

# Keller Center Research Report

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## Interpersonal Trust During Market Turbulence

*Stephanie M. Mangus, PhD, Eli Jones, PhD, Judith Anne Garretson Folse, PhD, and Shrihari Sridhar, PhD*

## Improvised Marketing Interventions: The Future of Impactful Real Estate Marketing?

*Abhishek Borah, PhD, Sourindra Banerjee, PhD, Yu-Ting Lin, PhD, Apurv Jain, and Andreas B. Eisingerich, PhD*

## Creating Success through Sales Influence Tactics

*Richard G. McFarland, PhD and Andrea L. Dixon, PhD*

## Improving Sales Performance with Manager Likeability

*Edward L. Nowlin, PhD, Doug Walker, PhD, and Nwamaka A. Anaza, PhD*

## Encouraging eWOM on Social Media

*Taemin Kim, PhD, Hyejin Kim, PhD, and Yunhwan Kim, PhD*

## INSIDER: Words that Change Minds

*Brian LeCompte, MDiv/MBA*

## INSIDER: Loonshots

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# Keller Center Research Report

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# Table of Contents

<b>Interpersonal Trust During Market Turbulence</b>	<b>1</b>
<i>Stephanie M. Mangus, PhD, Eli Jones, PhD, Judith Anne Garretson Folse, PhD, and Shrihari Sridhar, PhD</i>	
<b>Improvised Marketing Interventions: The Future of Impactful Real Estate Marketing?</b>	<b>5</b>
<i>Abhishek Borah, PhD, Sourindra Banerjee, PhD, Yu-Ting Lin, PhD, Apurv Jain, and Andreas B. Eisingerich, PhD</i>	
<b>Creating Success through Sales Influence Tactics</b>	<b>10</b>
<i>Richard G. McFarland, PhD and Andrea L. Dixon, PhD</i>	
<b>Improving Sales Performance with Manager Likeability</b>	<b>15</b>
<i>Edward L. Nowlin, PhD, Doug Walker, PhD, and Nwamaka A. Anaza, PhD</i>	
<b>Encouraging eWOM on Social Media</b>	<b>19</b>
<i>Taemin Kim, PhD, Hyejin Kim, PhD, and Yunhwan Kim, PhD</i>	
<b>INSIDER: Words that Change Minds</b>	<b>23</b>
<i>Brian LeCompte, MDiv/MBA</i>	
<b>INSIDER: Loonshots</b>	<b>26</b>
<i>Kayla Wilson, MBA Candidate</i>	

# Interpersonal Trust During Market Turbulence

Stephanie M. Mangus, PhD, Eli Jones, PhD, Judith Anne Garretson Folse, PhD, and Shrihari Sridhar, PhD

An extremely important factor contributing to an effective buyer-seller relationship is interpersonal trust. Without interpersonal trust, the buyer and the seller would not be able to accomplish their prospective goals. In 2020, many sales teams struggled to adapt to the



uncertainties of a turbulent market. Amidst the global COVID-19 pandemic, interpersonal trust became a “make it or break it” for many salespeople.

Many research studies focus on the importance of *business trust* in fostering an effective customer-salesperson relationship. While business trust is extremely important to buyer-seller relationships, our research focuses on the impact of both *business and personal trust* on relationship performance, particularly amidst market turbulence. Both types of interpersonal trust—business and personal—make an impact on how buyer-seller relationships handle changes in the market.

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In real estate, business and personal trust are especially important to both the buyer and the seller. As market turbulence increases, strain occurs that impacts the customer-salesperson relationship. During such times, buyers and sellers deal with fluctuating needs and wants, therefore placing an even greater strain on the relationship. A strong foundation of trust between the buyer and the seller is essential to building a relationship that can withstand unstable times.

With competition greatly increasing in virtually all industries, interpersonal trust has the potential to provide the seller with a competitive advantage over their competitors. While building interpersonal trust, including both business trust and personal trust, can be a lengthy process, the benefits of developing strong relationships with customers will prove to be fruitful in the long run.

## Interplay Between Business Trust and Personal Trust

Interpersonal trust consists of two distinct parts: business trust and personal trust. As individuals think of the buy-seller relationship they traditionally perceive business trust as the most important. However, our research sheds light on the other aspect of the buyer-seller relationship that is often overlooked, personal trust.

As defined in our research, business trust is the trust that develops between a salesperson and customer, which includes expectations of reliability and integrity related to business interactions and activities. Business trust is the glue that holds the working relationship between the customer and salesperson together. If business trust cannot be achieved, then the customer-salesperson relationship is unlikely to succeed. When business trust exists, sellers provide reliable information, while buyers deliver their needs and expectations in a clear manner.

The other component of interpersonal trust in the buyer-seller relationship is personal trust. Our research defines personal trust as the willingness to rely on and confide in an individual outside of business interactions. For example, a salesperson may ask a customer about how the customer's family is doing, which can in turn lead to more information about the customer's needs and desires. The salesperson can participate in the discussion and build trust with customers by listening to buyers' thoughts and life events beyond the scope of business. Personal connections can forge a deeper relationship between the customer and the salesperson, therefore proving the salesperson to be trustworthy in a personal as well as in a business sense. When business trust and personal trust combine, together they have a positive impact on the performance of the buyer-seller relationship, including customer loyalty and customer satisfaction.

## **How to Manage Market Turbulence**

The competitive advantage of having interpersonal trust is even more prevalent during times of high market turbulence. Market turbulence affects the ability of the buyer and seller to communicate, while also affecting customer satisfaction and customer loyalty.

It is important to recognize that even if both business trust and personal trust are present, it doesn't guarantee an increase in performance. It is crucial to analyze the buyer-seller relationship and determine which type of interpersonal trust resonates most with the customer. When a strain does occur, the salesperson selects either business trust or personal trust, sometimes both, to better provide for the client. For example, customers who rely more heavily on personal trust need assurance that they are more than merely a transaction. While salespeople must provide accurate business information to customers that lean more on business trust, ultimately selecting the proper form of trust will increase the overall performance of the relationship.

## **Interpersonal Trust in Real Estate**

In real estate, business trust and personal trust together represent a dynamic resource for the salesperson. Salespeople must first establish business trust by proving their integrity through reliable information. Once the foundation of business trust is set, the salesperson can make strides towards developing a personal relationship with the client. Although fostering personal trust can be a lengthy process, a strong buyer-seller relationship will prove to be valuable in the long run. During times of uncertainty, it is especially important for the salesperson to provide the

type of interpersonal trust that resonates most with the customer. Whether that be relying on the business trust established at the beginning of the relationship or the personal trust built over time, the salesperson has opportunities to develop an even stronger relationship with the client. Overall, the outcomes of a buyer-seller relationship with both types of interpersonal trust lead to increased customer satisfaction and loyalty. The real estate market is constantly going through fluctuations but having personal *and* business trust with the customer will prove to be a long-term competitive advantage for your firm.

## Recommended Reading

Mangus, Stephanie M., Eli Jones, Judith Anne Garretson Folse, and Shrihari Sridhar (2020), “The Interplay Between Business and Personal Trust on Relationship Performance in Conditions of Market Turbulence,” *Journal of the Academy of Marketing Science*, <https://doi.org/10.1007/s11747-020-00722-6>.

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Dr. Stephanie Mangus’ (PhD – Louisiana State University) research focuses on buyer-seller dyads in sales and relationship marketing. Her research has been published in the *Journal of the Academy of Marketing Science*, *Journal of Business Research*, the *Journal of Personal Selling and Sales Management*, and *Psychology & Marketing*. Her work has been presented at conferences by the American Marketing Association, the Academy of Marketing Science, the Association for Consumer Research, the National Conference for Sales Management, and the Thought Leadership in the Sales Profession Conference. Mangus received the 2013 William O. Bearden Research Award from the Southeast Marketing Symposium for her dissertation proposal and the Best in Track Award from the *American Marketing Association* for her work examining customer retail experiences. She teaches personal selling and sales management courses at the undergraduate level and was recognized with the 2019 *AMA Sales SIG Excellence in Teaching Award*.

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Dr. Shrihari Sridhar's (PhD – University of Missouri) use of quantitative models and advanced data science help firms assess and improve the effectiveness of their strategy and resource allocation. His current focus is on the deployment of machine learning to companies in the business-to-business (energy, education, media) sector. Sridhar has published in various top-tier academic and practitioner outlets, such as *Harvard Business Review, Marketing Science, Journal of Marketing*, and the *Journal of Marketing Research*. He currently serves as Area Editor for the *Journal of Marketing Research, Journal of Marketing*, and *Journal of the Academy of Marketing Science*. He is on the Editorial Board of *Journal of Retailing*. His research has been featured in National Public Radio (NPR), Reuters Inc., FOX News, Forbes, and Booz & Co. and won several research awards. He was recognized with the Marketing Science Institute's Young Scholar Award, and, in 2014, he was the youngest and only untenured faculty to receive the Varadarajan Award for Early Career Contributions to Marketing Strategy Research.

# Improvised Marketing Interventions: The Future of Impactful Real Estate Marketing?

*Abhishek Borah, PhD, Sourindra Banerjee, PhD, Yu-Ting Lin, PhD, Apurv Jain, and Andreas B. Eisingerich, PhD*

Super Bowl XLVII is infamously known as the ‘Blackout Bowl.’ When the entire Mercedes-Benz Superdome lost power for over thirty minutes, football fans across the country took to social media to pass time. Unexpectedly, it was Oreo, milk’s favorite cookie, that filled the void; Oreo posted a tweet reading “No Power? No Problem. You can still dunk in the dark.” This timely tweet was immensely impactful for Oreo’s social media presence and firm value. Further, it left marketers across the globe pondering the impact of similar social media actions, formally known as improvised marketing interventions (IMIs).

## The Nature of IMIs

We define IMIs as social media actions that are composed and executed in real time proximal to an external event. That is, improvised marketing interventions are a simple concept. They are highly effective social media actions because they utilize quick wit in real time in response to a situation or event. Quick wit is situational humor that depends on timeliness and unanticipation.<sup>1,2</sup> Humor is a universal concept that has been utilized throughout history to decrease tension, enhance a leader’s relatability and likeability, and generate an encouraging atmosphere. Thus, quick wit is specifically dependent upon timeliness, proximate response to an external event, and unanticipation, the unexpected way in which someone responds to this event. The final component of an impactful IMI is improvisation—the social media action that cannot be planned.



Recent research indicates that due to the rise of digital communications (including Internet and social media advertisements), consumers are faced with more advertisements than ever, ultimately leading to consumer fatigue and ineffective marketing strategies.<sup>3</sup> Upon evaluating the success of Oreo’s Superbowl XL VII tweet, our team took an interest in IMI’s potential for brand enhancement. Due to the unpredictable and witty nature of IMIs, our team believes IMI messages will enhance virality and ultimately firm value.



## **Do IMIs Actually Work?**

We understand that improvised marketing interventions are unique and exciting for consumers, but will they generate a tangible competitive advantage? Our team conducted a series of five studies to evaluate IMI's potential for gain.

First, our team declared the need to ensure IMI messages lead to greater virality than non-IMI messages. Upon conducting statistical analysis of Oreo's tweet during the Blackout Bowl, as compared to their previous non-IMI posts, we discovered significant evidence of IMI's potential to increase firm virality. Further, our second study revealed that timeliness boosted virality by a significant level. IMIs best capture their potential for virality when humorous posts occur within a close timeframe to the external event. Next, our third, fourth, and fifth studies further developed the significant impact of humor and timeliness, as well as humor and virality, and firm value. We gained significant reason to believe IMI's are more effective than non-IMI messages, and, when they consist of humor and timeliness and humor and unanticipation, firm virality will increase.

To determine if this virality results in a tangible advantage, our team evaluated firm value following the posting of an IMI message. Utilizing the concept of the efficient market hypothesis, any change in stock price should reflect the arrival of new information, including an effective IMI.<sup>4,5</sup> Thus, in part two of our third, fourth, and fifth studies, our team utilized varying methods to examine firm stock prices, as stock prices reflect firm value. Ultimately, we discovered a significant relationship between IMIs and firm value. Thus, it is clear that improvised marketing interventions are effective means of attaining a competitive advantage, even in an overly saturated environment like social media.

## **Real Estate Implications**

It is no surprise that social media is a resource vital to an agent's success. Research indicates social media is the preeminent source of high-quality leads for real estate agents.<sup>6</sup> Further, throughout the COVID-19 pandemic, Internet use is at an all-time high. Specifically, web browsing has increased by 70%, TV viewing increased by 63%, and social media engagement increased by 61%.<sup>7</sup> As such, agents must understand the nature of digital marketing and capitalize on any opportunity for advances. Our research strongly suggests the use of improvised marketing interventions will lead to increased virality and firm value. Thus, agents and firms must capitalize on opportunity for growth.

Due to IMI's need for spontaneity, agents (or their firm's marketing team) must monitor their external environment and react to external events promptly. Those managing social media accounts should have significant workplace autonomy. Further, agents need to be aware of current events and understand which external events are good opportunities for an IMI. Our team declares the need for future research regarding which types of events will be the most impactful

IMIs. However, we currently believe the best IMI opportunities involve messages related to regularly occurring tentpole events (e.g., the Super Bowl or the Grammys), specific events with details that remain uncertain (e.g., which character will be killed in a popular television show), specific, well-known events (e.g., messages about the birth of a royal baby), and messages relating to trending topics (e.g., #YannyorLaurel or #TheDress). As of now, our team advises against the use of IMIs regarding events maintaining a very negative valence (e.g., earthquakes), due to uncertainty of results. Lastly, real estate agents must understand that IMI's maintain a ten-hour window of influence before becoming largely irrelevant.

Oreo's Blackout Bowl tweet cost the company nothing on a day where advertisements cost an average of \$4.5 million.<sup>3</sup> Improvised marketing interventions maintain an enormous opportunity at a fraction of traditional advertising expenses. Ultimately, through the respectful use of quick wit, IMIs enhance virality and firm value, almost immediately, at essentially no cost.

## **Recommended Reading**

Borah, Abhishek, Sourindra Banerjee, Yu-Ting Lin, Apurv Jain, and Andreas B. Eisingerich (2020), "Improvised Marketing Interventions in Social Media," *Journal of Marketing*, 84(2), 69-91, <https://doi.org/10.1177/0022242919899383>.

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### **Apurv Jain**

#### **Visiting Researcher at Harvard University, CEO and Co-Founder of MacroXstudio**

Researcher and Entrepreneur Apurv Jain's latest venture MacroXstudio seeks to generate socially and commercially impactful  $\alpha$  (outperformance) by combining domain expertise with technology to utilize thousands of new alternative data. Previously, Apurv was the co-founder of a 10- person team at Microsoft that specialized in applying alternative data towards predicting macroeconomic and behavioral trends to profitably manage a \$100 million portfolio for 5 years. His practical experience includes managing a \$3B credit portfolio as a portfolio manager, a senior researcher role at the global macro hedge fund Bridgewater Associates, and options trading at Deutsche Bank. His academic appointments were as a senior data scientist at Microsoft Research (MSR) and as a visiting researcher at Harvard Business School (HBS) where he published a book chapter and various academic articles in top computational social science conferences, economics journals and the *Journal of Marketing*. He is an advisory committee member of the Financial Data Professional Institute (FDPI) and a mentor at HBS Field X.

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# Creating Success through Sales Influence Tactics

Richard G. McFarland, PhD and Andrea L. Dixon, PhD

Salespeople are at the forefront of your firm's interactions with customers, and the success of your business depends on how effectively those salespeople can influence these customers. Particularly in real estate, it is vital to understand how salespeople influence customers and how they can improve those skills. Our research provides additional resources for salespeople to better understand the full set of sales influence



tactics at their disposal. We expand on and improve the definitions<sup>1</sup> of the six known sales influence tactics (SITs) and identify a seventh, new influence tactic. Through understanding the seven SITs and their definitions, salespeople can increase their ability to influence customers and improve buyer-seller relationships.

## Persuasion vs. Influence

The words persuasion and influence are often used interchangeably in society. However, with regard to the buyer-seller relationship, the meaning of each has different implications. Researchers state that *persuasion* is the broad umbrella term focusing on changing beliefs, attitudes, intentions, motivations, and behaviors.<sup>2</sup> *Influence* is much more narrowly defined, focusing on change in behavior resulting from a “direct request.”<sup>3</sup> In sales, we use the term *influence* rather than *persuasion* to emphasize the seller's ability to change the buyer's behavior. Throughout our research, we regard salespeople as influence agents rather than persuasive agents.

## Sales Influence Tactics: 6 Tactics Plus a 7<sup>th</sup>

The six sales influence tactics (SITs) are categorized into three groups: rational ITs, emotional ITs, and coercive ITs.

### *Rational ITs*

Rational influence tactics alter the buyer's beliefs about the decision that the salesperson is attempting to impact. Rational influence tactics include information exchange and recommendations. As a salesperson, both of these are vitally important to your ability to sell your product or service. Specifically, information exchange involves communicating data to and asking questions of buyers. The goals of information exchange is to gain information and shape the evaluation or decision processes of the buyer, without giving a specific recommendation.

Examples of information exchange include discussing a property's features and benefits as well as asking questions about the buyer's needs and wants. The second rational influence tactic is to provide recommendations. A recommendation tactic is used when the salesperson suggests a course of action to the buyer and asserts that this action would be beneficial to them. This tactic can include logical or rational arguments to explain the benefits of the recommended action including cost-benefit analyses and comparisons to competitive offerings.

### *Emotional ITs*

Emotional IT can be divided into two domains: ingratiation and inspirational. Ingratiation involves communication between the buyer and the seller designed to enhance the salesperson's interpersonal attractiveness and thus gain the approval of the buyer. In other words, the salesperson is attempting to influence by being more likable to the buyer. Salespeople can display ingratiation behaviors if they give compliments to buyers and find things they share in common with buyers. On the other hand, inspirational appeals is an emotional tactic that taps into the buyer's emotions and emotional values (rather than rational) in their decision-making process by appealing to the values and ideals of the buyer. Additionally, enthusiasm from the salesperson can be contagious, which would elicit a positive effect on the buyer.

### *Coercive ITs*

Coercive influence tactics change the overall nature of the decision-making process by including sanctions or promising positive effects. Previous coercive influence tactics can be divided into two subgroups, promises and threats; however, our research adds a third tactic to this category. The first tactic defined by previous research involves salespeople offering a future reward contingent upon the customer complying with the salesperson's request. The stricter version of a promise is a threat in which sanctions are imposed. When salespeople use a threat influence tactic, they implicitly or explicitly state that sanctions will be applied to buyers if they do not comply with salespersons' requests. Threats will likely place a strain and add additional stress to the buyer-seller relationship; therefore, threats are almost always an unfruitful choice.

### *The 7<sup>th</sup> Influence Tactic: Personal Appeals*

Our research adds personal appeals as an additional influence tactic to the coercive SITs. Interpersonal relationships are often formed between buyers and sellers outside of their business relationship. An interpersonal relationship between buyers and sellers can provide an advantage for the seller. In our research, we define personal appeals as the salesperson making an appeal to the buyer's "loyalty and friendship toward him or her when" making a request.<sup>4</sup> The personal appeals tactic is a part of the coercive influence tactics because buyers believe that their personal relationship with the salesperson will be harmed if they do not comply with the salesperson's request and that they will likely be rewarded in the future if they do comply with the request. Overall, personal appeals allow the buyer and seller to foster a deeper connection which coincides with the sales influence tactic framework.

## Real Estate Implications

All communications salespeople use with buyers can be viewed as influence tactics. Our research builds on the existing framework for influence tactics (which includes information exchange, recommendations, ingratiation, inspiration, promises, and threats) by adding a 7<sup>th</sup> tactic, personal appeals. In addition, we improve the definitions of these SITs and improve the measurement for these SITs, which can be helpful in training situations or in observing salespeople's interactions with customers. This research also provides evidence regarding the effectiveness of each of these tactics in influencing customers and on their effects on trust of the salesperson. In general, both rational and emotional influence tactics are effective and have a neutral or positive effect on trust, while coercive tactics should generally be avoided, with one exception: if the interpersonal relationship between the salesperson and customer is very close, the use of personal appeals can be effective in achieving influence without harming trust. Due to the nature of buyer-seller relationships in the real estate industry, understanding how to use these tactics can help improve outcomes with customers. It is up to the discretion of salespeople as to which tactic best fits their individual preferences.

## Recommended Reading

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Dr. McFarland has won numerous awards for his research and teaching, including the Ralph Reitz award for the single best teacher of the year in the Business College at Kansas State University, the best single researcher award in the Business College at Kansas State University on two occasions, The Louis Stern Award in 2016 for the most long-term, impactful research in inter-organizational research, the 2020 James M. Comer Award for best contributions to selling & sales management theory, among other awards.

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Dr. Andrea Dixon (PhD – Indiana University) has an industrial background in research, planning, and advertising, and her research interests embrace behavioral issues related to sales, service, and client satisfaction. Dr. Dixon has published in the *Journal of Marketing*, *Harvard Business Review*, *Organizational Science*, *Journal of the Academy of Marketing Science*, *Leadership Quarterly*, *European Journal of Marketing*, the *Journal of Personal Selling and Sales Management*, *Journal of Marketing Education*, and other journals. Dixon's research in the *Journal of Marketing* was the 2002 award-winner. She co-authored *Strategic Sales Leadership*, and her work on customer selection appears in *The Oxford Handbook of Sales Management and Sales Strategy*. Dr. Dixon serves on the Editorial Review Boards for the *Journal of Personal Selling and Sales Management*, the *Journal of Marketing Theory and Practice*, the *Journal of Business-to-Business Marketing* and the *Journal of Marketing Education*. She is also an Ad Hoc Reviewer for the *Journal of Marketing* and the *Journal of the Academy of Marketing Science*.

Dr. Dixon has won numerous teaching awards, including the Excellence in Teaching Award from the American Marketing Association Sales SIG, the Hankamer School of Business Teaching Excellence award, and Baylor University's Cornelia Marschall Smith award. In addition to teaching PhD, master- and undergraduate-level students, she shares her research through both keynote addresses and executive trainings. As a member of Duke University's



Global Learning Resource Network for Executive Education, Dr. Dixon has addressed executives in London, Hong Kong, Mumbai, Mexico City, Dubai, Hyderabad, Paris and throughout the United States. Dr. Dixon currently serves as President of the University Sales Center Alliance.

# Improving Sales Performance with Manager Likeability

Edward L. Nowlin, PhD, Doug Walker, PhD, and Nwamaka A. Anaza, PhD

Is it important for salespeople to like their managers? Past research has established that people will “do things for people they like,”<sup>1</sup> but does this have an impact on a firm’s sales performance? Our research examines both of these questions and establishes that manager likeability is an extremely important driver of sales performance both directly and indirectly. Further, we demonstrate that relational identification—the degree to which salespeople embrace their sales role and activities as defined by their sales managers—is a means by which manager likeability impacts sales performance. In this context, relational identification is “the extent to which one defines oneself in terms of a given role-relationship.”<sup>2</sup> Therefore, developing a strong relational identification between the manager and salesperson is essential to having a positive impact on sales performance. As a real estate manager (broker), it can often be difficult to determine ways to increase likeability among salespeople (agents), but there are several steps and practices that can increase your likeability as a manager.

## Practices to Increase Manager Likeability

Our research determines that manager likeability is a powerful driver of organizational sales performance. Therefore, as a manager, it is important to recognize the need to be likeable from the perspective of the salesperson. How can managers improve their likeability? Our research suggests several practical implications to increase manager likeability and therefore sales performance.



### *Develop Relationships Outside of Work Environment*

As a manager, it is critically important to incorporate time with salespeople outside of their direct work environment. Managers should integrate events and activities that allow them to interact with salespeople on a personal level. These interactions can take place in a structured activity, such as a team building exercise, or an unstructured activity, such as a birthday party or dinner. If managers are able to develop their relationships with salespeople outside of the structured workplace, then manager likeability will likely increase.

### *Establish Opportunities to Interact Regarding Career-Oriented Situations*

Managers should seek opportunities that will drive salespeople performance and guide them through career-oriented interactions. Career-oriented situations include sponsoring salespeople,

providing exposure and visibility, as well as providing challenging assignments.<sup>3</sup> Managers should capitalize on their ability to provide salespeople with extensive expertise and resources to help salespeople advance their careers. Salespeople will have heightened relational identification with their managers when they see that their managers want them to be successful beyond their current position and performance.

#### *Consider Likeability During Recruitment*

Our research suggests that during the recruitment process, firms should assess how well the recruit's identity matches their prospective manager's identity. A meeting should take place between the prospective manager and the recruit to assess each individual's perception of the recruit's roles in the firm. It is important to analyze whether the manager and recruit's role analysis align in order to increase relational identification between the manager and salesperson in the future. If the manager and recruit's role identification do not align, it may be best to avoid complications further down the line and look for another recruit who better fits the identified role. The greater the alignment between the manager and recruit's role assessment, the higher the likelihood of relational success. Therefore, considering recruit's role identification in the hiring process can lead to greater sales performance for the firm.

#### *Educate Salespeople to Understand Manager Expectations*

Salespeople often find themselves wondering why their managers have certain expectations regarding their role. As a manager, it is essential to provide salespeople with an understanding of why certain managerial expectations exist. The more insight the manager can provide concerning the manager's perception of expectations and responsibilities, the increased probability that the manager's and salesperson's relational identification will align, and that salespeople's performance will reflect the sales manager's expectations.

#### *Search for Points of Commonality with Salespeople*

Finally, managers can leverage points of similarity and commonality with their salespeople and should actively pursue points of commonality to build rapport with their salespeople. Rapport building is especially important to salespeople who have recently joined the firm; however, rapport building should be looked at as an ongoing process and should not be neglected even after an employee is no longer considered "new." Overall, managers should look for similarities and commonalities with salespeople to build rapport and develop greater relational identification.

### **Real Estate Implications**

Real estate managers can use the practices detailed above to improve manager likeability and therefore increase their firm's sales performance. As a real estate manager, likeability is an asset that you can leverage. Manager likeability can be heightened through thoughtful interactions both internally and externally to the workplace. Although developing a relationship with salespeople can be a lengthy and time-consuming process, it is likely to be a rewarding experience for both the manager and salesperson. As a manager, you can move your salespeople

from focusing on the “me” to broadening their self-identification into the “us” or “we,” which can prove to be a powerful motivator in their sales performance. Managers have an ability to influence their salespeople. As managers develop and nurture their salespeople, they can foster relationships that not only benefit both the manager and salesperson, but improve company sales performance as well.

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## About the Authors

### Edward L. Nowlin, PhD

#### Associate Professor of Marketing, Kansas State University

Dr. Edward L. Nowlin’s (PhD – University of Nebraska-Lincoln) research interests have focused on drivers of salesperson performance and the relationship between fantasy sports, gambling and consumer choice. In particular, Dr. Nowlin’s research examines the effect of information, manager actions, and manager and coworker relationships and their impact on sales performance. Dr. Nowlin has published in *Journal of Business Research*, *Industrial Marketing Management*, *European Journal of Marketing*, *Journal of Public Policy & Marketing*, *Journal of Marketing Theory and Practice*, *Health Marketing Quarterly*, *Journal of Political Marketing*, and *Journal of Business & Industrial Marketing*, among others. In 2015, Dr. Nowlin was awarded the Best Paper Award at the Society of Marketing Advances Annual Conference, Personal Selling & Sales Management Track. He was also a recipient of the 2020 College of Business Administration Contributions in Research Award.

### Doug Walker, PhD

#### Associate Professor of Marketing, Kansas State University

Dr. Doug Walker’s (PhD – University of Houston) research interests use conditional process models to analyze sports, sales, management, and consumer socialization. Dr. Walker has published in the *Journal of the Academy of Marketing Science*, *Journal of Business Research*,

*Industrial Marketing Management, European Journal of Marketing, Journal of Public Policy & Marketing, Journal of Consumer Affairs, Journal of Consumer Marketing, Health Marketing Quarterly, Journal of Political Marketing, Journal of Current Issues and Research in Advertising, Journal of Business and Industrial Marketing, and International Journal of Drug Policy*, among others. Dr. Walker has been named as a Finalist for 2016 Best Paper Award in the *Journal of Consumer Affairs*. He has also received numerous teaching awards, including the College of Business Junior Faculty Teaching Award in 2010 and 2015, as well as the Kansas State Bank Teaching Award in 2017. In addition to his teaching excellence, Dr. Walker was also the recipient of the 2018 College of Business Administration Contributions in Research Award at Kansas State University.

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Dr. Nwamaka Anaza's (PhD – Purdue University) research interest focus on services marketing, personal selling and sales management, consumer behavior and customer citizenship behavior, and international marketing. Dr. Anaza has published in the *Journal of Business Research, Industrial Marketing Management, European Journal of Marketing, Psychology & Marketing, Journal of Marketing Theory and Practice, Journal of Business & Industrial Marketing, and Journal of Services Marketing*, among others. In 2015, Dr. Anaza was awarded the Best Paper Award at the Society of Marketing Advances Annual Conference, Personal Selling & Sales Management Track. She was also the recipient of the 2015 Faculty Award for Outstanding Research/Scholarship at Francis Marion University. In 2018, Dr. Anaza was awarded the Best Paper Award at the Society of Marketing Advances Annual Conference, Services Marketing Track. In 2018, She was recognized as the outstanding researcher of the year in the College of Business at Southern Illinois University Carbondale.

# Encouraging eWOM on Social Media

Taemin Kim, PhD, Hyejin Kim, PhD, and Yunhwan Kim, PhD

The average American spends approximately 50 minutes a day on Facebook.<sup>1</sup> Facebook is currently the number one social networking platform along with Twitter and Instagram, and has also played a key role in real-estate firms' social media marketing. Roughly 50 million



businesses have a Facebook profile, and users share more than 2.5 billion comments a month on those business profiles.<sup>2</sup>

Consumers' engagement and exchanges with these businesses on social media is a significant marketing goal, and real estate agencies should thus consider electronic word-of-mouth an important success factor in their marketing.

Facebook, for example, is one of the most important social media services to promote electronic word-of-mouth.

## About our Study

Our study explores how businesses' Facebook posts, both informational and emotional, affect customers' electronic word-of-mouth. Informational posts emphasize facts about a product providing a consumer with functional and practical information. Research suggests these posts are more likely to be shared as they distinguish the sharer as knowledgeable and clever. On the other hand, emotional posts focus on the emotional benefits and needs of consumers and are also more likely to be shared, as the post increases social connection with others. For the purpose of this study we will consider only positive emotional content as we narrowed our research to positive endorsement of brands.

Our findings suggest that the use of informational multimedia contents, such as photo and video, as well as a brand's name, and a hashtag (i.e., "#"), work well to promote informational content. Emotional content, including subjective wording or social wording, also increases consumers' electronic word-of-mouth behaviors regarding the brand posts.

## Electronic Word-of-Mouth

Revised from the definition of WOM (word-of-mouth), "eWOM" refers to consumers' communication about a product or business with other Internet users. The Internet has empowered customers to effortlessly connect and communicate with one another as well as with businesses on corporate blogs and social pages. Included in eWOM are many types of customer

activities on the Internet, such as product endorsements on e-commerce websites and brand assessments posted on blogs. We define eWOM as consumers' communication and sharing about a business, product, or brand with others on the Internet or social media.

When consumers *like* brand posts and leave positive comments on the brand posts on Facebook, those responses are known as eWOM behaviors. Marketing on Facebook receives quite a bit of attention from marketers and advertisers because consumers can easily contribute to eWOM with the click of a button. "Liking" posts is nearly identical to traditional WOM behavior in the marketplace. When Facebook users *like* brand posts, the liked posts instantly appear on the both the users' and their friends' feeds. Friends of friends can then see the liked posts, which is similar to the process of WOM because the *like* acts as an endorsement.

## **Real Estate Implications**

The results of our study suggest consumers will more likely conduct eWOM behaviors (likes and comments) on Facebook if brand posts use both informational and emotional elements.

### *Informational Brand Posts*

Real estate agents and brokers should incorporate multimedia content, such as photos, videos, or graphics, which can make a shared status or post more easily understood as compared with plain text. Multimedia content makes posts more likely to be *liked* and positively mentioned and, as a result, more likely to go viral. Consider also including entertaining photos and videos, which have proven to generate eWOM. Include your firm's brand name in a post. Brand names can increase viewers' memory of the content and in turn may increase viewers' eWOM behavior. Additionally, brand names also play a role in expressing self-identity, and generally self-representation tends to encourage the user's eWOM behavior on social media. Use a hashtag to express informational value in social media. Clients will recognize a post using a hashtag as helpful and useful information. However, URL links and links to questions in informational messages have a negative impact on likes.

### *Emotional Brand Posts*

The degree of subjectivity of a post is positively related to the number of likes and positive comments. A subjective argument is an argument or announcement that contains a real estate agent's opinion, feeling, sentiment, or assessment, in contrast to an objective argument that includes facts and evidence. A subjective argument expresses a state or emotions. Include social words, what people are interested in, what they pay attention to, and how they view the world in conversational posts. If a real estate agent uses the first-person plural pronouns "we", "us", and "our," which often represents group identity, consumers will feel social ties and relationships with the firm. Social words often signal warmth, sincerity, and positive emotions for the business and encourage eWOM behaviors. However, highly emotional posts tend to suppress the number of comments.

### *Using Caution*

Note, real estate firms should implement such factors carefully. Depending on the purpose of the post, beware of including a link or strong positive emotional content. Including a URL link in a brand post or posting intense positive posts has proven to decrease the number of likes and positive comments from consumers.

### **Conclusion**

The primary takeaway from this study is not to show that one Facebook posting strategy is superior or more effective. Instead, the results can serve as guidelines on how to incorporate informational and emotional elements in a real estate firm's Facebook posts in order to effectively stimulate customers' eWOM behaviors. Consumers now, like never before, are just within a firm's reach. Facebook will be one of the most important tools a real estate firm can use to promote their brand and listings.

### **Recommended Reading**

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Dr. Yunhwan Kim's (PhD – Hankuk University of Foreign Studies) interests include analyzing photo and video data with computer vision techniques and investigating public opinion with agent-based modeling. His research has been published in *Information Processing and Management*, *International Journal of Environmental Research and Public Health*, and *IEEE Access*, among others.

# INSIDER: Words That Change Minds

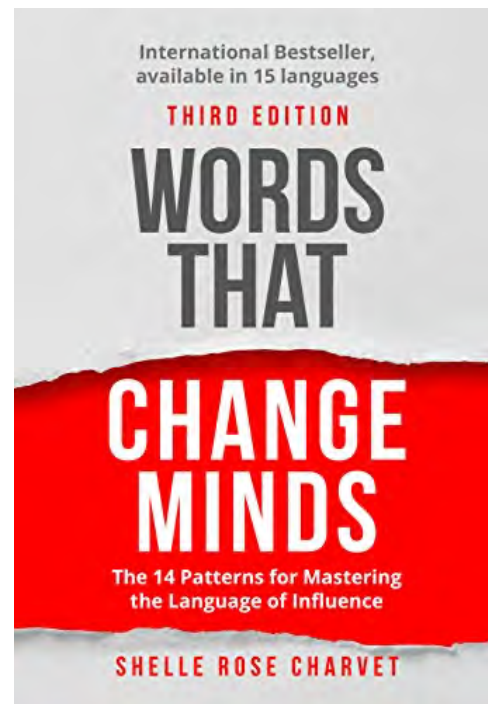
Brian LeCompte, MDIV/MBA

Good leaders understand the people they are leading well enough to know their “language,” which they then use to influence employees’ or followers’ decisions and actions. Learning the language that influences others is particularly important for managers and team leaders and is the focus of Shelle Rose Charvet’s book, *Words That Change Minds: The 14 Patterns for Mastering the Language of Influence*. Charvet is an international bestselling author and has taught the technique of profiling others and crafting a strategy to influence them at a subconscious level for 35 years.

## THINK POINT #1: The LAB Profile

The language-and-behavior (LAB) profile is a tool for discerning a person’s inclination toward specific behavioral patterns that are revealed by the language they use when answering a set of questions. Charvet develops her model by incorporating the work of well-known American linguist, Noam Chomsky, who asserts that while perceiving the real world, individuals do not mentally inhabit the real world. We unconsciously use three mental processes he calls deletion, distortion, and generalization to model the world. His theory assumes that an individual’s perception is more important for gauging and influencing his behaviors than reality.

We have all experienced *deletion* when a phone number once remembered is now forgotten, because it is safely stored in our phone contacts. We no longer need to exercise the effort to remember it, so our brain deletes the information. Agents witness *distortion* every time they show a home. Distortion occurs when a person changes reality in their mind’s eye even though the real world has not changed at all (e.g. a buyer imagining their belongings in an empty space). Finally, *generalization* is when individuals take limited experiences and craft rules that they believe govern the way the world works. For example, if an individual has a bad experience with stairs, he may now generalize that all homes with stairs are dangerous. The LAB profile takes these neurological mechanisms into account when recommending language that is intended to help others reframe their perceptions. A successful use of the LAB profile identifies an individual’s motivations and uses that knowledge to offer words that will change minds.



## THINK POINT #2: Motivation Patterns

Charvet theorizes that once you know what motivates a person, you can use trigger words to captivate interests. The course of action you want multiple people to take may be the same (e.g. you need both spouses to see how much potential a house has), but what you say to one spouse may be worded differently than what you say to the other. Charvet offers six categories of motivation patterns to help you discern what motivates the individual you are trying to influence. Most categories have a specific question that will help you uncover a person's motivations, and there are a few patterns for each category that a person may exhibit. Identifying these patterns is the first step to help you successfully build rapport and trust with the customer.

A person is usually either proactive or reactive. If a person is proactive, she likes to get things done and likes to get straight to work. A reactive person likes to deliberate on a decision and responds well to language that communicates the time they have to consider something before choosing. A person's criteria for making decisions are the things that are special to an individual and usually are connected to a memory or emotion. Clients will often provide you with a wish list of things they want in a home, and as an agent, it is important to remind clients how the home you selected for viewing meets their criteria by using the words they used when describing what they wanted. What they might call a "farmhouse style," you might understand as modern industrial. When talking with the client, the important thing is what *she* calls it. Some people look for potential in a new home; others see only the problems that will cause them to reject a property. Some clients consult with others for information while some will rely on their own opinions, despite what the professionals say. The LAB profile provides a way to begin sorting through a person's "language," so you can have the greatest impact with every word.

## THINK POINT #3: Productivity Patterns

Whether you manage a team of agents or you are an agent managing a team of industry partners, understanding the behavioral patterns of people at work is a boon. It can help you know how to craft office workspaces, who to recruit to be part of your team, and which tasks to assign to which people. Like the motivation patterns, there are specific questions that will help you discern what kind of pattern an individual exhibits in each of the eight categories Charvet identifies. By no means are individuals "locked in" to a specific behavioral pattern. Human behavior is fluid, not static. However, since people are creatures of habit, you can get a good sense of how a person will respond to certain tasks and words in the workplace.

Some people like to work on details, while others care more about the big picture. A detail-oriented person likely tells long stories because they believe every detail is important. Those who care for the big picture often make great managers. Some people manage their stress by mentally removing themselves from a situation and thinking critically about it, while others are overwhelmed emotionally by too much stress and need managers who understand their limits.

Some people like to work independently, some always with a team, and still others like to manage work on their own while still being surrounded by others.

Charvet recalls a call center that had a separate cubicle for every worker that had walls short enough that they could interact with coworkers when they looked up. This company was looking for people who manage a lot of work independently but like to be in proximity to others. The most important productivity pattern for those involved in sales transactions is what Charvet calls the “convincer” category. Asking the right questions can reveal whether a person needs to see, hear, read, or do something in order to be convinced. Some people need to see a certain number of examples before they are convinced; some only need to hear what you have to say. Others need to read reviews every day to reassure themselves, while still others must wait a certain amount of time before they are willing to incur risk. Every person works differently. Knowing the way in which people work and matching your approach to each of them will help you manage people and tasks more effectively.

## **Conclusion**

If you are a manager, it is better to pair the right agents with the right tasks and environment to help them thrive rather than threaten punishment when they perform poorly. If you are an agent, it is better for a client to trust your expertise than to be skeptical of your intentions from preapproval to closing. The true advantages of Charvet’s work are the practical aids available in her book—the charts and fillable worksheets where you can record your findings about people among your client or work colleagues. To put Charvet’s suggestions to work for your business, ask probing questions, observe the verbal and nonverbal cues of your clients and coworkers, and speak their “language” as best you can.

## **Recommended Reading**

Charvet, Shelle Rose (2019), *Words That Change Minds: The 14 Patterns for Mastering the Language of Influence*, Institute for Influence: Hamilton, Ontario.

## **About the Author**

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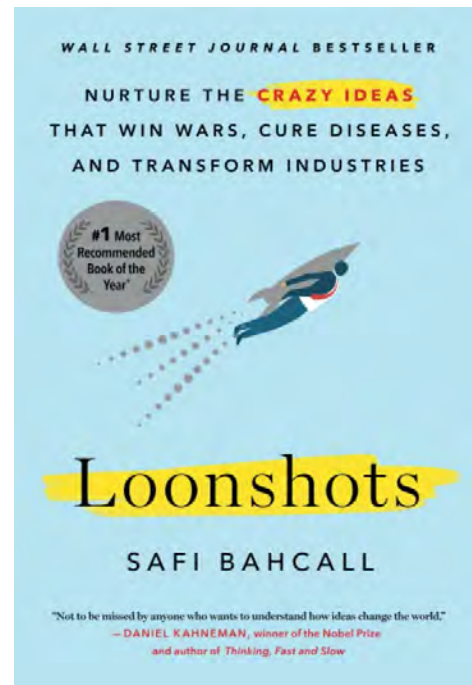
Brian LeCompte graduated with his Master of Divinity/Master of Business Administration from Baylor University in 2020. He earned his Bachelor of Arts in Biblical Studies and his Master of Arts in Theological studies from Criswell College. He has previously worked as a universal banker with BBVA Bank while simultaneously serving as a Baptist minister in Central Texas. Brian is currently a Customer Relationship Advocate at Fidelity Investments.

# INSIDER: Loonshots

Kayla Wilson, MBA Candidate

Loonshots are ideas that, at face value, appear to be entirely outlandish, but that have the potential for great success. Without loonshots, it is probable to assume Nazi Germany would have defeated the Allies. Yes, you heard that right; due to the anticipatory and innovative nature of a loonshot, the Allies won the world's worst war. If it were not for Vannevar Bush, his bizarre idea to utilize a magnetic device to detect submerged submarines, and his ability to marry genius and serendipity, the Allies' ability to defeat Hitler's U-boats may have floundered.

In Safi Bahcall's *Loonshots: Nurture the Crazy Ideas That Win Wars, Cure Diseases, and Transform Industries*, we learn that the vitality of loonshots extends beyond the battlefield and into the board room. Bahcall explains that long-term, sustainable success is built by entrepreneurs who develop a unique structure to nurture the development of many loonshots. These entrepreneurs are careful gardeners who cultivate systems defined by a standard set of principles. Crediting the historically revolutionary success of Vannevar Bush and Theodore Vail as the result of careful gardeners, Bahcall names these principles the Bush-Vail rules. All organizational leaders must understand four Bush-Vail rules: *separate the phases, create dynamic equilibrium, spread a system mindset, and raise the magic number*.



## THINK POINT #1: Separate the Phases

Bahcall defines two distinct organizational *phases*—artists and soldiers. Artists are responsible for inventing loonshots, and soldiers execute the day-to-day operations associated with largescale production and adoption of loonshots. Bahcall encourages organizational leaders to:

1. *Tailor the tools to the phase*: Leaders must understand that artists and soldiers serve drastically different function, and thus require different types of managerial support. Artists require loose controls and creative metrics, whereas soldiers require tight controls and quantitative metrics.

Also, it is vital to emphasize the inherently fragile and vulnerability of loonshots. Bahcall explains that loonshots must survive three “deaths” before succeeding, but leaders frequently declare a loonshot's failure prematurely, deemed “false failures.” Thus, leaders must develop

secure and isolated environments, what Bahcall calls *loonshot nurseries*, to prevent false failures. This phase is critical, as loonshots must be nurtured through failure and rejection. The process is neither quick nor easy; however, failing to protect your loonshots can be a detrimental mistake.

2. *Separate your artists and soldiers:* Organizational leaders must understand the vitality of creating two distinct groups that are separate from each other. Leaders cannot expect the same group to serve as both an artist and a soldier.

Further, Bahcall differentiates two distinct types of loonshots—P-type and S-type loonshots. P-type loonshots are product breakthroughs, representing the success of a previously dismissed product. P-type loonshots commonly result in glittering success and immediate gratification. In contrast, S-type loonshots are strategy breakthroughs, representing the discovery of a novel business tactic. For example, throughout 1978 and 2008, the airline industry's government deregulation drove 170 airline companies out of business, including industry leader Pan Am. Pan Am grew blinded by the success of P-type loonshots, such as jet engines and jumbo planes. In contrast, American Airlines unleashed several far less glamorous but significantly more sustainable S-type loonshots, including their revolutionary frequent flyer program. The demise of Pan Am illuminates Bahcall's recommendation regarding the first Bush-Vail rule to separate the phases:

3. *Watch your blind side:* The contrast between Pan Am and American Airlines illustrates the significance of S-type loonshots—strategy is sustainable. To persist as a long-term, industry competitor, organizations must produce both P-type and S-type loonshots. The cycle associated with P-type loonshots is perilous but hard to resist. P-type loonshots feed a growing franchise, which propels the development of additional P-type loonshots. However, due to the unsustainable and vulnerable nature of P-type loonshots alone, Bahcall cautions leaders to watch their blind side and avoid neglecting S-type loonshots.

## **THINK POINT #2: Create Dynamic Equilibrium**

Leaders assume the responsibility of fostering seamless exchanges between the artists and soldiers. To maintain this delicate balance, Bahcall explains that leaders must:

1. *Love artists and soldiers equally:* Companies need both entities to produce sustainable success, so leaders must provide equal-opportunity respect, allowing both groups to feel valued and appreciated, regardless of their organizational role.
2. *Appoint and train project champions to bridge the divide:* Artists unrealistically expect soldiers to see the beauty of their loonshots, whereas the change-resistant soldiers are laser-focused on the loonshots' shortfalls. Thus, leaders must identify and appoint

metaphorically bilingual specialists—those fluent in both artist-speak and soldier-speak—to bridge the divide.

Additionally, leaders must remain conscious of their role as a communication facilitator instead of a loonshot anointer. Another common cause of corporate demise stems from a leader's obsession with personal innovation success. For example, Polavision (Polaroid) inventor and organizational leader, Edwin Land, was deeply engrossed by the success of his anointed P-type loonshot, film. When digital technology emerged, Land neglected to search for hidden S-type loonshots (the many ways digital technology could enable new income streams) and dismissed its value, quickly leading to an organizational breakdown. Land's failure demonstrates Bahcall's final recommendation regarding the Bush-Vail rule of creating dynamic equilibrium:

3. *Manage the transfer, not the technology:* Unlike Bush and Vail, who viewed their roles as facilitators of dynamic equilibrium, Land anointed himself as the loonshot judge and jury. Unlike Land, leaders must understand their part is developing natural processes to enable seamless loonshot transition from the nursery to the field and acquire feedback and market intelligence to cycle the loonshot back to the nursery for modifications, when necessary. Further, timing is essential; if transitioned too early, the fragile loonshots risk permanent destruction, and if transitioned too late, feedback and adjustments will be impossible.

### THINK POINT #3: Spread a System Mindset

Leaders assume the responsibility of acquiring feedback and market intelligence. Bahcall identifies the critical distinction between teams with an outcome mindset and a system mindset when it comes to feedback. Teams with outcome mindsets evaluate failure with a laser-focus on one specific project or strategy. On the contrary, teams with system mindsets consider failure beyond one specific loonshot; they probe the failure's decision-making process. Teams with system mindsets ask, "How did we arrive at this decision? Should different people be involved in different capacities? Do our incentives affect the decision-making process? Should we alter how we evaluate project opportunities in the future?" Bahcall emphasizes the importance of system mindsets and calls leaders to:



1. *Keep asking why:* Teams with system mindsets ask why decisions were made, regardless of positive or negative outcomes. Desirable results do not necessarily imply virtuous

decisions or the inverse for bad outcomes. Thus, throughout the loonshot production process, leaders must encourage teams to evaluate the quality of decisions made instead of merely evaluating a project's outcome.

2. *Keep asking how the decision-making process can be improved:* First, leaders of teams with successful system mindsets identify vital influences. These influences include the people (both artists and soldiers), data, analyses, the framing of choices, market conditions, and incentives. Then, leaders ask how they can leverage these key influences to produce an enhanced decision-making process.
3. *Identify teams with outcome mindsets and help them adopt system mindsets:* System mindsets are challenging to maintain, as they require pronounced self-awareness and the self-confidence to acknowledge failure by all team members. Thus, leaders must cultivate candor, trust, and genuine support for their followers to promote an environment of open and honest feedback. Initially, neutral experts can mediate and expedite this adoption process.

#### **THINK POINT #4: Raise the Magic Number**

According to Bahcall, there is one final condition required to produce sustainable organizational loonshot development. Organizations must obtain employee buy-in from both artists and soldiers, known as “obtaining critical mass.” Ultimately, regardless of other factors, without obtaining critical mass, the loonshot is doomed. Thus, leaders must employ incentives and tactics to “raise the magic number,” or, increase the size of this supportive mass. Ultimately, this large-scale mass of support creates a positive cycle that encourages the development of loonshots.

#### **Real Estate Implications**

You may be wondering, where do I begin? As a real estate agent, the first step toward sustainable industry dominance is promoting and supporting innovation in your organization. Next, when your innovation produces a loonshot, understand its fragility and promote its nurturing. Understand that this process is a marathon, not a sprint; remain patient through the loonshot's three deaths and avoid false failures. Then, employ the principles of the Bush-Vail rules into your practice. Following the loonshot development process, regardless of success or failure, remember to spread a system mindset by asking why and seeking consistent improvement to the decision-making process. Finally, understand that loonshot development is risky and expensive, both financially and timewise. However, history proves that the financial, social, and historical gain is worth your patient investment.

#### **Recommended Reading**

Bahcall, Safi (2020), *Loonshots: Nurture the Crazy Ideas That Win Wars, Cure Diseases, and Transform Industries*, St. Martin's Press: New York, NY.



## **About the Author**

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Kayla Wilson is a graduate student from Copperas Cove, Texas. She earned her Bachelor of Business Administration in Baylor Business Fellows from Baylor University. Her work experience includes conducting administrative research at Genesis Physicians Group, an Independent Physicians Association in Dallas, Texas. Kayla is currently pursuing a Healthcare MBA at Baylor University on the pre-clinical track. She plans to further her career in the healthcare industry by attending medical school to become an emergency physician and healthcare administrator.



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