

CONSEQUENCES OF THE SERVICE QUALITY OF SALES PERSON IN RETAIL TRADE: AN EMPIRICAL STUDY IN CHENNAI CITY

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Abstract - The growing economy in India has brought phenomenal changes in customer's demand pattern. The psychological framework has changed as well as the lifestyle of individual is getting changed due to these environmental influences. Liberalized economy, information flow, changes in technology, increasing income, job opportunities, enhanced literacy rate, and the rising job prospects in different sectors are some of the factors responsible for this. The retail store can be the key success factor, the competitive advantage of a retail company. An important element to the retail strategy is the store image; the total sum of customer's perceptions about a store. Retail store image has been shown to play a vital role in store patronage, and it is widely accepted that psychological factors have a significant role in store image formation. Past research has often involved the measurement of tangible attributes, or links between store images and consumers' self-images. This study was undertaken to move to the next stage by exploring the link between perceived store image and the store employee's attitude values which underlie behavioral choices. The goal of this article is to provide deeper insights into the store employees selling behavior attitude and its impact on the store image. The article's main objective is to study the effect of customer's towards the store image when the store employee exhibits his attitude in selling behaviour to the customer.

I. LITERATURE REVIEW

Customer orientation is conceptualized in terms of two dimensions: customer oriented attitude and customer-oriented behavior. While some researchers view an attitude as a complex, multidimensional concept, consisting of affective, cognitive, and conative components (e.g., Breckler 1984; Zanna and Rempel 1988), others reduce it to a relatively simple, unidimensional concept that refers to the amount of affect for or against an object (e.g., Fishbein 1967; Fishbein and Ajzen 1975).

Two key role perceptions that have been used in sales management research are role ambiguity and role conflict (e.g., Johnston et al., 1990). Role ambiguity refers to the perception that one's role is ambiguous or that an individual does not have sufficient information or authority to perform a particular job. Role ambiguity has been shown to have negative effects on performance (Babin and Boles, 1998) and satisfaction (MacKenzie et al., 1998) but is positively related to turnover intentions (Brown and Peterson, 1993). Rexwinkel, Lynch, and Rhoades (2001) found that when organizations supported employees, they felt obligation to reciprocate, and thus increased affective commitment. Perceptions of caring and fairness for others—might have an effect on employees, we propose that there are also mediating mechanisms through which CSR has an effect on employee attitudes. SA has been described as “acting in bad faith” and DA has been described as “acting in good faith” as the former involves going through the motions and the latter involves trying to experience the emotions (Grandey, 2003). Grandey (2000)

suggested that individual differences in felt affect and emotional expressivity may impact whether individuals need to engage in active emotion regulation. Research has shown that negative affectivity is positively related to SA, positive affectivity is negatively related to SA, and neither affectivity variable is related to DA (e.g., Brotheridge & Grandey, 2002; Brotheridge & Lee, 2003).

II. SALES EMPLOYEE'S AFFECT TOWARD CUSTOMERS

Affect refers to a feeling state that may range from strongly positive to strongly negative. Positive feelings reflect a liking whereas a negative feeling reflects a dislike for the object. Positive affect toward an object or spokesperson has been associated with higher levels of persuasion (Crockett, 1988). This is because positive feeling states are associated with processing, storage, and retrieval of positive information (Clark and Isen, 1982).

The influence of the source's affect toward the receiver is the area of research interest here. Friestad and Wright (1994) developed a persuasion knowledge model that explains how customers develop knowledge about marketers' persuasion attempts, and how customers cope with such attempts. Typically, customers understand the selling process and counter argue against a salesperson's message (Sharma, 1999). When customers perceived salespeople had a positive affect toward them, counter argumentation was reduced and persuasion was enhanced. In contrast, when customers perceived salespeople's

affect to be negative, counter argumentation increased and persuasion was reduced. Sharma (1999) also suggested that salespeople's affect is expected to influence customers in two additional and distinct ways. First, salespeople's affect may influence persuasion because of the need of customers to interact with salespeople after the sales interaction (Friestad and Wright, 1994). Second, customers also understand that salespeople have some leeway in planning and executing persuasion attempts (Friestad and Wright, 1994). Therefore, customers may feel that salespeople should demonstrate empathy and concern when interacting with customers. In this regard, Cialdini (1984) provides interesting examples of how salespeople can enhance their sales, by manifesting their positive affect toward customers. While the Sharma (1999) test was from the consumer perspective, we should expect similar results from the salesperson perspective. Based on the foregoing discussion, it is hypothesized:

Hypothesis 1: Sales employee's those have a positive affect toward customers will demonstrate a higher level of sales performance when compared to salespeople that do not.

III. SALESPEOPLE'S CHARACTERISTICS AND AFFECT

Retail sales organizations need to be aware of the characteristics of salespeople that are correlated with positive affect. We specifically examine adaptiveness, age, gender, and sales experience. The selection, training, and promotion of salespeople will be aided by this determination. Adaptive selling is defined as "the altering of sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation" (Weitz et al., 1986). The degree to which salespeople practice adaptive selling positively affects sales performance (Leong et al., 1989). Sharma (1999) suggests that salespeople that have a positive affect may also be more adaptive. This is because customers who have a positive affect toward objects or issues are expected to have more differentiated messages and more arguments (cf., Sypher and Sypher, 1988). Among salespeople, differentiated messages are associated with more adaptive sellers and thus better performers (Weitz et al., 1986). Therefore, it is hypothesized:

Hypothesis 2: Salespeople that have a positive affect toward customers will demonstrate higher level of adaptiveness when compared to salespeople that do not.

IV. SALESPEOPLE'S DEMOGRAPHIC CHARACTERISTICS AND AFFECT

Three personal characteristics related to abilities and skills, which have been studied in the context of salesperson performance, were expected to be related

to salespeople's affect. The specific variables examined were gender, age, and sales experience. Previous research suggests there is no consistent relationship between sales performance and gender, age, or sales experience among salespeople (Comer and Dubinsky, 1985). However, we expect each of the foregoing variables to influence salespeople's affect. The rationale for each of the proposed relationships follows.

Gender- Gender differences among salespeople continue to be an area of intense research interest (see Schul and Wren, 1992). Some research has indicated that women tend to exhibit different personality traits than men. For instance, women have been shown to be better at developing interdependent and ongoing relationships than men (Gilligan, 1982). Also, some research has shown that women are more sensitive and more nurturing of their customers than men (Bernard, 1981; Goolsby et al. 1992). Although none of these studies measured affect toward customers per se, one would expect each variable attributable to women to have an affective component. Therefore, when taken together, one would expect that women would demonstrate a higher level of affect toward customers than men. However, there is also evidence that suggests that no relationship between gender and affect exists. In retail negotiations, Neu et al. (1988) demonstrate that although women tend to behave more cooperatively and display a higher interpersonal-oriented behavior than men, this difference is not statistically significant. Based on the evidence, we propose alternative hypotheses:

Hypothesis 3a: Female salespeople will demonstrate a higher level of affect when compared to male salespeople.

Hypothesis 3b: Female salespeople will not demonstrate a higher level of affect when compared to male salespeople.

Age and sales experience-We expect age and sales experience to be highly correlated. Thus, this section discusses the effect of age on salespeople's affect and similar arguments can be made for sales experience. We expect an inverted U-shaped relationship between affect toward the customer and age. The primary reason is that we expect salespeople's affect to increase as they gain more experience, but then decline with age due to self-selection. Self-selection suggests that better salespeople (who have more positive affect) are promoted leaving only a larger proportion of less successful, older salespeople. Although the skills needed for salespeople and sales managers are different, typically many of the best salespeople are promoted to managerial positions. Research in organizational behavior suggests that there are age norms. Age norms are widely shared judgments of the standard or typical ages of individuals holding a position (Lawrence, 1988). In

the case of sales organizations, there is a norm of when salespeople are expected to be promoted to sales managers in an organization. As stated earlier, when better salespeople are promoted to managerial positions, the average sales for that age group will be reduced. Since, performance is related to affect, salespeople's affect will be lower in older age groups. Based on the above discussion it is therefore hypothesized that:

Hypothesis 4: There is an inverted U-shaped relationship between age and salespeople's affect.

V. METHOD

Sample - Full-time retail salespeople with a minimum of 1 year's experience from a division of a major department store chain with over 250 stores were chosen for this study. Ten stores were randomly chosen, each store manager receiving the questionnaires and distributing them to all departments. The questionnaire included a cover letter. Four hundred questionnaires were sent to the stores. Salespeople had received formal sales training when they joined the organization. They also were provided with periodic training on merchandising and modern selling techniques. Their compensation was composed of salary plus commission. The questionnaires were returned to the researchers in sealed envelopes, thus assuring confidentiality. The total number of complete responses was 225, which corresponds to a response rate of 56%.

Affect toward customers -This study utilized a questionnaire that asked salespeople to provide names for and descriptions of the types of customers that come into their department. Two graduate students were used as judges to code the measures. The judges were thoroughly trained and provided with instructions, and examples on the usage of a coding form that was developed by the researchers. The judges were naive with regard to the purpose of the study and worked independently in coding the responses. The mean of the judges' responses was used. Specifically, we asked graduate students to read customer and strategy descriptions of retail salespeople. After reading customer descriptions of customers, the judges evaluated affect toward customers on a two-item scale ($r=.80$). The first item measured the degree to which salespeople liked their customers. The second item measured the affective focus of the category descriptions. This methodology was used rather than salespeople's self-reports to reduce self-reporting bias. The correlation $r=.173$ was significant at $P < .05$. Therefore, the affect measure was regarded as valid.

Sales performance - There were three measure of sales performance. The first measure was objective, as salespeople provided their employee number that

was matched to corporate sales performance data. The measure of sales performance was the ratio of a salesperson's average annual hourly sales volume divided by the average annual hourly sales of all salespeople working in that specific department in that store for a specific time period. Thus, the sales volume data are adjusted for product and environment. The range of performance ratios was between 0.1 and 4.0, with a mean of 1.04, which is not significantly different from 1.0. A. Sharma, M. Levy / Journal of Business Research 56 (2003) 523–528 525 There were two subjective measures. The managerial evaluation of salespeople on a five-point scale was obtained from the most recent quarter. Salespeople's self-evaluation was also measured with one five-point scale item that asked the salesperson to compare his/her performance in the department with other salespeople.

Practice of adaptive selling - To measure the practice of adaptive selling, the ADAPTS scale developed by Spiro and Weitz (1990) was used. The mean of the sample on this scale was 5.33 (versus 5.5 for Spiro and Weitz, 1990). Using measures similar to Spiro and Weitz (1990), the scale was correlated with managers' rating of salespeople's sales performance ($r=.18$, $P < .01$) and salespersons' self-rating of sales performance ($r=.26$, $P < .01$). Thus, the ADAPTS scale seems to perform well in a retailing environment.

Demographic variables - The respondents provided data on their gender, age, and experience. As expected, sales experience was significantly correlated with age.

VI. RESULTS

Affect and sales performance -As predicted by Hypothesis 1, the relationship between salespeople's affect and performance was significant for all three measures of sales performance. The correlation between affect and objective sales performance was .64 ($P < .001$); affect and self-rating was .37 ($P < .01$), and affect and managerial ratings was .15 ($P < .05$). Thus, Hypothesis 1 was supported. Affect has a significant effect on sales performance. However, one of the concerns may be that older salespeople, who have more sales experience, are the better sellers and that affect is a "by-product" of better performance. (We thank a reviewer for this insight). Better salespeople are more proficient at their jobs, like their jobs more, and thus like their customers more. In such a case, affect may not be influencing performance but instead is simply correlated with experience. Based, on this concern, we conducted a regression analysis with objective performance as the dependent variables and affect and the demographic variables as independent variables. The model was significant [$F(6,176) = 28.68$, $P < .001$, $r^2 = .494$].

Only two variables were significant - Affect and sales experience. Therefore, affect has an effect on sales performance independent of age and sales experience.

Affect and adaptive selling - The relationship between ADAPTS and affect (Hypothesis 2) was marginally significant ($r=.12$, $P < .09$). Therefore, there is a weak relationship between affect and adaptive selling and Hypothesis 2 is marginally supported.

Affect and gender - To determine the effect of gender on affect, the affect of women and men were analyzed using a one-way analysis of variance. Women demonstrated more positive affect than men (5.28 versus 4.83) and the difference was marginally significant ($P < .09$, one-tailed). Therefore, Hypothesis 3a is marginally supported.

Affect and age/sales experience - To examine the effect of age on salespeople's affect (Hypothesis 4), regression analysis was used with the affect score as the dependent variable. To determine if there is an inverted U-shaped relationship, age and a quadratic term (age²) were used as independent variables. If an inverted U-shaped relationship exists, age should have a standardized regression coefficient that is positive and significantly different from zero, and the quadratic term should have a standardized regression coefficient that is negative and significantly different from zero. Whereas age was significant ($t = 2.19$, $P < .05$), the quadratic term was only marginally significant ($t = 1.83$, $P < .07$), and the model was significant ($F = 5.07$, $P < .01$). To further examine the inverted U-shaped relationship (Hypothesis 4), linear contrasts among age groups were examined. Because of the expected inverted U-shaped relationship, the sample was split into thirds based on age. Affect was significantly lower among younger salespeople, when compared to middle-aged and older salespeople. There was no significant difference between middle-aged and older salespeople, although the older salespeople's scores were higher. Since there is plateauing in the affect scores, the results would suggest an S-shaped rather than an inverted U-shaped relationship. Thus, Hypothesis 4 was not supported. Similar results were obtained for the sales experience variable.

DISCUSSION

The results demonstrated that salespeople's affect positively influences their performance. In addition, age demonstrated a positive and linear relationship with affect. Gender and the practice of adaptive selling demonstrated marginally significant relationships. Based on the results of this study, it is suggested that there is a need to examine the affective behavior of salespeople. The findings suggest that

salespeople's positive affect may be an important factor in explaining their performance in the current retail sales environment. Retailers should therefore make a concerted effort to attract and retain salespeople who have a strong affect toward their customers.

One would expect that sales managers would go out of their way to hire or retain salespeople who they believed like their customers, although experience would make us wonder. Some retailers with a strong service orientation, such as Nordstrom's, do look for employees that have a strong affect toward their customers. It is not enough that the sales associate is knowledgeable and friendly. Armed with this knowledge, retailers can take two actions. First, they should attempt to hire salespeople who appear to have a genuine affect toward people. The second, albeit more difficult strategy, is to take actions that will improve the way in which current sales associates interact with customers. Sales managers should be encouraged to observe their sales associates in action. Salespeople who do not sufficiently demonstrate affect should be trained to practice both more and better adaptive selling in general and a more affective orientation towards customers in particular. A firm's corporate culture can be quite useful for instilling a sense of affect towards customers. At Nordstrom's Saturday morning meetings, for instance, sales associates are encouraged to tell their peers about heroic customer service stories. This type of activity would lend itself to developing stories about how salespeople exhibit affect toward their customers. Leading by example can also enhance corporate culture. Sam Walton instilled a cost-conscious orientation at Wal-Mart by driving around in an old pickup truck and making employees put a dime in a cup for coffee. Retail sales managers can likewise instill a sense of affect toward customers to their associates by exhibiting such behavior themselves.

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