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Customer and selling orientations of retail salespeople and the sales manager's ability-to-perceive-emotions: A multi-level approach

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Customer and selling orientations of retail salespeople and the sales manager's ability to perceive emotions: A multi-level approach

Abstracts

Drawing from the mental ability framework and information processing theory, two studies embedded within the B2C retail setting investigate the role of the sales manager's ability-to-perceive-emotions in the complex non-linear relationships between salespeople's customer and selling orientations on one side, and its outcomes (sales performance and customer re-purchase intention) on the other. Using multilevel data from salespeople and their managers, Study 1 tests a theoretical model of salesperson orientation and performance, while Study 2 further verifies the results of Study 1 from the customer's perspective. Both studies find strong empirical support for a curvilinear, inverted U-shaped effect of a salesperson's customer orientation on sales performance and customer re-purchase intention. This effect is, however, reversed for the link between selling orientation and performance/re-purchase intention, where results indicate a U-shaped curvilinear relationship. Furthermore, we show that the sales manager's ability to perceive emotions facilitates the effect of salespeople's customer orientation on sales performance.

Keywords: perceiving emotions, sales performance, selling orientation, customer orientation, B2C market

Customer and selling orientations of retail salespeople and the sales manager's ability-to-perceive-emotions: A multi-level approach

1. Introduction

Ever since its first appearance in the marketing literature (Saxe & Weitz, 1982), both customer orientation (CO) and selling orientation (SO) have received great interest from scholars. In their endeavor to understand the role of salesperson orientations, researchers have investigated their relationships with various organizational outcomes (see Goad and Jaramillo's (2014) meta-analytical study). However, when compared, these studies show significant discrepancies, making it difficult for researchers and practitioners to draw definite conclusions about the relationship between CO/SO and various performance outcomes. For example, while some authors confirm a positive impact of CO on sales performance (e.g. Boles, Babin, Brashear, & Brooks, 2001), other studies do not support this relationship (e.g., Johnson, Sivadas & Kashyap, 2009).

One reason for the lack of consistency might be found in the nature of the relationship between CO and performance outcomes. For example, Homburg, Müller, and Klarmann (2011) argue that the customer is not necessarily "always in the right" and that there is a trade-off between increasing investments in CO, and the time/effort that could otherwise be invested in alternative prospects. Thus, additional research may help better understand the nature of the relationship between CO and performance in a variety of selling contexts, including both B2B and B2C (Evans, McFarland, Dietz & Jaramillo, 2012). This study focuses on the B2C selling context and investigates whether an inverted U-shaped relationship between CO and sales performance indeed holds in this particular context in the same manner as previously found in a B2B context (Homburg *et al.*, 2011).

There are also question marks over the role of selling orientation (SO), which has been given far less academic attention in the literature than CO, particularly regarding the possible joint contribution of CO and SO to performance (Guenzi, De Luca & Troilo, 2011). SO is very often seen as the polar opposite of CO (Boles, Babin, Brashear & Brooks, 2001; Guenzi *et al.*, 2011; Wachner, Plouffe, & Gregoire 2009), and is thus apparently stigmatized for its (often anecdotal) negative influence on sales performance and customer satisfaction (e.g., Boles *et al.*, 2001; Guenzi, Georges & Pardo, 2009).

As such, extant research has generally treated the two orientations separately, leaving considerable scope for exploring how both might simultaneously contribute to sales performance. Guenzi *et al.* (2011) argue that both orientations can and do co-exist, and in fact influence performance differently. However, the literature examining SO's impact on organizational and employee-related outcomes is inconsistent, finding that SO has both a negative impact on sales performance (e.g., Guenzi *et al.*, 2009), and a positive influence on performance (e.g., Johnson *et al.*, 2009). On the other hand, Boles *et al.* (2001) find no significant relationship between SO and performance. Such a lack of consistency in results is likely to result in model misspecifications and the omission of important information that might be beneficial for practitioners. In particular, in a B2C context, salespeople experience a high degree of daily personal interaction with a variety of customers, requiring quick reactions (e.g., Homburg & Fürst, 2005) with less available time to dedicate to each individual customer. SO might thus be a desirable approach in at least some cases. Therefore, rather than assuming a linear relationship among SO and sales performance, this study makes an argument for a U-shaped relationship, aiming to capture an aspect of the relationship that has not heretofore been explained in the literature.

We also explore sales managers' emotional skills as an important potential boundary condition of the effectiveness of CO/SO. The dynamics of the retail salesperson's role place

them in face-to-face intensive selling situations day in and day out; in such a situation, salespeople can hardly operate in an emotional vacuum (e.g., Homburg & Fürst, 2005). Both the mental ability framework and information processing theory argue that individuals differ in their emotional/affective reactions. Being pressured for productivity and efficiency, and simultaneously influenced by variety of differing emotions, salespeople often look up to their sales managers in search of guidance and leadership (Wieseke et al., 2009; Xu, Liu & Guo, 2014). Therefore sales managers' emotional skills may impact the effectiveness of salespeople's customer interactions, as expressed by their CO/SO. It rests upon a sales manager to perceive the varying emotional states of individual salespeople, acknowledge differences among them, and guide each of them appropriately to ensure that these emotions do not get in a way of "*getting the work done*" (Goleman, Boyatzis, & McKee, 2002, p. 12).

However, sales managers will differ in their ability to register, attend to, and decipher emotional massages during interpersonal interactions (Dolan, 2002). Ability to perceive emotions (APE) draws from the mental ability framework of emotion, and we conceptualize it as being derived from the sales manager's appraisal and expression of sensory information and nonverbal information, through facial expressions or other visual or auditory stimuli (Mayer, Salovey & Caruso, 2000). Despite the growing body of research in the domain of leadership and emotions (e.g. Mulki, Jaramillo, Goad & Pesquera, 2015; Wong & Law, 2002), the understanding of the importance and impact of the sales manager's ability to perceive emotions on the effectiveness of salespeople's behavior remains underdeveloped. Thus, this study explores whether the effectiveness of salesperson orientation (i.e. SO & CO) is affected by this ability of sales managers to register, attend to and decipher emotional messages during interpersonal interactions with salespeople.

Based on these insights, this study contributes to theory by first examining how CO and SO together contribute to sales outcomes in a nonlinear fashion, and further by examining this

relationship from both the perspective of salespeople (Study 1) and customers (Study 2). The study also shows how sales managers can influence these relationships, through their ability to perceive the emotions of their salespeople. Finally, this study is intentionally placed in B2C setting, augmenting present empirical studies on similar topics conducted in B2B sales settings (Evans *et al.*, 2012), which contributes to B2C sales practitioners, who must no longer assume that results from B2B research should by default also apply to their setting.

2. Literature Review and Conceptualization

2.1. Salesperson Orientation and Sales Performance

Over the past several decades, the core meaning of CO has remained relatively consistent, as the "*degree to which salespersons practice the marketing concept at the level of an individual by trying to help their customers make purchase decisions that will satisfy customer needs*" (Saxe & Weitz, 1982, p. 343). Customer oriented salespeople have a high concern for others, focusing on the needs of the customer not only as they are at present, but also on how they might evolve in the future, suggesting a willingness to build long-term relational alliances with customers (Schultz & Good, 2000). However, implementing CO is a resource intensive (e.g., time consuming) investment, and this may diminish its net positive effects on revenues, profits and salesperson financial performance (Verbeke *et al.* 2008; Homburg *et al.* 2011). For example, understanding customer's needs as they evolve over time requires additional investments in time and effort (e.g. Franke, Keinz, & Steger, 2009). These activities may come at an opportunity cost to salespeople (Guenzi *et al.*, 2011), as the time they spend engaging in such activities redirects salespeople from other selling-related activities (e.g. acquiring new customers or tending to other customers).

In addition, while CO places long-term customer benefits and interests above short-term sales performance (Saxe & Weitz, 1982; Wachner *et al.*, 2009), management also places

requirements on salespeople to reach short-term sales targets. The most successful salespeople must therefore identify the situations in which CO is truly important (Anderson & Onyemah, 2005).

Homburg *et al.* (2011) question the prevailing assumption that "*the more CO the better*" and show that there is an optimum level of CO behaviors (Homburg *et al.*, 2011) in a B2B context, after which CO has diminishing effects on sales performance. However, the question of the form of the CO-performance relationship is especially salient in the B2C context, as B2C salespeople experience a large number of face-to-face selling situations daily, many, if not most, of which require quick responses which may not lend themselves naturally to a CO approach, in comparison to a classical high-value B2B solution sales context.

Taking into account the "customer learning-cost" logic (Thompson, Hamilton & Rust, 2005) we argue that high CO salespeople may make the purchase experience too complex for many customers, since they need to devote more time and additional effort to communicating with the salesperson while looking for the product they need, which can result in a diminishing effect on closing the actual deal, and further on their willingness to return back to the store. In other words, we suggest what might appear paradoxical, that customer behavioral outcomes will become less favorable for the salesperson and for the firm, if customers feel that the salesperson is over-focused on him/her. This logic implies that there is an optimal level of CO, after which salespeople's efforts may become counterproductive (Clee & Wicklund, 1980). Further logic for this argument is explicated through sales practitioners' advice: "being blindly customer focused … ironically, presents issues similar to those that we've historically needed to solve for organizations that *aren't* trying to be customer focused" (emphasis added, Keller, 2014). Consequently, the first hypothesis is as follows:

H1: An inverted U-shaped relationship exists between customer orientation and sales performance.

A sales-oriented salesperson seeks to stimulate demand, rather than responding to customer needs, and emphasizes closing the deal, more than customer relationships (Saxe & Weitz, 1982). A meta-analysis shows that the impact of SO on performance may vary across industry types, and in particular that any negative linear effect of SO on performance is weaker in the B2C context (Goad & Jaramillo, 2014). This may be due to the specificities of B2C purchasing situations, in which retail customers are task oriented, simultaneously responsible for assessing products and making decisions as to whether to buy or reject those products (Kaufman, Jayachandran & Rose, 2006), and as such it might be that they actually *expect* SO in salespeople (Boles *et al.*, 2001). In this case, SO might not be harmful to performance in all instances (Guenzi *et al.*, 2011).

Following information processing theory, different customers will pay different levels of attention to different employees depending on factors such as employee characteristics (e.g., Chenet *et al.*, 1999; Crosby, Evans, & Cowles, 1990), their own individual differences, shopping motivation (Meyer, 1990), preferred communication style (Sheth, 1976) or relationship they deem appropriate with a retail salesperson (Gutek *et al.*, 1999). Thus, not all B2C shopping experiences require nurturing the buyer-seller relationship (Lee & Dubinsky, 2003). Buyer-seller relationships in a B2C context are generally more transactional in nature than relational (Verbeke, Dietz, & Verwaal, 2011) and with transactional exchanges, customers typically believe that value is intrinsic to the offering (Rackham & DeVicentis, 1999). Furthermore, in a retail service encounter, customers are used to building pseudo-relationships (Gutek *et al.* 1999), and are not particularly concerned about the salesperson's behaviors, since they rarely expect to interact with the same salesperson again (Lee & Dubinsky, 2003). Being more transactional in nature, retail customers are likely to have different expectations to those in a typical B2B context, such as efficiency in making the decision and/or a focus on the selling process rather than trying to build a relationship with

the salesperson. In such instances, customers might respond positively on some occasions to SO (Verbeke *et al.*, 2011).

For example, customers that visit the retail outlet intentionally, for a planned purchase, that are knowledgeable about the product and strive for efficiency and time savings in their shopping experiences (Hinshaw & Kasanoff, 2012; Meyer, 1990), would probably prefer salespeople with lower SO. In such instances, salespeople who are perceived by such customers as likely to apply little effort to close the deal will be more attractive, and will thus experience a rise in sales performance. On the other hand, in some instances, high-SO salespeople can play the role of in-store stimuli and increase shoppers' likelihood of making *unplanned* purchases (Inman, Winer & Ferraro, 2009). Here, the probability of in-store purchases will be higher if the stimuli coming from the salesperson is in the form of convincing selling techniques.

Importantly, in the retail context a mid-level, watered-down approach to SO may be the worst of both worlds, since it takes advantage of neither situation. For efficiency-oriented customers who have already decided upon making the purchase, salespeople with a mid -SO level will be seen as trying too hard to close the deal. Yet, they will not be effective enough for those customers who *are* willing to be sold to. As such, we hypothesize that in a B2C context, salespeople at either extreme of the SO spectrum will be higher achievers than those who are 'stuck in the middle'.

H2: A U-shaped relationship exists between the selling orientation and sales performance.

2.2. The Sales Manager's Ability to Perceive Emotions

Here, we focus on the sales manager's ability to perceive emotions (APE) while interacting with salespeople, as the key aspect of emotional ability in this context (Mayer, Salovey &

Caruso 2000). APE is defined as a person's overall ability to *recognize*, *differentiate* and *appraise* a variety of emotions (both in the self and in others) accurately in order to achieve desired outcomes (Mayer *et al.*, 2000; Roberts, Zeidner, & Matthews, 2001). We argue that the sales manager's APE will play an important role first in recognizing the patterns of emotions exhibited by salespeople, that arise from their desire to satisfy conflicting customer demands (Dubinsky & Levy, 1985). Then, in these situations, charged with tension and distress, sales manager APE will help solve the identified problems effectively (Mayer *et al.* 2000). Managers high in APE will be able to better parse nonverbal information (e.g. facial expressions) provided by their salespeople (Lazarus, 1991) and to read their emotional state. The complex sensory information provided by the salesperson in times of distress will be readily available to sales managers with high levels of APE. Further, sales managers high in APE will be more perceptive of the *diversity* of emotional and psychological states of their salespeople. As such they have a greater chance of correctly tailoring their management approach to the salesperson's individual needs, and better facilitating salesperson effectiveness (Churchill *et al.* 1993). Indeed, prior research has shown that managers high in APE are able to formulate more successful responses by placing themselves in the position of the employee (Wong & Law, 2002).

The abilities of sales managers high in APE are likely to be impactful on the relationships between their salespeople's SO/CO behavior and performance. For example, in some cases salespeople may struggle to understand the value of CO, due to the absence of immediate and direct payoffs on individual performance (Wachner *et al.*, 2009). Here, the APE of sales managers might play a role in overcoming such barriers, by providing the consideration that plays a critical role in enhancing CO attitudes among salespeople (Stock & Hoyer 2002), and providing organizational support that is essential for CO salespeople to execute their relationship-building tasks adequately (Babin & Boles, 1996). Thus, this study argues that the

optimum level of a salesperson's CO in sales encounters (i.e. the "sweet spot" of the curve) with regard to sales performance is reached more quickly, and is also at a higher point, in cases when the sales manager possesses high levels of APE. This means that the performance outcomes at the optimum CO level of salespeople who have the support of sales managers in the form of high APE will be higher those whose managers have a lower level of APE.

In a similar manner, salespeople might also experience conflicting emotions if they feel that the necessary techniques of SO (e.g. persuasion) go against their better judgment. Sales managers high in APE will be able to formulate an effective emotional response (Caruso, Mayer, & Salovey, 2002) that would motivate salespeople to perform the appropriate form of behavior. Sales managers high in APE can, by observing their salespeople in selling situations, adopt the salesperson's emotional and mental perspective, thus understanding the emotional information provided by salespeople in a variety of face-to-face selling situations and the effects these selling interactions have on salesperson's behavior (Kidwell, Hardesty, Murtha, & Sheng, 2011). When sales managers display emotions that mirror, and are tailored to, the emotions of salespeople, a feeling of genuine concern is created in salespeople, making them feel more at ease and focused on task prioritization (George, 2000; Mayer *et al.*, 2000).

Therefore, sales managers will more effectively direct the attention of salespeople to the problems at hand, whether the situation concerns CO or SO. We therefore expect that managers high in APE will help salespeople better utilize the appropriate CO/SO approach, as well as respond to difficulties in a more effective manner. This will assist salespeople in reaching the positive effects of CO/SO quicker. Hence, the magnitude of the direct nonlinear effects hypothesized in H1 and H2 will be augmented by sales manager's APE. Hence:

H3: The inverted U-shaped relationship between salesperson CO and sales performance becomes greater in magnitude as the sales manager's ability to perceive emotions increases.

H4: The U-shaped relationship between salesperson SO and sales performance becomes greater in magnitude as the sales manager's ability to perceive the emotions increases.

The aforementioned hypotheses and the conceptual framework of the research are presented in Figure 1 below.

Figure 1 here.

3. Study 1: The Salesperson Perspective

3.1. Data collection and measurement

Data for Study 1 was collected from sales employees of a country-wide fashion retailer in a developing European country. Fashion retailers are highly representative models of the B2C retail sales setting (Grewal & Levy, 2007). The retail organization in the sample has a relatively flat sales force structure, and employs approximately 200 salespeople in 60 country-wide stores. The multilevel research design consisted of questionnaires for salespeople (Level 1) and sales managers (Level 2). Salespeople assessed their own CO, SO, age and education, while sales managers assessed their own ability to perceive emotions, and the sales performance of the salespeople in the sales team. Questionnaires were administrated in traditional hard-copy form, and a total of 100 responses from salespeople across 25 stores was obtained, as well as the responses of the sales managers of each of those 25 stores.

The majority of respondents at Level 1 in the sample were females (88%), with an age range between 25 to 35 years (73%), and 92% had completed high school. Only 8% had an undergraduate education. Sales managers in the sample were also mostly females (88%), and on average older than salespeople (56% were in the age range from 30-35). Of the sales managers 56% had an undergraduate education, while the rest had high school graduation as the highest formal educational level obtained.

Construct operationalization is based on previously-validated measures that were carefully adapted to the new cultural context (Craig & Douglas, 2005). The questionnaire was at first developed in English, and a back-to-back translation method ensured that the items were conceptually and culturally equivalent in English and in the native language. Items developed by Kidwell *et al.* (2011) were used to measure the ability of sales managers to perceive emotions. The CO and SO of salespeople was assessed using the short form of the SOCO scale (Thomas, Soutar, & Ryan, 2001). To assess sales performance, sales managers were asked to evaluate the performance of the team under their direct supervision, on the same set of criteria. Specifically, based on the performance measure previously developed by Atuahene-Gima and Li (2004), sales managers assessed the contribution of each and every salesperson to overall sales team performance. More specifically, each salesperson was assessed on a 1-5 Likert scale (1 = below expectations; 5 = exceeded expectations) based on how well they fulfilled the sales manager's expectations of their contribution to the overall sales team performance, within a one year time frame. The performance assessment referred to the salesperson's overall efficiency of sales operations – i.e. cash flow, profitability, and sales growth.

3.2. Results and discussion

The psychometric properties of CO and SO were tested via confirmatory factor analysis (CFA) using LISREL 8.71. CFA results show that each scale displays composite reliability (CR) above the suggested cut-off values (Bagozzi & Yi, 2012). The value of Average Variance Extracted (AVE) for SO is 0.78 while, for CO this value is slightly below 0.50 (Fornell & Larcker, 1981). Even so, values of AVE lower than 0.5 and close to 0.4 do not represent severe threats to study results (Diamantopoulos & Siguaw, 2000). Therefore, as the fit statistics of the measurement model indicate a good fit to the data (Chi-Square = 22.52, df = 12, RMSEA = 0.08, NNFI = 0.92; CFI = 0.95, SRMR = 0.04), measures have acceptable composite reliability, and moderate to high factor loadings, convergent validity of the measures is supported (Bagozzi & Yi, 2012). Discriminant validity, as per Table 1, is also achieved, as all AVE values in the study are larger than the shared variance between CO and SO (Fornell & Larcker, 1981). For loadings of each scale item, please see Appendix 1.

Table 1 here.

Study 1 utilizes a data set comprised of information from two data sources (i.e., sales managers and salespersons), which by itself prevents common method variance (CMV) to a large extent (e.g., Podsakoff, MacKenzie, & Podsakoff, 2012). In addition, in the research design, common scale properties were eliminated (i.e., scale type, number of scale points, anchor labels), and respondents were instructed that there were no right and wrong answers. In addition, CMV is tested for the Level 1 data using Harman's single factor test (Podsakoff *et al.*, 2012). The results (Chi-Square = 74.97, df = 14, RMSEA = 0.21, NNFI = 0.67; CFI = 0.78, SRMR = 0.13) show significantly worse fit for the single factor model, which suggests CMV problems were unlikely.

In order to test the hypothesized quadratic and interaction effects, multilevel modeling (e.g., Aguinis, Gottfredson, & Culpepper, 2013) using HLM v.7.01 was employed. Our

sample contained 25 sales teams, and literature suggests that "estimates of the regression coefficients are unbiased, even in if the sample is as small as 10 groups of five units" (Maas & Hox, 2005, p. 91), and also that simulation data suggests that HLM analysis can be useful even with Level 2 sample sizes of 3, 10 and 20 (Wieseke, et al, 2008). As such, our Level 2 sample of 25 sales teams in this study is of appropriate size. Salespeople are (Level 1) grouped/nested within sales team/sales manager in charge (Level 2), and all the variables were grand mean centered. For the specification of the models, please see Appendix 2.

Table 2 here.

Results in Table 2 confirm the hypothesized inverted U-shaped relationship between CO and sales performance (γ_{30}=-0.08, SE=0.02, t=-3.90, p<0.01), while there is, as hypothesized, a U-shaped relationship between SO and sales performance (γ_{40}=0.06, SE=0.02, t=2.82, p<0.01) (H1 and H2 respectively). These findings suggest that there is an optimum level of CO that should be targeted in order to reach higher sales performance. On the other hand, as the level of SO increases a nadir is reached, at which SO becomes most detrimental to sales performance. However, as the level of SO continues to increase its relation to sales performance again becomes prominent and results in higher sales performance.

With regards to the hypothesized interaction effects, the moderating effect of sales managers' APE on the inverted U-shaped relationship between CO and performance is significant (γ_{31}=-0.12, SE=0.04, t=-2.83, p<0.01), which confirms H3. This finding indicates that when sales managers' APE is high, the relationship between CO and performance will become greater in magnitude. Hence, with the sales manager's emotional support for their endeavors to practice CO, salespeople will be able to reach the "sweet spot" of CO quicker and achieve a higher level of performance. However, the moderating effect of sales managers'

APE on the U-shaped relationship between SO and sales performance did not produce a significant result (γ_{41}=0.02, SE=0.04, t=0.48, p=0.63). For better insight into the curvilinear and moderating relationships, illustrative plots (see Figures 2, 3) are produced.

Figures 2 and 3

Figure 2 shows that in the retail context, a mid-level of SO may have the worst effects on sales performance, as salespeople may have to balance opposite customer expectations. From one side efficiency-oriented customers prefer to be left alone, and for them a mid SO level will be seen as trying too hard to close the deal. Conversely, other customers prefer the high SO that would help them make necessary transactions.

Following Figure 3, APE increases the optimum level of CO in terms of its influence on performance. Specifically, a salesperson that has been operating around the optimal level of CO, will maximize sales performance even further under the direction of a sales manager high in APE. At medium CO levels, salespeople who have the support of sales managers, in the form of high APE, will outperform those whose managers have lower levels of APE. However as the sales manager, who as leader represents a role model for their employees, continues to increasingly use his/her APE, sales people will understand this "over focusing" as an expected part of the company's mandated CO behavior, and will transfer this intensive focus to the customer, most likely through extremely high CO behavior. This will in turn increase the "customer learning-cost" logic discussed earlier (Thompson, Hamilton & Rust, 2005), which is likely to make the purchase experience too complex for many customers. This is because in such cases consumers need to devote additional time and effort to communicating with the salesperson while looking for the product they need, which can result

in a diminishing effect on closing the actual deal, and further on their willingness to return to the store.

4. Study 2: The customer's perspective

4.1. Data collection, sample and measures

Data for Study 2 was collected from customers of the same country-wide fashion retailer whose salespersons participated in the Study 1. After ensuring that all store sales managers were informed about the aims of the Study 2 by the Executive Sales Director, trained researchers approached customers as they were leaving the store. It is important to note that the salespeople were not informed about aims of the research, in order to avoid potential deliberate efforts to behave differently than usual. For the purposes of anonymity customers were offered a survey kit that contained a questionnaire, a cover letter outlining the goals of the research, as well as a pre-paid, pre-addressed return envelope. In total, 967 survey kits were distributed. After three weeks 206 questionnaires were returned, yielding an overall response rate of 21.3%. However, 14 surveys were incomplete, resulting in 192 usable questionnaires.

The average age of respondents was 30.9 (ranging from 19-62). The sample was well educated, with 38.0% percent having earned a bachelors degree, 14.6% a masters degree and 3.6% a PhD degree. The rest (25%) had completed high school. Most of the respondents were employed (78.6%), with a smaller proportion of students (14.1%) and unemployed (7.3%). Finally, a higher percentage of the sample is female (85.4 %).

The purpose of Study 2 is to further examine the findings of Study 1, by obtaining an insight into the customers' perspective. Therefore, the Study 1 questionnaire was adapted to Study 2. Specifically, customers were asked about their impression of the SO and CO of the salesperson that they have been interacting with through the use of a version of SOCO scale

developed to capture the buyer's perspective on the salesperson's SOCO (Michaels & Day, 1985). Because retail salespeople are often communicating with customers, their behavior and activities are crucial in enhancing customer retention (e.g. Sharma, 1997). Therefore, the dependent variable in Study 2 was repurchase intention. Repurchase intention was measured with two items from Hellier, Geursen, Carr, and Rickard (2003) that were assessed on 7-point Likert-type scales. All items were scattered across the survey randomly, so the respondents could not observe the same underlying factor across multiple items, and assume the intended relationships in the model. Similar to Study 1, the questionnaire was developed in English, and then translated into the local language, and back into English to ensure equivalency.

5.1. Analysis and results

As in Study 1, the measurement model of the constructs in Study 2 was also assessed by CFA. CFA results for sample of customers exhibited acceptable model fit indices (Chi-Square = 91.58, df = 51, RMSEA = 0.06, NNFI = 0.98; CFI = 0.98, SRMR = 0.06). Also, values of coefficients, CR and AVE confirmed the reliability and discriminant validity of the constructs (please see Table 3). For loadings of each scale item, please see Appendix 1.

Table 3 here

In order to test the Study 2 model, covariance-based structural equation modelling was applied in LISREL 8.71 using maximum likelihood estimation. Product-term analysis was performed using the procedure recommended by Ping (1995), and Little, Bovaird, and Widaman's (2006) procedure for orthogonalizing observed quadratic terms was followed in order to avoid multicollinearity. Results are given in Table 4.

Table 4 here.

As can be seen from Table 4, both curvilinear hypotheses were supported, and the model explained 34.9% of variance of repurchase intention. In addition, the dependent variable was controlled for brand familiarity, age and employment of respondents.

Again, curvilinear relationships are captured but this time from the perspective of customers. Illustrative plots (see Figures 4 and 5) are produced using the graphing method suggested by Aiken and West (1991).

Figures 4 and 5.

5. Conclusions

The results presented in this study contribute to theory and practice in three important areas. First, we show that relational selling, as are most real-life phenomena, is best reflected in asymmetrical relationships rather than symmetrical ones (Ragin, 2008), capturing the reality of selling in a more holistic manner (Guenzi *et al.*, 2011). Although extant research has generally treated the two selling orientations separately, the present study confirms that as well as being two distinct orientations that coexist together (rather than opposite ends of a continuum), CO and SO also differ with regard to the nature of their relationship to sales performance (Guenzi *et al.*, 2011). Moreover, the results presented here indicate that the popular paradigm of the continuous development of increasingly customer oriented salespeople, and the constant building of long-term relationships with retail customers (Sharma, 2001), might not always be true, as "*too much of the good thing*" (in this case CO) can slow down positive outcomes.

On the other hand, the study results show that certain levels of SO may actually have a positive effect on sales outcomes, as long as the salesperson takes either very low, or very high, levels of SO. These findings suggest that a middle approach to the SO is the least desirable option. One reason for these results might be that customers prefer either low levels or high levels of SO depending on their characteristics and activities. For example, for a highly knowledgeable customer, seeking time-efficient shopping experiences, a low-SO salesperson is best suited for closing the transaction. On the other hand, indecisive customers or impulsive buyers might be more susceptible to convincing selling techniques, and hence may be more prone to make a purchase if a salesperson utilizes a high-SO approach. Along these lines, future research into how different types of customers and their personalities (e.g., extroverts vs. introverts) moderate these relationships are encouraged, as well as whether these relationships differ across product categories (e.g., high involvement vs. low involvement product category) or retail contexts.

Second, although sales management literature acknowledges the role emotions play in day-to-day selling situations (e.g., Kidwell 2007; Van Rooy, Viswesvaran, & Pluta, 2005) apart from Boyatzis *et al.* (2012), sales literature has largely ignored the effect of sales managers' abilities in understanding and managing the emotions of their salespeople, even though such examination is not unusual in the broader leadership literature (e.g., Humphrey *et al.* 2008; Rosete & Ciarrochi, 2005). This study identifies APE as an important sales manager characteristic, which can be leveraged by companies aiming to provide support and guidance to their salespeople to help them obtain higher achievements. Indeed, retail salespeople are a crucial, and the most expensive, element of a company's promotional mix (Lee & Dubinsky, 2003). Thus, retail sales managers should be able to closely examine and understand the evoked tension and (negative) emotions which may get in the way of the behavioral effectiveness of salespeople. Sales managers should assist their salespeople by facilitating

positive emotions and support them in their endeavors to overcome the obstacles to serving their customers. Moreover, according to the study results, sales managers who are more cognizant of their salespeople's emotional states will make the relationship between CO and sales performance much steeper and more pronounced. Salespeople who have the support of sales managers in the form of high APE will outperform those whose managers have low levels of APE. Likewise, as the levels of APE keep increasing (i.e. on the right-hand side of the point of inflexion), there is a more rapid decline in sales performance after reaching the maximum, as CO levels increase still further above the optimal level. As the sales manager, acting as a role model for their employees, continues to increasingly use his/her APE, salespeople will interpret this increased focus as also expected on their part by the company, and will therefore transfer this intensive focus on to the customer, who may not be ready for such an intensive and complex relationship in a B2C environment, resulting in a decrease in likelihood of purchase.

The studies presented herein did not find support for the interplay between the APE and SO. It might be that people practicing SO (as a non-relational selling approach) are less in need of the manager's support as opposed to when practicing CO. Because in situations suited to a higher SO, value lies within the product and price rather than relationship building, it might be that salespeople fail to see the importance of the management role in these instances apart from the technical support (e.g. providing them with product information). Further research could investigate this relationship in a more comprehensive manner, taking into account salespeople's perceptions and expectations of the sales manager's role.

Third, following the idea of Berry and Gresham (1986), who suggest that a retailer must first thoroughly understand the customers' needs, and then apply this understanding in serving the customer, this study acknowledges the perspective of both salespeople and their

customers. We provide additional evidence that hypothesized relationships between SO/CO and performance (this time in the form of customer repurchase intention) hold.

Like any other study, this study also suffers from limitations. Although Study 1 uses the sales manager's assessment to measure performance, this measure could be improved through further research. In particular, future research may take into consideration various objective indicators of salesperson performance, but also other outcome variables such as customer satisfaction, store satisfaction, and loyalty. Also, the present study takes performance data at a single point of time. Because high-pressure sales tactics (such as SO) may result in short-term increases in sales, it would be interesting to examine the long-term effect of employing such tactics. In order to do so, further research should aim to obtain longitudinal data of a larger sample. Additionally, the focus of this study is a single fashion retail setting, with a majority of female employees. Although the tendency towards higher levels of female employees in the fashion retail sector corresponds to world trends in this particular area (RetailExecutive, 2014), future research should investigate whether gender affects the link between salespeople's orientations and performance. Further investigation into the interplay between sales managers' emotional skills and salespeople's emotional skills, examining the levels of congruence between the two, and whether and how such interplay affects salesperson's behavior, would allow greater insights into the role of these important factors in shaping and redirecting behavior (Rentz, Shepherd, Tashchian, Dabholkar, & Ladd, 2002). Finally, it would be interesting to compare SO and CO evaluations between the individual salesperson and his/her customer, by using matched dyadic data.

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Customer and selling orientations of retail salespeople and the sales manager's ability to perceive emotions: A multi-level approach

- Figures and Tables -

Figure 1: Conceptual framework of the research

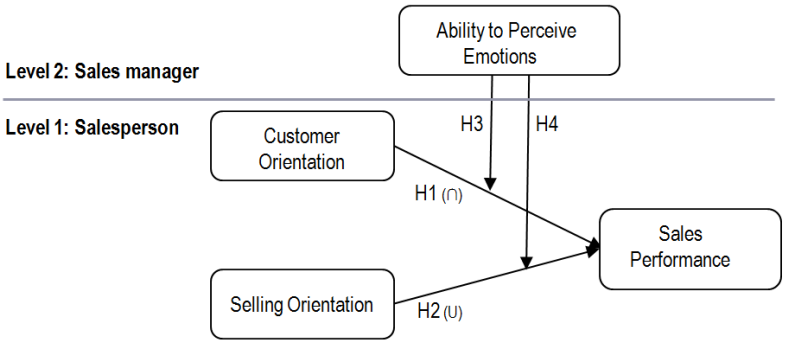


Table 1: Study 1 construct intercorrelations, descriptive statistics and discriminant validity

	Mean	Standard Deviation	CR	1	2	3	4
Level 1							
1 Customer Orientation	7.39	1.16	0.70	**0.44**	0.14	0.03	0.09
2 Selling Orientation	6.36	2.22	0.89	0.38	**0.78**	0.15	0.00
3 Sales Performance	2.32	1.64	-	0.18	0.39	-	0.07

Level 1 Measurement model fit	χ^2	p-value	d.f.	RMSEA	NNFI	CFI	SRMR
	22.52	0.03	12	0.08	0.92	0.95	0.04

Level 2							
4 Ability to Perceive Emotions	3.48	0.59	-	0.30	0.04	0.26	-

Note: AVEs are on diagonals in bold; Inter-construct correlations are below diagonal; Shared variances are above diagonal; All correlations are significant at 0.01 level.

Table 2: Hypotheses test

Variables	Baseline model				Direct effects only model				Main model			
	γ	St. err	t	p	γ	St.err	t	p	γ	St.err	t	p
Intercept (γ_{00})	2.32	0.14	16.04	<0.01	2.40	0.14	17.35	<0.01	2.48	0.24	10.16	<0.01
Simple effects												
Customer Orientation → PERF(γ_{10})	0.07	0.13	0.51	0.61	-0.08	0.13	-0.61	0.54	-0.02	0.09	-0.20	0.84
Selling Orientation → PERF(γ_{20})	0.27	0.07	3.90	<0.01	0.28	0.06	4.30	<0.01	0.27	0.07	4.05	<0.01
APE→PERF(γ_{01})	-	-	-	-	1.09	0.31	3.54	<0.01	1.17	0.44	2.69	<0.01
Squared effects												
H1: Customer Orientation^2 → PERF(γ_{30})	-0.13	0.07	-1.90	0.06	-0.15	0.06	-2.43	<0.01	-0.16	0.04	-3.63	<0.01
H2: Selling Orientation^2 → PERF(γ_{40})	0.11	0.03	3.19	<0.01	0.13	0.03	3.89	<0.01	0.12	0.04	2.66	<0.01
Cross-level interaction												
APE* Customer Orientation → PERF(γ_{11})	-	-	-	-	-	-	-	-	-0.21	0.14	-1.51	0.13
APE* Selling Orientation → PERF(γ_{21})	-	-	-	-	-	-	-	-	-0.03	0.15	-0.17	0.87
H3: APE* Customer Orientation^2 → PERF(γ_{31})	-	-	-	-	-	-	-	-	-0.29	0.08	-3.47	<0.01
H4: APE* Selling Orientation^2→ PERF(γ_{41})	-	-	-	-	-	-	-	-	0.04	0.08	0.47	0.64
Deviance	313.42				306.86				297.63			

Notes: PERF - Sales Performance, APE - Ability to Perceive Emotions

Figure 2: Quadratic effect of selling orientation on sales performance: salesperson perspective

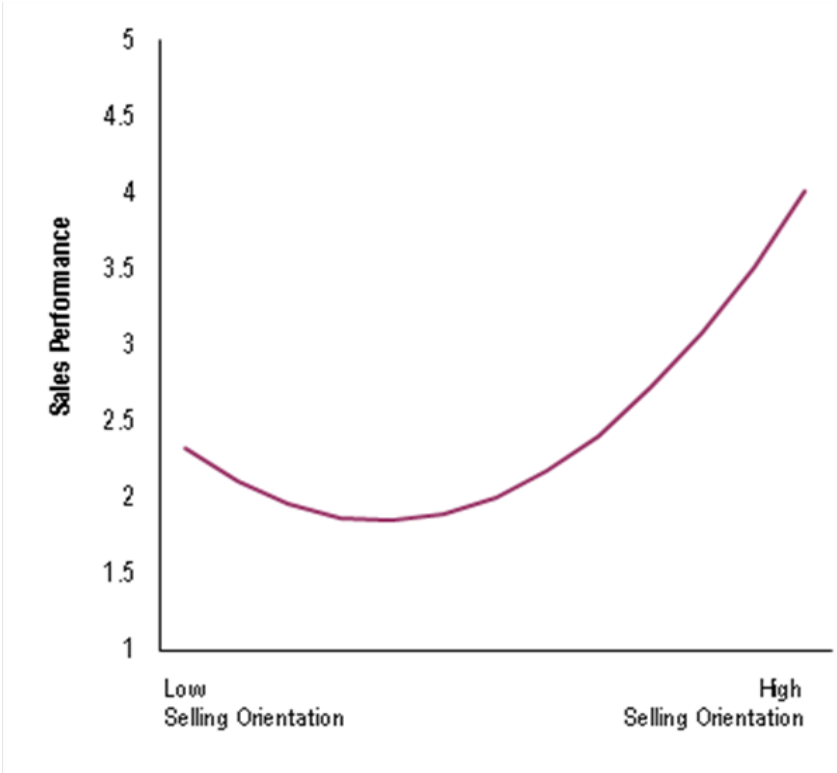


Figure 3: Interaction effect of sales managers' ability to perceive emotions (APE) and salespersons' customer orientation on sales performance: salesperson perspective

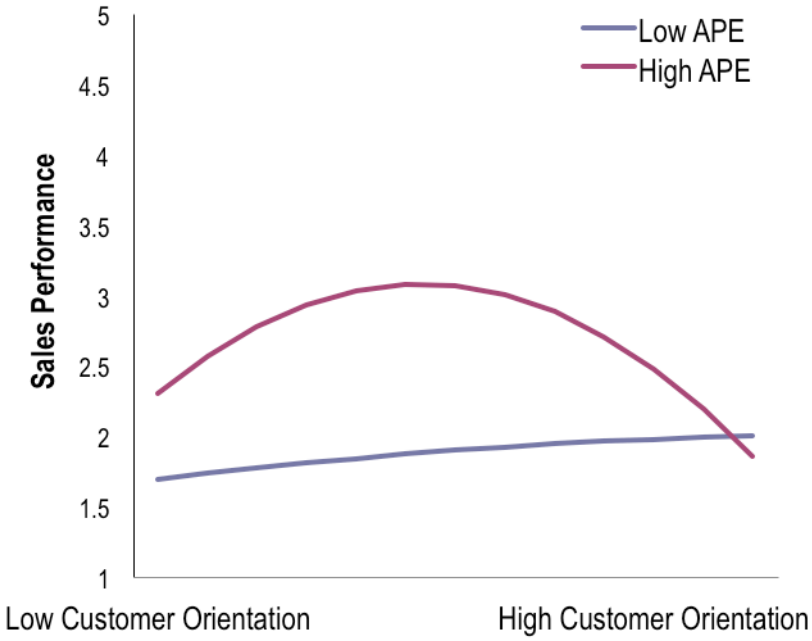


Table 3: Study 2 construct intercorrelations, descriptive statistics and discriminant validity

	Mean	Standard Deviation	CR	1	2	3
1 Customer Orientation	5.78	2.08	0.92	**0.69**	0.12	0.29
2 Selling Orientation	2.48	1.84	0.89	-0.35	**0.62**	0.05
3 Repurchase Intention	5.56	1.33	0.87	0.54	-0.22	**0.77**

	χ^2	p-value	d.f.	RMSEA	NNFI	CFI	SRMR
Measurement model fit	91.58	0.00	51	0.06	0.98	0.98	0.05

Note: AVEs are on diagonals in bold; Inter-construct correlations are below diagonal; Shared variances extracted are above diagonal; All correlations are significant at 0.01 level.

Table 3: Results of structural equation models: parameter estimates and t-values

Paths	Standardized estimate	t-value
Customer Orientation→ Repurchase Intention	0.44	5.92
Selling Orientation→ Repurchase Intention	-0.07	-1.02
Brand Familiarity→ Repurchase Intention	0.09	1.21
Age→ Repurchase Intention	0.04	0.61
Employment status → Repurchase Intention	-0.02	-0.26
AM → Repurchase Intention	0.20	1.79
H1: Customer Orientation^2 →Repurchase Intention	-0.13	-1.78
H2: Selling Orientation^2 → Repurchase Intention	0.12	1.68

	x^2	p-Value	d.f.	RMSEA	NNFI	CFI	St.RMR
Structural model fit	9.61	0.141	6	0.06	0.97	0.99	0.02

Note: Critical t-value (5%, one-tailed) =1.645.

Figure 4: Quadratic effect of selling orientation on repurchase intention: customers' perspective

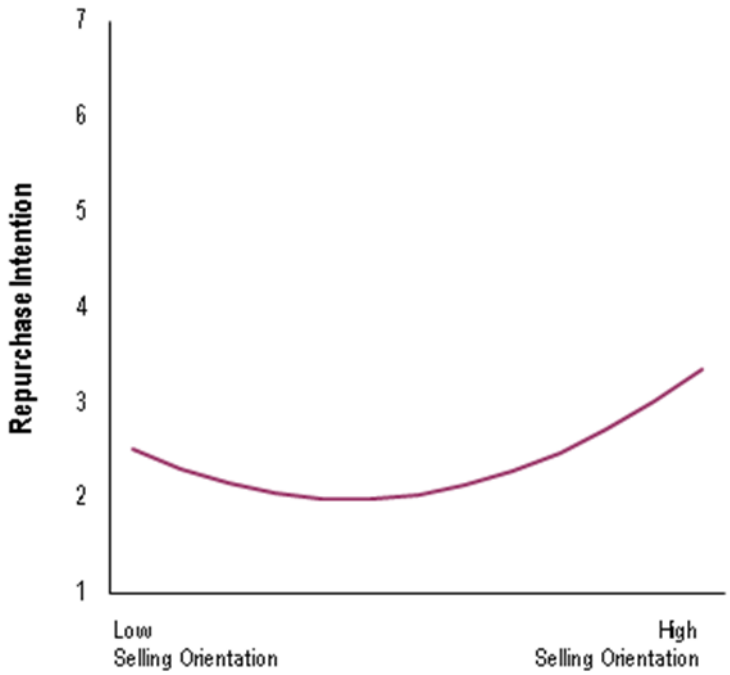
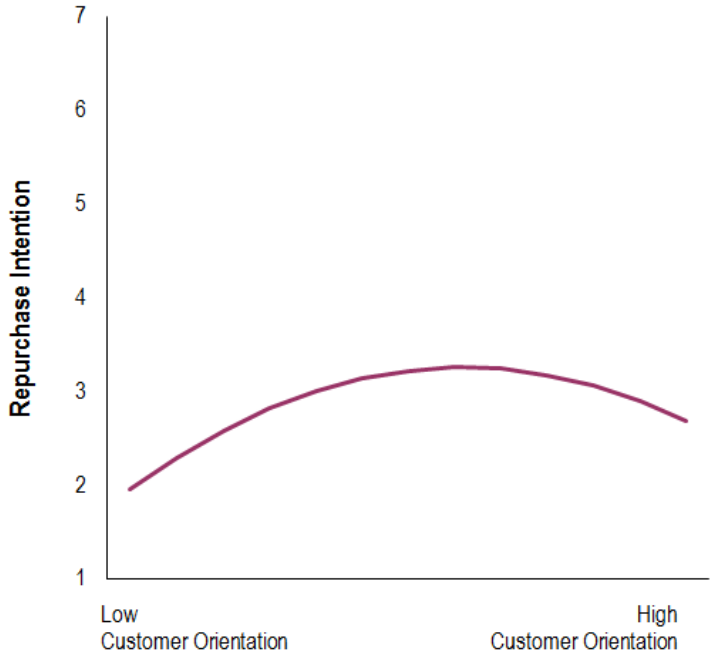


Figure 5: Quadratic effect of customer orientation on repurchase intention: customers' perspective



Appendix 1: Items and CFA loadings for Study 1 and Study 2

	Factor Loading
Study 1 (Salespersons)	
Customer Orientation	
I try to figure out my customers' needs.	0.57
I have my customers' best interest in mind.	0.79
I try to find out which kinds of products would be most helpful to my customers.	0.61
Selling Orientation	
I try to sell a customer all I can convince them to buy, even if I think it is more than a wise customer would buy.	0.95
I try to sell as much as I can rather than to satisfy a customer.	0.82
It is necessary to stretch the truth in describing a product to a customer.	0.78
Study 2 (Customers)	
Customer Orientation	
Please think of a typical salesperson from [Retailer] and indicate how much behavior described in the statements bellow corresponds to the actual behavior of typical [Retailer] salesperson.	
He/she provided all the information I ask for.	0.78
He/she made me feel comfortable.	0.85
He/she had my best interest in mind.	0.85
He/she disagreed with me in order to help me make a better decision.	0.79
He/she was customer-oriented.	0.89
Selling Orientation	
Please think of a typical salesperson from [Retailer] and indicate how much behavior described in the statements bellow corresponds to the actual behavior of typical [Retailer] salesperson.	
He/she treated me as an opponent.	0.77
He/she applied selling pressure even though s/he knew the dress/shirt was not right for me.	0.85
He/she spent more time trying to persuade me than trying to discover my clothes needs.	0.84
He/she talked first and listened to my needs later.	0.78
He/she stretched the truth in representations about clothes.	0.71
Repurchase Intention	
All things considered, as long as the present service continues…	
...I would keep shopping in *[Retailer]* in the future.	0.98
...I would shop at *[Retailer]* at least at current frequency in the future.	0.76

Appendix 2: Multi-level models specification

Model	Specification
Baseline model	$PERF_{ij} = \gamma_{00} + \gamma_{10}*CO_{ij} + \gamma_{20}*SO_{ij} + \gamma_{30}*CO^2_{ij} + \gamma_{40}*SO^2_{ij} + r_i$
Direct effects-only model	$PERF_{ij} = \gamma_{00} + \gamma_{01}*APE_j + \gamma_{10}*CO_{ij} + \gamma_{20}*SO_{ij} + \gamma_{30}*CO^2_{ij} + \gamma_{40}*SO^2_{ij} + r_i$
Main model	$PERF_{ij} = \gamma_{00} + \gamma_{01}*APE_j + \gamma_{10}*CO_{ij} + \gamma_{11}*APE_j*CO_{ij} + \gamma_{20}*SO_{ij} +$ $\gamma_{21}*APE_j*SO_{ij} + \gamma_{30}*CO^2_{ij} + \gamma_{31}*APE_j*CO^2_{ij} + \gamma_{40}*SO^2_{ij} + \gamma_{41}*APE_j*SO^2_{ij} + r_i$

where CO: Customer orientation; SO: Selling orientation: APE: Ability to perceive emotions; PERF: Sales performance; Polynomial regression equation describing the model: *PERFij* is *sales performance* (dependent variable) for observation i in group j, *APEj* is *sales manager's ability of perceiving emotions* (Level 2 predictor) for group j, *COij* is *salespersons customer orientation* (Level 1 predictor) for observation i in group j, *SOij* is *salespersons selling orientation* (Level 1 predictor) for observation i in group j, CO^2ij is *salespersons squared customer orientation* (Level 1 predictor) for observation i in group j, SO^2ij is *salespersons squared customer orientation* (Level 1 predictor) for observation i in group j, γ_{00} is the fixed regression coefficient for the intercept of the regression equation, γ_{01} is the fixed regression coefficient for the main effect of *APEj*, γ_{10} is the fixed regression coefficient for the main effect of *COij*, γ_{11} is the fixed regression coefficient for the cross-level interaction between *COij* and *APEj*, γ_{20} is the fixed regression coefficient for the main effect of *SOij*, γ_{21} is the fixed regression coefficient for the cross-level interaction between *SOij* and *APEj*, γ_{30} is the fixed regression coefficient for the main effect of CO^2ij, γ_{31} is the fixed regression coefficient for the cross-level interaction between CO^2ij and *APEj*, γ_{40} is the fixed regression coefficient for the main effect of SO^2ij, γ_{41} is the fixed regression coefficient for the cross-level interaction between SO^2ij and *APEj*, r_{ij} is the observation- and group-specific residual.