider hiring future agents who are competitive individuals. Third, ramp up the competitive climate in your agency.



It's important to note that you can emphasize competition by providing non-monetary rewards such as preferred parking spots, a trophy that gets passed around to the top agent (or agents) each month, or a celebratory lunch for top performers. The key is to create an environment where competitive agents sense that winners are valued! So have some fun with it and get to work hiring competitive agents and creating your high-performing, competitive climate – before one of the other 86,000 agencies beats you to it.

Recommended Reading

Schrock, Wyatt A., Douglas E. Hughes, Frank Q. Fu, Keith A. Richards, and Eli Jones (2014), "Better Together: Trait Competitiveness and Competitive Psychological Climate as Antecedents of Salesperson Organizational Commitment and Sales Performance," *Marketing Letters*, DOI 10.1007/s11002-014-9329-7.

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About the Authors

Keith A. Richards, PhD

Associate Professor of Marketing, Baylor University

Keith Richards (PhD – University of Houston) is an Associate Professor of Marketing at Baylor University. Keith's holds an undergraduate degree from Baylor and an MBA from Indiana University. Prior to joining the faculty at Baylor, Keith served on the faculty at the University of Tennessee at Chattanooga. Keith's research has been published in the *Journal of Marketing*, the *Journal of Personal Selling and Sales Management* and *Industrial Marketing Management*. His research is focused on understanding the relationships between sales organizations and their best customers. Keith also investigates the impact salespeople have on new product launches, the way salespeople think about success and failure; how they incorporate CRM technology; and what motivates their performance. Keith's research won the 2009 James M. Comer Award for the Best Contribution to Theory in the *Journal of Personal Selling and Sales Management*. Prior to his academic career, Keith spent eight years as a strategy consultant with two management consulting firms: Kurt Salmon Associates and Accenture. Keith has helped numerous companies build and enhance their sales function. Keith has served the American Marketing Association's Sales SIG as an officer for the past five years.

Wyatt A. Schrock, PhD Candidate

Michigan State University

Wyatt Schrock is currently an instructor and Ph.D. candidate in Marketing at Michigan State University (MSU). After receiving his degree from MSU, Wyatt will be joining the Marketing faculty at West Virginia University as an Assistant Professor. Wyatt's primary research interests include persuasion, salesperson motivation and sales manager leadership. He has published an article in *Marketing Letters* and presented his research at several conferences across the U.S. and abroad. Wyatt has 10 years of sales and marketing experience, working for companies such as Procter & Gamble and Gannett, Valassis and Ryder. Wyatt also sat on the board of directors at a non-profit agency (Catholic Social Services of Wayne County) for four years. Wyatt received his

B.B.A. in Marketing from the University of Michigan, Ann Arbor. He received an M.B.A. in Finance from the University of Miami.

Douglas E. Hughes, PhD

Associate Professor of Marketing, Michigan State University

Douglas E. Hughes (PhD – University of Houston) is an Associate Professor of Marketing and Director of the Strategic Sales Initiative at Michigan State University. His research focuses on sales force management, salesperson performance, customer relationships, branding, and the marketing-sales interface. Hughes serves as incoming Editor-in-Chief of *Journal of Personal Selling & Sales Management* and an Area Editor at *Journal of the Academy of Marketing Science*, and has published articles in the *Journal of Marketing*, *Journal of Marketing Research*, *Journal of the Academy of Marketing Science*, *International Journal of Research in Marketing*, *Marketing Letters*, *Industrial Marketing Management*, and *Journal of Personal Selling & Sales Management*. He was honored for the best doctoral dissertation and best published article on a sales topic by the American Marketing Association in 2009 and 2011 respectively and is also the recipient of the 2013 Withrow Emerging Scholar Award. Prior to his academic career, Hughes served as CEO of a business services firm, as a senior executive in both marketing and sales at Fortune 100/500 consumer products firms, and as a consultant to a variety of companies across multiple industries.

Frank Q. Fu, PhD

Associate Professor of Marketing, University of Missouri – St. Louis

Frank Q. Fu (PhD – University of Houston) is an Associate Professor of Marketing at the University of Missouri - St. Louis. He obtained his Ph.D. in Marketing from the University of Houston. He also holds an MBA in Marketing from the University of Rochester. His research interests focus on sales force management and marketing - sales performance improvement. He has published articles in the *Journal of Marketing*, *Marketing Letters*, *Journal of Marketing Theory and Practice*, *Journal of Personal Selling and Sales Management*, *Performance Improvement*, and *Human Performance*, among others. He has also presented research papers at various national and international conferences. Prior to join the academia, he gained valuable sales, marketing, and management experience in the pharmaceutical and medical device industries in China. For five years, he worked as sales representative, commercial supervisor, and district sales manager for a Johnson & Johnson company in China. As sales manager, he worked on several new product launches and was responsible for a \$12 million sales budget. In addition to academic research and teaching, he helps American and Chinese companies improve their marketing and sales performance through consulting and advising efforts.

Eli Jones, PhD

Dean and Professor of Marketing, Texas A&M University

Eli Jones (PhD – Texas A&M University) is a Professor of Marketing, Dean of Mays Business School, and Lowry and Peggy Mays Eminent Scholar at his alma mater. He was Dean of the

Sam M. Walton College of Business and the Sam M. Walton Leadership Chair at the University of Arkansas. Also, he served as Dean of the E. J. Ourso College of Business and the E. J. Ourso Distinguished Professor of Business at Louisiana State University (LSU). While at the University of Houston, he rose through the ranks as an Assistant Professor, Associate Professor with tenure, Full Professor, Associate Dean for Executive Education Programs, and the founding Executive Director of the Sales Excellence Institute. He has published in the *Journal of Marketing*, *Journal of the Academy of Marketing Science*, *Journal of Personal Selling & Sales Management*, *Management Science*, and *Journal of Applied Psychology*, among others. Before becoming a professor, Jones worked in sales and sales management for three *Fortune 100* companies. Positions held include key account manager, key account executive, zone sales planning manager, sales manager, and zone sales manager designate.

Understanding Client Attitudes

JaeHwan Kwon, PhD, and Dhananjay Nayakankuppam, PhD

People develop attitudes and opinions toward many different things. Those attitudes may be positive (e.g., toward a person's favorite food or restaurant), and they can be negative attitudes (e.g., toward a style of architecture or clothing). Attitudes are important because they help people navigate judgments and decisions, making daily life more efficient.



We know that not all attitudes guide our behaviors. Research finds that the strength of the attitude moderates the influence of attitudes on the person's thoughts and behaviors (Fazio 1995); compared to weak attitudes, strong attitudes are more likely to guide our judgments and decision-making. More specifically, strong attitudes are distinguishable from weak attitudes because strong attitudes possess five key characteristics: (1) perceived as more certain; (2) come to mind faster; (3) resist counter-persuasion; (4) persist over time; and (5) guide behavior; (Fazio 1995).

A fundamental principle in the attitude strength research is that strongly held attitudes are the results of relatively effortful cognitive elaboration or effortful thinking (Petty and Cacioppo 1986). A considerable amount of prior research has documented that stronger attitudes are likely to be formed if only the person deliberately processes a persuasive message (i.e., taking time and efforts to process the information) as opposed to attitudes formed when a person quickly or less deliberately processes the message (Petty and Cacioppo 1984).

However, we can easily generate some anecdotes of other people forming strong opinions with no time or effort. For instance, many people talk about falling in love at first sight; we can easily relate stories of other individuals who strongly believe a particular brand is "the best" with no experience or little thought as attested to by an almost *no questioning* of the merits of their stance. These anecdotes suggest that, at least under some situations/contexts, people who do not devote much thought about a certain target can still form really strong attitudes toward it. Through our research, we challenge the long-standing notion in psychology that people's strong opinions are always products of effortful thinking processes. We set out to discover whether a type of people can form strong attitudes from non-elaborative processes, to test whether it is possible to develop strong attitudes towards brands, products and advertisements without spending great time and effort. Specifically, we set out with the argument, and provided evidence

to support that argument, that *it is possible to develop strong attitudes (that guide one's further judgments and decisions) from non-elaborative processes.*

Exploring Attitude Strength without Elaboration: Research and Results

Prior research has established what is known as implicit self-theories, which are individuals' lay beliefs about the malleability of their own personal traits. Research on the implicit self-theories suggests that a type of individual is able to judge other people's dispositional traits more quickly and easily, but hold these judgments with a lot of conviction (Chiu, Hong, and Dweck 1997).

Within implicit self-theories are two distinct sub-theories – entity theory and incremental theory – that have a variety of influences on the theory holder's information processing and judgments (Dweck, Chiu, and Hong 1995).

The distinction between the two theories (entity and incremental) is this: entity theorists (those who endorse entity theory) believe that their personality (Chiu, Hong, and Dweck 1997), intelligence (Dweck and Leggett 1988), and morality (Chiu, Dweck, Tong, and Fu 1997) traits are relatively fixed, whereas incremental theorists (those who endorse incremental theory) believe personality traits are more dynamic and malleable. Individuals who believe that these traits are fixed (entity theorists) are able to form opinions of people more easily and are more likely to place a label on other people because they believe that not only are their own personal traits fixed, but so too are the traits of others (e.g. Chiu, Hong and Dweck 1997). In other words, the implicit self-theory research suggests that individuals who believe that a person's traits are fixed can readily (i.e. without a high level of cognitive elaboration) form strong attitudes toward other individuals. Our present research asks a more general question about how beliefs on the fixed or malleable nature of self-traits influence attitude formation processes toward different kinds of targets, particularly toward brands and products. We hypothesized that effortful thinking may be sufficient for individuals to form strong attitudes about things, including but not limited to brands and products, but it is not necessary to form strong attitudes. In other words, if individuals are given information about a brand, consumers with different beliefs will require varying levels of information and evaluation before they are able to form, and be certain about and confident in, their attitudes towards that brand.

Our research extends implicit self-theories from social judgments of other people to the evaluative judgments of nonhuman objects, namely, brands and products. We proposed and provided evidence that entity theorists (those who believe that traits are fixed) quickly process a lesser amount of information to form attitudes toward brands/products and display a tendency to hold those attitudes with greater strength than incremental theorists (individuals who believe that traits are more malleable). We were able to test our proposals by measuring multiple dimensions of attitude strength, including felt-certainties about and confidence in their attitudes, attitude accessibilities (response latencies to answer attitude questions), and the change in attitudes that

individuals felt towards advertisements and brands after receiving counter-additional information about those same advertisements and brands.

Our research provides the first demonstration that elaboration is a sufficient but not necessary condition for attitude strength. Through our research, we discovered that individuals who believe that traits are fixed are able to develop stronger attitudes towards products and brands with low cognitive elaboration. These individuals are able to form strong attitudes despite low levels of effortful thinking because they expect more consistency in objects as well and therefore require a smaller sampling of information to sufficiently form a strong attitude. If an individual believes that traits are fixed they will stop attending to information earlier than those who believe that traits are malleable. In contrast, individuals who believe that traits are more malleable attend to more information and require longer to reach some level of comfort before forming their attitudes.

We also traced the underlying mechanism for this strong-attitude-formation-without-elaboration effect – when individuals do not think sufficiently about a certain object, how do they form a strong opinion about it? We found that if an individual believes that their personal traits are fixed, then that individual is likely to keep rehearsing their initial attitudes once they are generated, rather than attending to further information, as a way of making that attitude stays accessible for later use when encountering the object. In contrast, if an individual believes that his/her personality is malleable, then that individual is willing to attend to the new pieces of information – s/he is likely to repeat his/her evaluation through processing further information about the target object.

People have differing beliefs on the fixed or malleable nature of their personal traits, and those beliefs will alter the amount of information an individual will require in order to form strong attitudes about the object they are evaluating. Therefore, it can be very useful and informative for marketing managers and salespersons to know how much information should be provided to individuals before they create attitudes strong enough to guide their purchasing decisions.

Real Estate Perspective

Real estate agents are constantly looking for ways to improve the sales process and their relationships with their clients. One way in which real estate agents can better manage the agent/client relationship is by understanding how the client thinks and how much information a client will need prior to forming strong attitudes about either agents themselves or



different properties that agents may present to their clients. Real estate agents will have numerous clients with differing personalities, interests, and expectations. It is very important for a real estate agent to understand their clients and to know if their clients have a fixed or malleable belief about traits.

We are conducting follow-up research to document a simple way for a lay person to know whether another person operates with a fixed or malleable belief system. We, so far, find that: 1) younger individuals are more likely to believe that their personal traits do *not* change, while older people are more likely to believe that their personal traits are malleable; and 2) people in Asian cultures are more likely to believe that their personalities are relatively fixed, whereas those in Western culture are more likely to believe that their personalities are malleable.

Clients that believe their personalities are fixed will require less information before they form strong attitudes towards a property or the agent. It is therefore essential for real estate agents to carefully consider the quality and quantity of information that they deliver to their clients. Some clients will believe that their own personalities are more dynamic and malleable and therefore will be more interested in updating and changing their initial attitudes as more information is presented and the situation changes. However, clients who believe that their own traits are fixed will not be receptive to changing their attitudes in light of new information, because they will continue to rehearse their initial attitudes that were formed at the outset based on the initial information. Real estate agents can better manage the relationships with their clients, and their clients' expectations and impressions of different real estate properties and the real estate transaction process by understanding how the clients form their attitudes.

Additionally, real estate agents can benefit from a better understanding of how they themselves form attitudes toward things. Real estate agents can become more effective negotiators if they train themselves to be more consciously receptive to additional information. Developing more malleable beliefs on traits through the continued assessment of additional information allows real estate agents to conduct more current and objective evaluations in the constantly changing world of the real estate industry.

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About the Authors

JaeHwan Kwon, PhD

Assistant Professor of Marketing, Hankamer School of Business, Baylor University

JaeHwan Kwon (PhD in Marketing, University of Iowa) is an Assistant Professor of Marketing at Baylor University. His research interests include human judgment and decision making, visual information processing, and consumer choices.

Dhananjay (DJ) Nayakankuppam, PhD

Associate Professor of Marketing, Tippie College of Business, University of Iowa

DJ Nayakankuppam (PhD in Marketing, University of Michigan) is an Associate Professor of Marketing at the University of Iowa. His research interests include decision making, consumer evaluative processes, and social cognition and judgment. His research has been published in the *Journal of Consumer Research*, *Journal of Marketing*, *Marketing Science*, *Psychological Science*, *Journal of Consumer Psychology*, and many other journals.

How Does Reinterpretation Influence Our First Impressions?

Thomas C. Mann, PhD Candidate, and Melissa J. Ferguson, PhD

Common wisdom and psychological research alike advise that it is critically important to make a good first impression: the human mind is adept at drawing inferences about others from even the slimmest amount of information about their actions or appearance, and these impressions can



impact decision-making. Our first impressions of others can influence our decisions and behavior even if we did not intend to form an impression at all, or cannot recall the details that led to the impression. In addition, first impressions may be difficult to fully “undo” once they take hold – an intuition captured by the popular phrase “You never get a second chance to make a first impression.” If they are in fact difficult to change, it makes it all the more necessary to set a positive impression from the start. When the stakes are as high as they are for agents, buyers, and sellers involved in the real estate market, learning how (and if) negative first impressions can be undone is of the utmost importance. In our work (Mann & Ferguson, 2015; Mann, Cone, & Ferguson, 2015), we have found that bad first impressions can sometimes be effectively reversed through reinterpretation.

The “Stickiness” of First Impressions?

Some experimental studies have found that it is indeed difficult to overturn a first impression at every level. In experiments in which participants learned about a fictitious person or group of people portrayed initially as good or bad, subsequent efforts by the experimenters to “flip” these impressions (by telling participants that they changed their ways over time, or that the experimenter accidentally switched their descriptions) were effective in changing the impressions (evaluations of the targets as positive or negative) participants *explicitly expressed* toward the people. However, computer tasks measuring their more automatic reactions – termed “implicit evaluations” – showed persistent and robust effects of the first impression. That is, although their explicit judgments of the other people readily moved away from the first impression when new details came to light, their implicit evaluations did not (Gregg, Seibt, & Banaji 2006). Such implicit evaluations have been shown to have important consequences for decision-making and behavior (e.g., Greenwald, Poehlman, Uhlmann, & Banaji 2009).

More recent work has shown that a positive first impression *can* be quickly undone by extreme, highly diagnostic negative information: when a previously liked person was revealed to participants to be a child molester or mutilator of small animals, even implicit evaluations of the person were readily reversed (Cone & Ferguson, 2015). However, learning that a moderately disliked person had heroically donated a kidney to a child he did not know merely reduced, but did not overturn, a negative first impression at the implicit level.

Overturing Negative First Impressions with Reinterpretation

If highly diagnostic new details are capable of overturning first impressions, the difficulty of flipping a *bad* impression may be that often, negative information is seen as more important than positive information. In our recent work (Mann & Ferguson 2015), we reasoned that a way around this might be to try to undermine the initial negative impression by fundamentally reframing the meaning of the details that went into forming it in the first place. That is, rather than encouraging participants to simply reject or forget a bad first impression, or leave it unaddressed while trying to focus participants on new, positive details about a person, we gave participants a reason to see the earlier details in a new light, such that those details now implied a *positive* as opposed to a *negative* impression.

The Francis West Studies

To demonstrate that it is possible for reinterpretation to effectively reverse even *negative implicit* evaluations of a person, we conducted a series of experiments in which participants read a story about a fictitious individual named Francis West. In the story, Francis is described breaking into and causing much damage inside the homes of his neighbors, and removing precious items from their bedrooms. This was sufficient to cause participants to form both negative explicit evaluations and negative implicit evaluations of Francis. Crucially, participants in the critical condition were then given one more detail about Francis: he had actually broken into the homes because he saw that they were on fire, and the “precious things” he took from the bedrooms were the young children of his neighbors who he knew to be trapped inside. This new detail was effective in driving a reversal of both explicit *and* implicit impressions of Francis. A different version of the story was not similarly effective: When Francis was described performing an unrelated heroic action (jumping down onto subway tracks to save a baby just as a train approached), a negative implicit impression was still present, though somewhat weakened. Follow-up studies showed that being able and willing to think through how the new revelations changed the meaning of the earlier details was of critical importance in driving impression updating.

Conclusion

Contrary to the popular phrase “You never get a second chance to make a first impression,” our work has found that it is sometimes possible to undo a bad first impression. In our studies, the key to undermining a negative impression, even at the level of automatic reactions, was to provide a compelling reason for participants to see the details that had been the basis of the negative impression in the first place in a new, positive light. Though no work has yet applied these findings to the real estate industry or to property, it may be the case that real estate agents could productively draw from these findings.

Psychological work suggests that even if potential buyers claim to be no longer bothered by a feature of a property that previously put them off, it is possible for such prior concerns continue to impact their decisions at an implicit level, making the question of how to effectively undermine such first impressions more important than it might first seem.

If a potential buyer forms a negative first impression of a property due to some particular feature, our findings suggest that a seller may be well-advised to highlight ways in which that feature can be reinterpreted as positive, rather than (or in addition to) calling attention to all of the positive elements of the property that might outweigh that negative. Future studies may test such applications of our work to the real estate industry.



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About the Authors

Thomas C. Mann, PhD Candidate

Department of Psychology, Cornell University

Thomas C. Mann (MA in Psychology from Cornell University) is a doctoral candidate at Cornell University. His research topics include person impressions and person memory, automaticity, and attitudes. His work has been supported by a graduate research fellowship from the National Science Foundation, and published in *Journal of Personality and Social Psychology*.

Melissa J. Ferguson, PhD

Professor of Psychology, Cornell University

Melissa J. Ferguson (PhD in Psychology from New York University) is a Professor of Psychology at Cornell University. Her research topics include automaticity, attitudes, person impressions, goal pursuit, and ideology. Her work has been published in *Journal of Experimental Psychology: General*, *Journal of Experimental Social Psychology*, *Journal of Personality and Social Psychology*, *Perspectives on Psychological Science*, *Proceedings of the National Academy of Sciences*, *Psychological Science*, *Social Cognition*, and other outlets. Her research has been funded by the National Science Foundation and the National Institutes of Health.

The Wrong Ladder: Mismatch Between Subgoal Sequences and Actual Goal Performance

Liyin Jin, PhD, Qian Xu, PhD, and Ying Zhang, PhD

For real estate professionals, success is measured by performance – how many homes you sell or how many customers you reach. One thing, however, is certain – the real estate industry is complex and requires strong motivation to remain successful.

How does an agent maximize his/her potential while remaining motivated? According to our study, the most success can be found through subgoals – smaller goals that build toward the overall goal.

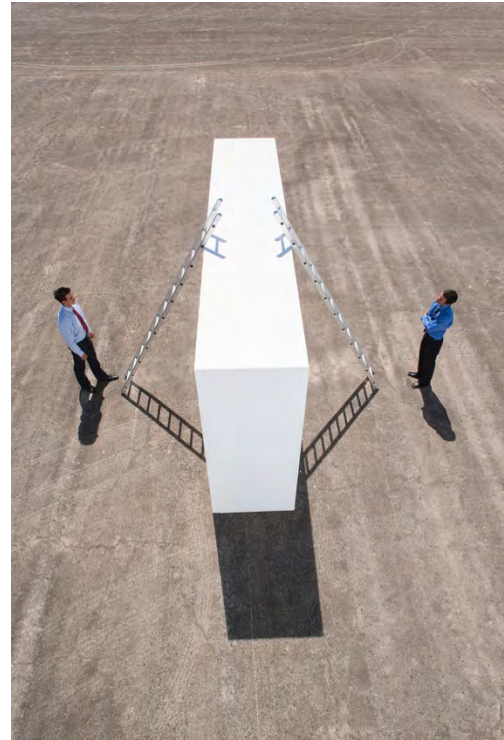
Our Study

While attention has been paid to the difference between the presence and absence of subgoals in goal pursuit, our study sought to systematically examine how subgoals should be structured to maximize their beneficial impact.

To further examine this issue, we developed a set of hypotheses detailing our predictions. We hypothesize that when facing subgoals of varying levels of difficulty, consumers prefer to begin their pursuit with the more difficult subgoals. This is due to the belief that their energy levels will decrease as they expend more energy and that the optimal strategy for attaining the overall goal is to tackle the more difficult task earlier.

We also predict that people are likely to perform better if they start with the easier subgoal. This is most likely because the completion of easy subgoals allows one to experience greater commitment to the goal, thereby increasing his/her effort to accomplish the overall goal.

To test our hypotheses, we conducted a series of seven studies to examine hypothesized discrepancy in consumers' preferences and their actual performance in goals with a subgoal structure. Each study tested a different aspect of our hypotheses and each successive study became more detailed. Studies ranged from sit-ups in a controlled environment to loyalty cards allowing customers to receive monetary benefits upon redemption.



Our research is important to real estate professionals as it provides a detailed look into the value of subgoals in completing tasks. For real estate professionals, a clear understanding of the best methods for completing a task through subgoals is essential to maximizing productivity and sales performance.

Properly-Ordered Subgoals Lead to Increased Productivity and Effectiveness

Setting goals for oneself is no doubt an effective way to stay motivated and efficient in your work. However, by setting – and executing – clear subgoals in the proper order, one can maximize the likelihood of completing the overarching goal.

When deciding whether to initiate a goal or the optimal strategy for pursuing a goal, people often rely on their predictions about the difficulty of goal attainment. However, what many fail to consider is how committed they will feel toward the goal after they have enjoyed some early success and how much increased effort they might be willing to exert to further pursue that goal.

As our study overwhelmingly showed, people prefer to begin with subgoals that are more difficult, believing that this approach makes their overall pursuit more attainable. However, by prioritizing their subgoals from easiest to most difficult, they are more likely to complete the overall goal when they first achieve the relatively easy subgoals.

Why is this? Humans operate well with positive feedback. The achievement of an easy subgoal constitutes this positive feedback and can take different forms, influencing a person's mindset toward a particular task. However, people tend to be unrealistically optimistic (Weinstein and Klein 1995; Whitley and Hern 1991) and overestimate their commitment and ability to achieve certain goals. Thus, by completing subgoals in an easy-to-difficult order, one can experience more commitment in the mid-way of a goal pursuit.

People often ignore the dynamic aspect of their mental states when making a commitment. One example is the robust planning fallacy which occurs, to some extent, because people fail to anticipate how their willingness to work on a task might decrease after they commit to it. In a similar fashion, consumers often commit to variety of tasks that they later regret because their satiation level is ultimately lower than anticipated (Simonson 1990).

Some participants did not succumb to the future-planning fallacy. Indeed, a nontrivial number of participants accurately chose the subgoal sequence that better facilitated their eventual accomplishment. However, as this study demonstrates, a majority of participants did not anticipate that early success could enhance their commitment to a goal.

Implications for Real Estate Sales Professionals

For real estate professionals, our study has numerous implications. The career of a real estate professional is marked by the completion of tasks – closing the sale of a home or securing a new client. Ultimately, it is the manner in which these tasks are completed that provides the best possible outcome for an agent.

Of course, our study made it easy to identify the easy-to-difficult and difficult-to-easy sequence. Throughout our daily lives, this is far from the case. It thus becomes the role of a real estate professional to explicitly identify subgoals that build toward an ultimate goal. Such “goal building” can assist in managing time and energy throughout the process.

Let’s examine a daily task you may find yourself completing as a real estate professional – increasing the number of clients you serve. Such a task is difficult and any results will be seen in the distant future. In this case, it is important to set subgoals to assist you in reaching the overarching goal of increasing your number of clients.

To start, you must concretely identify your goals – a generalized goal will not be as effective in keeping you focused and motivated. For example, instead of “By the end of the year, I want to increase the number of clients I have,” try “Within the next 6 months, I want to have 50 new clients for my business.”



Once you have a clearly-defined goal, you can break down the goal into subgoals. Leads will undoubtedly be easier to come by at first but dwindle as you begin contacting them. Thus, you can easily follow an “easy-to-difficult” subgoal sequence – an action advocated by the results of this study. In month 1 and 2, you may seek to gain 12 new clients each month – a realistic and manageable subgoal that is much less

daunting than the ultimate goal. In months 3 and 4, you could seek to gain 8 new clients each month. Then, in months 5 and 6, you would gain 5 new clients per month. While 5 new clients may seem easy to acquire, it is important to remember that by this time you may have exhausted your leads and will need to rely on referrals and marketing to gain new clients.

Ultimately, in setting goals in an “easy-to-difficult” way, a real estate professional can keep motivation high while helping to ensure that long-term goals are completed.

Such a technique can also be applied to the sales process, as an agent seeks to close a real estate transaction and gain referrals. By completing less complex aspects of the home buying process early on, one can increase the likelihood of seeing the process to completion.

Similar tactics utilizing the same principles can be applied to personal goals that may or may not be long term. As seen in our study, the completion of simple tasks such as sit-ups can be incentivized through an “easy-to-difficult” subgoal sequence.

Conclusion

Within the real estate industry, agents must remain self-driven and function as independent business owners. In order to accomplish this, goals must be set on a regular basis to ensure timely completion of overarching business objectives. This can be facilitated through subgoals. Such subgoals – when oriented in an “easy-to-difficult” sequence – can increase productivity and the likelihood of completing an overarching goal.

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About the Authors

Liyin Jin, PhD

Professor of Marketing, School of Management, Fudan University

Liyin Jin is a professor of marketing at School of Management, Fudan University. His research interests are consumer behavior, particularly in issues related to consumer motivation, customer loyalty program, social influence and consumption. His work has been published in *Journal of Marketing Research*, *Journal of Consumer Research*, *Journal of Retailing*, and *International Journal of Research in Marketing*, among others.

Qian Xu, PhD

Assistant Professor of Marketing, School of Management, Fudan University

Qian Xu is an Assistant Professor of Marketing at the School of Management, Fudan University. She received her PhD in Marketing and Bachelor's degree in Psychology from Fudan University. Prior to joining Fudan University, she worked as a postdoctoral research associate at the School of Business, the University of Hong Kong. As a Marketing Psychologist, Qian's research interests cover consumer motivation, social support and charitable behaviors. Most recently, she focuses on the impact of goal pursuit experiences on consumer choices — specifically how people's experiences during goal pursuits influence their subsequent choices of products and services. Her research has been published in the *Journal of Marketing Research*, the *Journal of Consumer Psychology*, and *Psychology and Marketing*.

Ying Zhang, PhD

Professor of Marketing, Guanghua School of Management, Peking University

Ying Zhang is Professor of Marketing and Behavioral Science, Guanghua School of Management, Peking University. His research interests are goals and motivation, judgment and decision making. His work has been published in *Journal of Marketing Research*, *Journal of Consumer Research*, *Journal of Personality and Social Psychology*, *Journal of Experimental Psychology: General*, among others.

Developing a Winning Theme or The Attention Getter

Charles Fifield, MBA

Standing out from the competition by initially capturing the attention and the imagination of the buyer can oftentimes decide the fate of a sales call. Sometimes referred to as *the attention getter* or the opener, the theme offered at the beginning of a sales call is vitally important. Developed effectively, it should begin the win-win sales call objective with the buyer wanting to hear more. Salespeople and real estate agents must open selling interactions with a clear and relevant offering that not only gains some interest, but instantly establishes in the buyer some desire, which is communicated verbally and/or non-verbally, to learn more.

What's a Theme and Why is it Important to a Successful Sales Call?



Successful personal selling embodies the telling of a story -- how selected features/capabilities, including the salesperson, the salesperson's company, and the salesperson's product or service, can enable a buyer to overcome defined challenges or gain missed opportunities in such a way that your customer realizes incremental value. It's really a process that evolves from the salesperson gaining the buyer's "eager wants" and then leading the

buyer through a matchmaking dialogue of showing how the salesperson's or agent's capabilities, including supporting validation, supply the right solution. The story hopefully ends with the happy ending for all participating parties with a value summary discussion followed by the implementation.

A theme is the "central idea" or common thread of the story you are offering. Establishing a theme requires some careful pre-call planning in many cases so that your proposed theme is not too general and is relevant to the buyer's probable "wants." Winning themes somehow capture what the buyer cares about the most, and are basically the foundation upon which you will build a compelling customer-focused story with a happy or productive ending. They are not broad generalities or empty slogans. Examples of what themes are *not* include:

- Best value
- Living in style
- A better property

- Unlimited potential
- We will help you
- Exceptional living awaits

How does a Salesperson or Agent Deliver a Successful Attention Getter?

Attention getters or themes can be delivered in different ways, including a product opening, a question opening, a re-statement opening, an initial benefit statement opening (IBS), and a referral opening that also offers an IBS.

- The **product opening** must have a sensory-driven compelling feature.
- The **question opening** must cause curiosity, but not frustration.
- The **re-statement opening** summarizes in question form what was learned at a prior meeting between the buyer and seller or what may have been discussed on the phone that gained the buyer's curiosity in the first place.
- An **IBS** is simply a summary of the projected benefits to be achieved at the conclusion of this exchange, and it is often offered in the context of referencing similar or like-kind buyers with whom the seller has had success and can be validated, if necessary.
- The **referral opening** can be an instant attention getter and trust builder; however, without some supporting proof point with an IBS addition, it fails to develop a theme.

To be effective, the attention getter should connect the to-be-offered capabilities or features with the buyer's anticipated wants, and incorporate proof points or validation. In other words, it must always be benefit-based and begin shaping the seller's response to the buyer's key decision-making question, *What's in it for me?* The proposed theme effectively and efficiently connects what's important to a buyer (benefits) with what's important to the seller (capabilities/features) to communicate implied solutions or to garner missed opportunities and generate the beginning of buying interest. The seller's challenge is to devise an effective and compelling way to do this without sounding empty, boastful or "too much" while being easy to understand or contemplate.

The Evolution of a Theme

The theme example follows an evolutionary path from a poorly drafted theme (Version 1), and ending with a theme that contains all of the necessary elements (Version 5).

Version 1 Exceptional living awaits.

This theme is nothing more than a re-statement of a basic requirement.

Version 2 Newly renovated & energy-efficient living awaits.

This theme attempts to cater the features to the specific targeted buyer.

Version 3 Newly renovated & energy-efficient living reduces maintenance and costs.

This theme includes a more specific feature and a link between the feature and the anticipated benefits.

Version 4 Newly renovated & solar energy-efficient living reduces maintenance and related costs by 50%.

The feature is more specific and the metric quantifies the benefit to some degree, but it does not constitute real proof or validation.

Version 5 Newly renovated & solar energy-efficient living reduces maintenance and related costs by thousands of dollars per year, according to the Department of Energy.

This theme puts all of the pieces together. The differentiator in Version 4 is refined and quantified in a more meaningful fashion, and it also offers a significant validation or proof component.

Summary

Although the setting of a theme or the delivery of an attention-getter sounds pretty simple and certainly establishes a foundation for the story to follow, most proposal themes are either underdeveloped or simply missing altogether from sales calls. The theme or attention-getter is critical to getting the sales call into a path of progress. Without it, the sales call tends to wander and then almost by default introduce feature dumping as a makeshift solution to failing to have a well-defined direction. The components of winning sales call themes can be delivered in a variety of ways, but should contain three essential ingredients: features/capabilities, projected benefits, and validation or proof points.



Recommended Reading

Simmons, Chris, “How to Create Winning Proposal Themes,” from rainmakerz.biz/how-to-create-great-proposal-themes, accessed on April 19, 2016.

About the Author

Charles Fifield, MBA

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

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

Trust in Leadership and Authenticity in Real Estate

Amanda Rodriguez, MBA

There's no doubt that trust impacts an organization's reputation and culture. Building and growing trust in the workplace can lead to great success for an organization, rooted in employee satisfaction and genuine, authentic interactions among supervisors, employees, and customers. Dr. Stephen Covey, author of *The 7 Habits of Highly Effective People*, once said, "Trust is the glue of life. It's the most essential ingredient in effective communication. It's the foundational principle that holds all relationships." Buying or selling a home is an emotional commitment, and *trust* is a key characteristic clients look for in a relationship with their real estate agent.

An agent's success can typically be related to relationships s/he has built on trust. Honest and genuine relationships can determine whether or not one wins the listing or the right to represent a homebuyer. These honest and genuine relationships are created through authentic interactions between the agent and the client – that is, interactions where emotions



are not suppressed or regulated – and build trust between the client and agent. But, in a world where the customer is always right, maintaining true, authentic interactions can be difficult. The emotional labor needed to sustain authentic interactions can be daunting. Because of this, inauthentic emotional encounters, such as surface acting to suppress or regulate one's true emotions, happen. Inauthentic emotional encounters lead to mistrust towards the agent, which can lead to burnout, frustration, mental fatigue, or depression.

We understand that relationships built on trust are key for individual and organizational success, but where do we start? Simply stated, supervisors in an agency directly affect their agents by their authentic and positive interactions (which researchers refer to as trait affectivity). Positive and negative trait affectivity determine the amount of trust agents have in their supervisors, which, in turn, shapes the agents' authenticity with their clients.

Agents owe clients their loyalty, obedience, diligence, disclosure, confidentiality, accountability, and reasonable skill and care, which are all building blocks of trust. According to Dana Yagin in "Trust in the Supervisor and Authenticity in Service Roles," when leaders create positive emotional behavior with agents, agents build authentic and honest relationships with their clients, thus increasing prosperity and satisfaction, and most importantly, trust.

Real estate clients often look for agents who are cheerful, friendly, and genuine. As a result, agents are sometimes forced to suppress emotions to match such expectations of the client and the agency. However, when agents see their personal identities as synonymous with the identity of the organization, the two roles become intertwined. When an agent feels safe in authentic interactions, it is more comfortable and natural to have such a conversation. Agents no longer feel the need to fake sincerity in client relations to meet the organization's standards and the agent can be more genuine in his or her interactions and displays of emotions. In order to help organizations become more consistent in this area, Yagil explored how the emotional influence of the supervisor impacts the agent's performance with clients.

Research and Findings

Yagil's research team surveyed and analyzed supervisor-agent and agent-client attitudes after a service interaction. The analytical approach (hierarchical linear modeling) permitted her to conclude how variables found at the leadership level affect relations at the agent-client level.

Researchers found that agents who trust their supervisors relate positively to their authentic and genuine interactions. For instance, if a selling agent wants to win the listing of a house that is not market ready, s/he can be genuine and honest about the amount of work it is going to take to sell the house, or the agent can be inauthentic, selling false hope, to the client.

Emotional interactions between agents and clients create corresponding changes in the client emotions. Clients recognize lower levels of authenticity or when an agent seems to be "reading from a script." Such interactions are important because they shape the agent-client relationship, which impacts client willingness to choose the agent or engage with the agent over the long run. Authentic behaviors impact service evaluations and referrals. When an agent displays authenticity in a client relationship, the client senses the agent is sincere in the home buying/selling process and gives the client confidence in the agent's capabilities.

Implications for Real Estate Professionals

When agents trust supervisors, they are more likely to operate authentically and sincerely in client interactions. When an agent functions with this level of authenticity, s/he is less likely to worry -- about mistakes, word choice, actions or decisions in risky situations. Worry and fear prompts agents to engage in *surface acting* which is tiring, inauthentic and often leads to mistrust. The result of a supervisor-agent relationship lacking trust is decreased job satisfaction and higher turnover among agents. Agents looking to build a more trusting relationship with the supervisor should try:

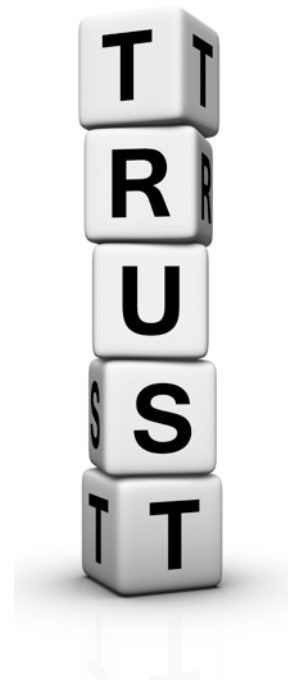
- Focusing on the bigger picture and the benevolent benefits that will come to you, the client, and the agency

- Talking with your supervisor and being honest and genuine about the way you feel about him or her
- Finding a mentor in the workplace who can help you navigate the hierarchy and aid you as needed in doing your job

Authenticity is described as a basic need and essential for emotional well-being, and it leads to resilience and optimism, higher self-esteem, and better relationships. Because building authentic relationships is a skill that is developed over time, real estate agencies should consider training programs that emphasize the importance of trust and authenticity between the supervisor-agent and agent-client relationship.

Supervisors can also work to develop better rapport with agents. To build rapport and strengthen relationships with agents, try:

- Communicating with your agents in a transparent fashion
- Staying calm and showing concern toward your agents' well-being
- Giving and receiving constructive feedback about your agency's operations
- Empowering your agents to direct appropriate activities (i.e., don't micromanage)
- Investing time to build real relationships with your agents within and outside the workplace



Recommended Reading

Yagil, Dana (2014), "Trust in the Supervisor and Authenticity in Service Roles," *Journal of Service Management*, 25(3), 411-426.

About the Author

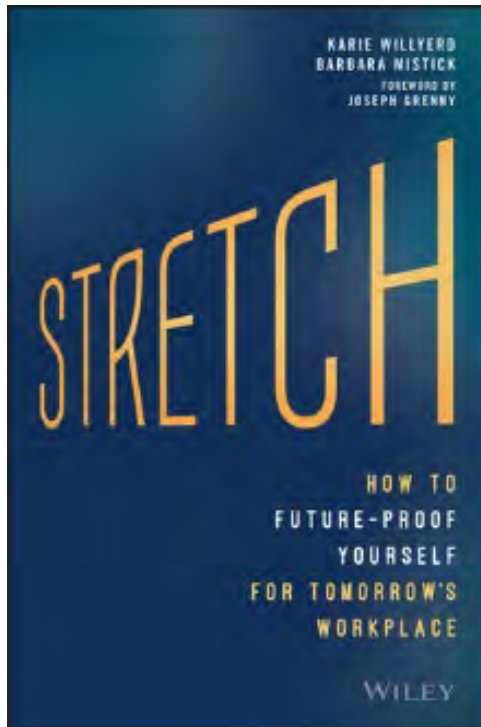
Amanda Rodriguez, MBA

Assistant Director, Keller Center for Research, Baylor University

Amanda serves as the Assistant Director for the Keller Center for Research and as the Associate Editor of the *Keller Center Research Report* at Baylor University. Before joining the Keller Center team, she managed Corporate Relations for Baylor's Center for Professional Selling. Amanda earned her MBA in Management and BA in Journalism from the University of Texas at Arlington.

INSIDER: Stretch: Extending Your Professional Expiration Date

Jack Kohles, MBA Candidate



One thing is certain about the business world of tomorrow: it is changing and the change is happening at a faster rate. When you hear the word change, what emotions come to your mind? If excitement is first on your mind, then you are positioned to handle the business world. If fear or reluctance are your dominant emotions, then this article will help you to prepare for change in the real estate industry. Ultimately, your perception of change is what dictates whether you will be ready and equipped for the demands of the business world of tomorrow or be left without the skills that are necessary to thrive.

Companies must stay relevant to rapidly changing technology and changing demands of customers. Therefore, they need their employees to be equipped to handle that change. Thus, the ability to change quickly is an increasingly desirable trait of business professionals. In their book, *Stretch*, Karie Willyerd and Barbara Mistick provide numerous practical strategies for professionals to

help themselves stay relevant in an ever-changing business world. Real estate is not immune from change and real estate professionals need to prepare themselves to excel in this changing environment.

In order to stay relevant, a real estate agent needs to understand, respond to, and anticipate change in the industry. Excelling in a changing work environment does not happen by chance. In order to prepare themselves for the needs of tomorrow's real estate environment, real estate professionals must begin thinking about what they can do now to anticipate the change. In the follow paragraphs, I offer four opportunities for real estate professionals to stretch themselves in anticipation of tomorrow's real estate needs.

THINK POINT #1: Stretch Yourself to Stay Relevant

When you think about your career three, five, or ten years down the road, you probably have different goals for each milestone. Some of these goals are fast and firm while some are a little more flexible. Some are work-related, some are career-related, and some are a little more personal. Most of these goals are focused on equipping yourself to prepare for the demands of

work today. But, have you considered developing a goal related to preparing for *changes* in real estate?

Blockbuster did not consider Redbox and Netflix as threats when they entered the movie rental industry. Fast-forward five years and Blockbuster is no longer in business. Redbox and Netflix are thriving. Since Blockbuster did not consider Redbox and Netflix as threats, the same can be said for disruptions in real estate. When Zillow and Trulia first started, real estate professionals considered these websites as something that would pass in time. However, the real estate professionals who saw these websites as an opportunity were able to harness the power of placing themselves at the crossroads of real estate purchasers and their need for immediate information. However, doing so required the real estate professionals to stretch themselves beyond their normal business operations.

As changes in real estate practices accelerate, it is important to stretch yourself outside of your normal methods of selling real estate. Success is not a good teacher because it convinces you do not need to change. However, opportunities to stretch yourself will always be present in the typical real estate transaction. Taking a *stretch* mindset can prepare yourself to seek new opportunities to learn and prepare yourself for the demands of tomorrow. One example of seeking a new opportunity is taking the opportunity to take a class on negotiation. Learning how to better prepare yourself to discuss the intricacies of the normal real estate transactions can equip you to be a reputable real estate agent with a knack for negotiating the best deals for your clients. Although this is just one example, seeking new opportunities to stretch yourself beyond your normal real estate transactions can equip you to handle the demands of tomorrow's work.

THINK POINT #2: Do Not Become an “Expired Product”

When supermarkets label products with a sell-by date, they are guaranteeing to the customer that this product is fresh up-to-this date. In business, we all have a sell-by date. This is when we are no longer able or willing to change in order to meet the new demands of the work world. When we have reached our sell-by date, we are no longer *fresh* to employers or clients. In order to prepare for tomorrow's demands, we have to assume the work environment will be different than it is today. Therefore, the question to ask yourself is “What are you doing today to extend your sell-by date for tomorrow?”

Millennials are now the largest generation in the workplace in most countries. As more Millennials enter the workforce, a larger number will begin looking to purchase their first home. However, the demands of Millennials are much different from the demands of their parents. Millennials desire to be connected to the world around them and a majority of it is done through mobile phones. According to Willyerd and Mistick, eight in ten Millennials believe the Internet has changed the world for the better, while less than half of the oldest generations of workers

believe the same (p. 10). Therefore, real estate agents may find themselves unprepared in working with Millennials.



Although a minor change, learning to text has helped real estate agents communicate with a new generation of buyers. However, text messaging is quickly becoming outdated and new messaging apps are becoming the norm. To extend your sell-by date, a real estate agent can begin adopting new modes of communication popular amongst Millennials. New messaging apps such as Snapchat and Periscope have potential to change the normal

agent/client interface. Both Snapchat and Periscope allow agents to interact with existing clients and potential clients unlike other apps. Snapchat is a video messaging app that allows users to share a 5-10 second video clip with a specific client/person or all of their “followers.” Meanwhile, Periscope is an app that allows users to broadcast a live video, longer than Snapchat, to their followers. Both of these apps allow a real estate agent to post videos to market a specific house to followers or allow an agent to *show* a property to a client unable to be present at the showing. These apps have potential to prepare a real estate agent for tomorrow’s demands and extend his or her sell-by date.

THINK POINT #3: Look for Feedback in All Directions

Since real estate is constantly changing, real estate agents need to keep their ears open to potential areas of improvement. However, it is unrealistic for real estate agents to know what they need to prepare for by themselves. A real estate agent can look in all directions for feedback on areas to improve.

- a. **The wisdom of experienced agents:** One of the biggest advantages of knowing more-experienced agents is being able to glean wisdom from their years of experience. Take the opportunity to seek advice and wisdom from these more-experienced agents in your market. Here are four questions you could ask a mentor to glean wisdom:
 1. What are some of the obstacles I am going to face?
 2. What are some ways you distinguish yourself from your competitors?
 3. What changes in the real estate industry were you not prepared for?
 4. What could you have done to prepare yourself for changes in real estate?

- b. **The knowledge of agents in same career phase:** those who are in the same career phase as you can be a vital resource. Take the opportunity to be open with one another, exploring strategies that have been successful for your colleagues. Although difficult, asking for feedback from your peers provides a different perspective on areas for improvement.
- c. **The zeal and excitement of young agents:** as new real estate agents enter the industry, they enter with new ideas and fresh insights. They also enter with excitement and zeal to help new clients. Taking the time to mentor new agents in their new career can also help you gain insight and vision for new opportunities or potential changes coming in the future.

Looking in all directions can help you see potential changes in the real estate industry that you may not see yourself. Building a network of trusted resources can help give you an advantage to stay ahead of change.

THINK POINT #4: Bouncing Forward From Failure

When failure happens, it can be difficult to find a way forward. Failure can take the wind out of a real estate professional's sails. In *Stretch*, Willyerd and Mistick offer five stretch strategies to help a professional bounce forward:

1. **Renounce:** feedback can be difficult to receive. However, it can also be some of the best opportunities for growth. Getting comfortable with feedback is a skill a real estate professional can use to enhance his or her career. When receiving feedback, take the opportunity to renounce a fixed mindset of always being right or in control of your outcomes. Instead, adopt a growth mindset that enables you to hear feedback and learn as much as you can.
2. **Pounce:** If surprising incidents happen, do you hunker down and wait the storm or do you stick your head up and try to look for answers? Curious people ask questions, which helps stage the best action for the best outcome. When surprising situations occur, take the opportunity to ask questions and wonder why they happened.
3. **Trounce:** Winning from start to finish is difficult, but to win often, real estate professionals need to find ways to practice their skills through repetition. Taking the time to master the skills required of real estate professionals will prepare them to meet any unexpected event in their careers.
4. **Announce:** Anyone knows you do not train for a marathon by running 26 miles the first day. You slowly build endurance, increasing the distance a little every day. In a real

estate career, it can be difficult to find motivation to improve a little every day. Announcing intentions to a friend or colleague can help motivate you to stay on course for your goals.

5. **Denounce the small stuff:** When a real estate professional is in the daily grind, it can be difficult to see the improvement he or she has made. Holding onto inspiration can be difficult. Therefore, take the chance to write your own meaning into your job and then denounce the small stuff that does not fit your meaning. If your meaning is helping your client, when something does not go as planned, do not let it sway you from your ultimate goal: helping your client.

Conclusion

Approaching work with a business-as-usual mindset will set you up for failure in the future. In order to prepare yourself for future change, you need to think proactively about extending your sell-by date. Approaching the opportunities with a growth mindset will help you seek out new opportunities to stretch yourself and prepare yourself for an uncertain future.

Recommended Reading

Willyerd, Karie and Barbara Mistick (2016), *Stretch: How to Future-Proof Yourself for Tomorrow's Workplace*, New Jersey: John Wiley & Sons, Inc.

About the Author

Jack Kohles, MBA Candidate Baylor University

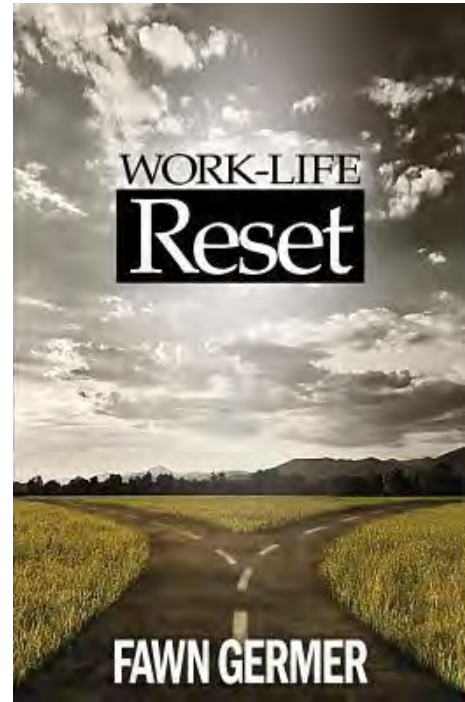
Jack Kohles is a graduate student from Billings, Montana. He earned his bachelor's degree in Civil Engineering from Montana State University. Before beginning graduate school at Baylor, Jack worked for Campus Crusade for Christ, as a senior staff member at Washington State University. Jack is currently seeking his MBA with a concentration in Healthcare Administration and plans to work in the healthcare field.

INSIDER: Get Set, Reset, Go

Erick Huntley, MBA Candidate

Oftentimes, life provides us with challenges, some of which require life-altering decisions just to get back on track and start living life again. A number of circumstances could occur; for example, you could lose your job, lose a loved one, or you may just need a change in purpose, work, or lifestyle. There may not be a clear-cut answer to solve these problems, but one possible method for recovery is through what best-selling author, Fawn Germer, calls a reset in her newest book, *Work-Life Reset*. This is not simply a do-over, i.e. attempting to make a situation right, but rather start-over, that is *a conscious and deliberate choice to take charge, change paths, and do whatever calls your soul*.

One reset in particular may require you to change careers leading you to the decision of whether to become a real estate agent. It is important though to keep in mind that just as with a life reset, it is important to weigh your career options seriously and fully commit. Becoming a real estate agent, similar to resetting your life, requires commitment, community, and preparation to ultimately be as successful as possible.



THINK POINT #1: Are You Committed?

Whenever people are faced with decisions that alter their life path, there will be questions addressing whether or not they can achieve success. The biggest disservice you can do to yourself in this situation is to hesitate and give up due to fear and insecurity. Without taking a leap, nothing in your life will change and you may be stuck in a rut until you take the onus upon yourself to change for the better and let go of anything holding you back. Fawn Germer experienced a year of tragedies and decided to reset her life by walking 70 miles along a beach, alone with her thoughts. Initially, when the forecast showed stormy weather, she postponed her walk and postponed resetting her emotional health. The forecast ended up being wrong and her postponement resulted from a lack of commitment.

In a similar facet, you must commit to the tasks within your real estate position or else you may find success to be elusive. A key example, where many agents find that they fall short, is in the area of prospecting for new clients. It could be a fear of knowing what to say or just an aversion to being rejected and hearing the simple word “no” over and over. You cannot, though, let this be a deterrent because real estate, in a nutshell, can be a numbers game. Increasing your sales and

achieving your desired profitability requires the commitment to push through rejection until you hear that magical three-letter word, *yes*.

In conjunction with prospecting, you must be willing to follow up with your clients in order to create a sustainable business and referral network. If you are committed to your client and promise that you will follow up with a lead or list their house, keep your promise. Maintain a calendar through a service like Outlook or Gmail to schedule appointments with your clients. There is no better way to build a referral network than being able to lean on success stories of how you were openly communicating with your client to produce an optimal outcome. Another opportunity to follow up occurs when your client chooses to go another direction to work with a different real estate agent. In order to improve yourself, you must first humble yourself and ask your former client what different approach to take that would have maintained the business. This process may seem painful and uncomfortable, but the information you take away could be the difference in your next sales opportunity.

THINK POINT #2: Who Are You Surrounding Yourself With?

When your life requires you to reset, it is essential to be surrounded by people who provide support when you need it. Germer illustrates this point through a life situation when she was moving into a new house and realized her father was about to die. Through a simple e-mail to her close friends, she was able to move all her boxes in a few hours rather than a long, arduous process alone in her cloud of grief. She was not too prideful to ask for help, which is essential for you in your career as a real estate agent.

You have pursued this career as an opportunity to be self-employed because you may want the independence and flexibility that the career offers and you believe that you can do anything that you set your mind to. This attitude is important to have. Being confident and successful will only carry you so far. Building a support network comprised of mentors, business partners, and clients will provide you with people who will challenge and support you and provide knowledge that will help you advance your career through new opportunities. One way to build this network is through attending conferences such as the Keller Williams Realty International Family Reunion. While this may not lead directly to a sale, it will provide you with the opportunity to meet people in a similar place in life and others who have experienced similar client situations.

You're also in the residential real estate industry to help people in the largest acquisition that they will make. You don't take this lightly because you know the people you help will often be the referrals who help generate your business. In addition, transactions can be multifaceted and require you to help guide the client through the process. Take advantage of your interpersonal skills to provide open communication and be a resource for your client to lean on. The ability to build trusting relationships will only strengthen your network and allow you to be successful in the future.

THINK POINT #3: Separation is in the Preparation

The opportunity to reset should not be taken lightly because this is your opportunity to change the state of your emotional or financial health. Without putting a structured plan into place, there will be an inclination for you to revert to your previous state. Therefore, it is essential to visualize your end result, give yourself enough time to achieve that result, and then commit to your plan of action. Preparation sets the foundation for success, giving you a firm point to fall



back on in times of obscurity. For Fawn Germer, she planned her reset, what she would do to overcome her emotional struggles. She planned her 70 mile walk along the beach, walking a planned distance each day, so that she would achieve the end result of a healthy emotional state.

Just like Germer, when it comes to your career, you must invest in yourself by setting that foundation that will put you

on a path toward success. One way you could increase your return on investment in choosing this career is through staying educated. In this way you are setting a foundation on which you can build by keeping up-to-date on laws and regulations as well as economic trends. Using a resource such as *Realty Times* enables you to stay current on market trends and seek advice from agents or consumers, which allows you to better serve your clients.

In addition, planning your business involves developing a client base, holding open houses, negotiations, property and listing management, and providing guidance to buyers and sellers. Without structure for your plan, how will you achieve success? Building a comprehensive plan may be very difficult, but a plan will give you guidelines for achieving your objectives. Tap the myriad resources available to you to build your planning toolkit including online templates as well as advice from colleagues and mentors. Just as Germer took account for her emotional health, you must do the same for the health of your business.

Conclusion

Whether you are new to the real estate industry because of a career reset or you are in need of a reset within your current career, it is important to be committed, surround yourself with a supportive network, and plan your business development. A reset allows you to take a new perspective toward yourself and your business allowing you to reset your trajectory toward a more successful outcome that will benefit you both emotionally and financially.

Recommended Reading

Germer, Fawn (2015), *Work-Life Reset*, S.I.: Boulevard Books.

About the Author

Erick Huntley, MBA Candidate

Baylor University

Erick Huntley is a graduate student from Lynnwood, Washington. He earned his bachelor's degree in chemistry from Whitworth University and his master's in biochemistry from Baylor University. He is currently pursuing his MBA at Baylor University and plans to leverage his skills in both chemistry and business to great value.

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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

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