Sidestepping the Home Buying Process
Ashley S. Otto, PhD, Joshua J. Clarkson, PhD, and Frank R. Kardes, PhD

Partner Phubbing: How Cell Phones Impact Romantic Partnerships
James A. Roberts, PhD and Meredith E. David, PhD

Outperforming Whom? Performance-Prove Goal Orientation
Bart Dietz, PhD, Daan van Knippenberg, PhD, Giles Hirst, PhD, and Simon Lloyd D. Restubog, PhD

Don’t Overcomplicate -- Adapt and Simplify
Sven Mikolon, PhD, Anika Kolberg, PhD, Till Haumann, PhD, and Jan Wieseke, PhD

What are People Saying about You? Using eWOM to Protect and Build Your Business
Ana Babić Rosario, PhD, Francesca Sotgiu, PhD, Kristine de Valck, PhD, and Tammo H.A. Bijmolt, PhD

INSIDER: So, You’re New to Sales
Austin Taylor, MBA Candidate

INSIDER: A Beautiful Constraint – Turning Obstacles into Opportunities
Anand Vamsee Jonnabhotla, MBA/MSIS Candidate
Don’t Overcomplicate -- Adapt and Simplify
Sven Mikolon, PhD, Anika Kolberg, PhD, Till Haumann, PhD, and Jan Wieseke, PhD

Professional services sales encounters are a two-way street between the client and the service provider. Such encounters require input from both parties to mutually find the best fitting professional service for the client. The effort a customer needs to invest in order to understand a professional service is mentally taxing for a client leading to lower satisfaction levels and lower loyalty intentions. Therefore, the service provider might be well-advised to lower the required levels of cognitive or mental input from the client by simplifying complex services. Through adaptive selling techniques, professional service providers can effectively lower clients’ mental input levels to ultimately raise both satisfaction and loyalty intentions.

The Study

The study examined factors over 300 professional service encounters involving responses from client and service provider. To tap the client-side of the process, clients were asked to evaluate perceived service complexity, the client’s cognitive capacity during the encounter, satisfaction with the encounter, and loyalty intentions using a structured questionnaire. Service providers evaluated their tendency to use adaptive selling techniques via a structured questionnaire.

The first goal of our study was to determine the effect of perceived service complexity on the client’s cognitive capacity. Cognitive capacity is defined as the part of working memory available to an individual in any given situation. This capacity is influenced by perceived service complexity, or the perceived difficulty in making sense of a service. The more complex or difficult a professional service is perceived, the more mental capacity a client will need to invest in order to understand the service and gain control of decision-making. However, this only happens up to the point that a client feels overtaxed, s/he will then change to simpler decision and sense-making strategies to be able to invest less effort to understand the service. Thus, at high levels of perceived complexity, a client may perceive the service as too difficult to understand and switches off and exerts low levels of effort. Therefore, moderate levels of
complexity require the greatest levels of exerted customer efforts. The level of effort exerted directly influences the satisfaction and loyalty intentions derived from a sales or services encounter.

The second goal was to determine the effect of the client’s cognitive capacity on both satisfaction and loyalty. If a client is feeling overtaxed due to having limited cognitive capacity this will negatively impact satisfaction and customer loyalty intentions.

The third goal of this study was to investigate whether the relationship between perceived services complexity and the client’s cognitive capacity changes as a function of adaptive selling. Since moderately complex professional services require the highest levels of cognitive capacity, service providers need a way to adjust the amount of cognitive capacity required from their clients. One such method is through a technique called adaptive selling in which sales presentations can be tailored to specific clients, thus creating specific solutions and added value for the client. This technique is not as useful for low-complexity situations because the benefits are minimal; it’s also less useful for high-complexity situations because the initial barrier to understanding can be difficult to reduce.

**Practical Implication: Reduce Complexity for your Clients**

Purchasing a home can be an overwhelming process, so having a survey ready to determine what a client wants is an easy way to streamline the home-buying process. Some questions you can ask your client include:

1. What is the importance of the home’s location?

2. How important is the overall size of the home?
   a. What number(s) of bedrooms and bathrooms are acceptable vs. preferred?
   b. How does the size and layout of the kitchen play into the overall home layout?
   c. Amount of storage and parking?

3. Which kind of home: new home, old home, fixer-upper, condo, new home construction?

4. What features and amenities are important?
   a. Office, fireplace, patio, laundry room, etc.?
These questions allow you to inquire what the client wants in a structured manner rather than asking the client to create a requirement list. The survey decreases the input requirements from the client by asking specific questions rather than having to frame his/her desires.

**Practical Implication: Manage Information Presented to Clients**

For many services, including real estate, complexity can hardly be reduced, so that weakening the consequences of high complexity is an important task. **The research shows that adapting the presentation to the customer can mitigate the detrimental effects of high complexity.** You can thus help your customers to more easily understand a service, despite its complexity, by asking yourself the following questions and acting accordingly:

1. **Is my customer overtaxed?**
   In an interaction with a customer, you should always be able to determine whether the customer is mentally overtaxed. Yawning, increased blinking, squirming and fidgeting are signs of fatigue and mental exhaustion, to name just a few. You should be able to detect these in an interaction with a customer. Also, get some more information about the customer’s knowledge of real estate and relevant aspects. Savvy customers are usually not as easily overtaxed as novice customers.

2. **How should I approach my customer?**
   Based on what you know about the customer, you should adapt your selling approach accordingly. That is, if a customer lacks specific knowledge and will easily be overtaxed, you should help him to more easily understand everything. You can do this rather easily by using simple language instead of technical terms, illustrative language instead of hard facts, and adjectives instead of numbers. Put differently, if a customer has trouble making sense of what you are saying, do not provide more information, but provide information in a different way.

3. **What type of other information does my customer need?**
   Oftentimes customers also receive other information, like company brochures, home brochures or flyers, and your service offerings. This type of information should also be adapted to the specific type of customer. You should have available at least two types of brochures – one version in easily understandable language, using tangible examples and illustrations for novice customers; a second version using more technical terms, numerical examples, and more detailed technical information for expert customers.

**Conclusion**

Purchasing a home can be an overwhelming, complex process, and your goal is to make the process as simple and easy as possible for the client. If successful, you will increase client satisfaction and client loyalty intentions. Not only is simplification important, but adapting the
selling process to each individual client has been proven to be impactful. Analyze your client and then provide the simplest solution that appeals to your client’s intellectual, emotional, and personality profile.

**Recommended Reading**


**About the Authors**

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Dr. Sven Mikolon studied business administration and economics at the Ruhr-University of Bochum (Germany), where he also obtained his doctoral degree in business administration. In his research, Sven bridges the literature on organizational psychology with that on consumer behavior with a strong focus on the customer-frontline worker-interface. His research in this domain has been published in top-tier academic journals, such as the *Journal of Marketing*, the *Journal of Service Research*, and the *Journal of the Academy of Marketing Science*. His work has been featured by the *Harvard Business Review*.

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