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Across industries, the broader environment for professional salespeople has shifted from one focused solely on simple dyadic (or two-way) buyer-seller interactions to one where salespeople, to better serve their customers and prospects, must manage and navigate an increasingly complex portfolio of business relationships. The real estate sales role is no exception to this trend. The modern real estate agent’s business relationships today transcend obvious interactions with customers, and now also include: (i) individuals throughout the agent’s own company, or the internal business team (e.g., support staff that processes paperwork, post and edit listings, schedule showings, etc.), as well as (ii) a range of external business partners (e.g., mortgage lenders, appraisers, tradespeople, insurers, title company personnel, etc.). The successful and skillful management of this threefold “relationship portfolio” – (i) customers; (ii) the internal business team; and (iii) external business partners – will be particularly pronounced for those who sell real estate, either residential or commercial, as there are many parties involved in completing the transaction, before, during and even after the customer is persuaded or sold.

Is the Customer Still King?

While the changes noted above might not be path-breaking news to those on the front-line selling and marketing real estate today, what might be surprising is the relative importance of the agent’s influence of each of these three stakeholder groups across the relationship portfolio.

What do we mean by influence?
What are the Influence Tactics?

<table>
<thead>
<tr>
<th>Influence Tactic</th>
<th>Explanation / Description</th>
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<tbody>
<tr>
<td><strong>Pressure</strong></td>
<td>Using demands or intimidation to get compliance.</td>
</tr>
<tr>
<td><strong>Rational Persuasion</strong></td>
<td>Using logical arguments or facts to get what one wants.</td>
</tr>
<tr>
<td><strong>Consultation</strong></td>
<td>Giving suggestions and advice on how a target can accomplish what is being asked.</td>
</tr>
<tr>
<td><strong>Inspirational Appeals</strong></td>
<td>Making an emotional request or appeal that plays to the target’s values, beliefs or ideals.</td>
</tr>
<tr>
<td><strong>Exchange</strong></td>
<td>Making an implicit or explicit promise that some valued reward or benefit will be forthcoming to the target for complying with the agent.</td>
</tr>
<tr>
<td><strong>Personal Appeals</strong></td>
<td>Appealing to the target’s sense of duty or obligation to fulfill the agent’s request because of the personal relationship or friendship between them.</td>
</tr>
<tr>
<td><strong>Ingratiation</strong></td>
<td>Applying flattery or good will to elevate the target to wanting to assist or help.</td>
</tr>
<tr>
<td><strong>Coalition</strong></td>
<td>Seeking the aid of others in influencing the target toward the desired outcome.</td>
</tr>
<tr>
<td><strong>Legitimating</strong></td>
<td>Honoring the influence request because it is perceived to be legitimate or consistent with established procedures, policies, or norms.</td>
</tr>
<tr>
<td><strong>Collaboration</strong></td>
<td>Where the agent offers to help the target fulfill or partially carry-out the task or request being made.</td>
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<tr>
<td><strong>Apprising</strong></td>
<td>Where the agent explains how the target’s helping with the task or request in question will benefit them personally.</td>
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NOTE: In influence research, the *agent* influence is the individual who is applying one or more of the influence tactics above on the *target* (or recipient) of the influence.

Sources: Yukl et al. 2005 and Yukl et al. 2008

Influence has been defined in numerous ways, but a working definition for our purposes might be: *the capacity of one individual to have an effect on, and otherwise shape the opinions, actions, and/or behavior of someone else* (e.g., Cialdini 2008; Yukl et al. 2005; Yukl et al. 2008). Now juxtapose this notion of interpersonal influence with a classic – perhaps the classic – tenet of marketing thought, which is the widely-held truism that *the customer is king* (e.g., Day 1990; Kotler 1972). The preceding characterization of the three stakeholder groups real estate agents must interact with today, and the fact that agents have to successfully influence each of these groups, then begs this question: in our rapidly changing business landscape and sales environment, is it still accurate to say *the customer is king*? Is the agent’s effective influence of customers – when savvy influence of a total of three customer groups is actually required to close sales – the primary driver of agent performance today? Could it be that the agent’s ability to influence the internal business team and/or external business partners might be as important, or even a more important, determinant of ultimate performance?
To further illustrate this point, consider a couple of real-life, everyday scenarios in which a typical real estate agent may find himself. Envision a situation where, knowing that there is a can’t miss deadline to complete paperwork associated with a pending sale, the real estate agent applies key influence behaviors on one or more coworkers to get documents, paperwork, and other “red tape” associated with the on-time closing of this customer transaction handled. What would drive more of the agent’s performance in this case: the original influencing of the customer throughout the sales cycle, or influence of the internal business team inside his own organization?

What about a case where a pending customer sale is hanging in the balance, and depends upon the timely and competent completion of work or other deliverables by a key everyday external business partner, such as a mortgage agent at a bank, a real estate lawyer, or a property appraiser or inspector? What would drive the agent’s resultant performance more: the savvy influence of the external business partner(s), or influence which has been directed at the customer? To address these long-standing issues, and truly answer the question of whether or not the customer is truly king with respect to salesperson (i.e., real estate agent) influence, we conducted an in-depth study, something we describe next.

The Study

In a recent Journal of Marketing article (Plouffe et al. 2016), we paired actual sales performance numbers with responses from 495 salespeople, the majority of whom worked in residential real estate. Using this data, we investigated how salesperson influence behaviors targeted toward customers, internal business team members, and external business partners, respectively, ultimately related to and explained sales performance. The results of our study reveal, quite convincingly, something conventional wisdom would not expect, perhaps something even heretical: that quite to the contrary of the longstanding conventional wisdom that the customer is king, in contrast, it is actually the salesperson’s ability to influence her internal business team and her external business partners that has the far larger contribution to sales performance than does her ability to influence customers. This is a highly provocative and controversial finding in marketing which runs counter to the conventional wisdom that selling behaviors directed at customers – such as the application of interpersonal influence – are the most important drivers of sales performance (e.g., Bradford et al. 2010; Evans et al. 2012; Plouffe et al. 2009).

To be clear, the performance effects associated with the salesperson’s influence on all three stakeholder
groups mattered (i.e., each explained a significant and unique proportion of the variance in the salesperson’s performance). However overall, salesperson influence directed at external business partners explained approximately twice the variance in performance as influence directed at customers, and influence directed at the internal business team explained anywhere from two to three times the variance in performance explained by influence directed at customers (see Table 4 and discussion on p. 118 of Plouffe et al. 2016).

Consequently, when considering everyday selling behavior and the application of influence, influence directed at customers actually mattered the least, and by quite a large relative margin, as it relates to actual performance. So these findings beg the obvious follow-on question: what should a boundary-spanning salesperson like a real estate agent, who must interact with and skillfully manage each of these three stakeholder groups, actually do?

What Should Salespeople and Sales Leaders Do if the Customer is NOT King?

The main take-away from our study is a simple but provocative wake-up call. Real estate professionals and those who manage and lead real estate professionals, should consider their stakeholder groups to determine which actually matter most in terms of driving performance. Such an approach may require mental retooling and changing of habits to incorporate skillful influencing of the internal business team and external selling partners as a priority to influencing of customers.

Coming to terms with these findings require that sales leaders paint a much more complex picture of what is required to succeed in the sales role today than the one that is often sold by sales managers, sales trainers, workplace effectiveness and performance consultants, and even academics. Indeed, a great deal of influence-related training and off-the-shelf best practices still attempts to simplify the influence process into bite-sized knowledge or behavioral components and linear this-leads-to-that thinking (e.g., Cialdini 2008; Hale and Whitlam 1995), without recognizing or empirically showing that influence directed at one stakeholder group can matter much more to performance than influence directed at other groups. So salespeople like real estate agents, and those that manage and direct them, should be cautious of pre-packaged, one-size-fits-all sales process, customer interaction, and account strategy training recommendations. Instead, our work suggests that it may behoove managers to start by investigating the sales practices and influence behaviors of their top performers (for example, the top decile or even top quartile of their salesforce) as this corresponds to the influence behaviors and strategies these high performers direct at their internal and external stakeholders. The customer stakeholder group should be examined in parallel as well, for that critical point of comparison, much like we undertook in our research design.

By conceiving of and implementing sales and business development training programs uniquely designed for each of the three different influence stakeholder targets, managers can then better prepare salespeople to focus their attention and behavior in ways which will more directly spur
sales and best leverage scarce resources – most notably the salesperson’s own time and effort. In the end, perhaps our work suggests a revised mantra where, yes – *the customer is (still) king*, but s/he is one who is not optimally served or catered to by the salesperson in isolation, as has long been thought. To the contrary, the salesperson’s internal business team and external business partners play a key role in further understanding exemplary sales performance today.

**Recommended Reading**


**References**


About the Authors

Christopher R. Plouffe, PhD
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Chris Plouffe (PhD – Western University) holds the Robin T. Peterson Endowed Chair & Professorship in Marketing. Prior to joining NMSU, Chris was Associate Professor at the College of Business Administration, University of Akron (UA) in Ohio (2012-16), where he was also Director of the Fisher Institute for Professional Selling, one of the nation’s oldest and most storied programs in Professional Selling. Prior to joining UA, Chris was a Visiting Professor and Scholar at the Chapman Graduate School of Business Administration, Florida International University (FIU) in Miami, FL. Before that, he was involved in the initial set-up of The Sales Institute at the College of Business, Florida State University. Prior to his time at FSU, Chris built the successful Program in Professional Sales at Washington State University, Vancouver, where he also won the highest campus-wide teaching award (Students’ Award for Teaching Excellence). To begin his academic career post-PhD, Chris held a tenure-track position at the Terry College of Business at the University of Georgia, where he also had direct involvement in the initial set-up of the now thriving Sales Program at UGA. Chris’s research has appeared in: *Journal of Marketing, Journal of the Academy of Marketing Science, Information Systems Research, Personnel Psychology, Industrial Marketing Management, the Journal of Personal Selling & Sales Management, the Journal of Product Innovation Management, European Journal of Marketing* and elsewhere. In the first part of his career pre-PhD, Chris spent several years in the high-tech industry at Hewlett-Packard (HP), selling mainframe class commercial and technical super-computers across a range of industry verticals. Chris’s insights on marketing and sales-related issues have been quoted or mentioned in *Fortune* magazine, *BusinessWeek, Sales & Marketing Management* magazine, and elsewhere. Chris also engages in strategic consulting work as well as sales training with a number of leading firms including: United Parcel Service, Eli Lilly, OE Connection, Carlisle Interconnect Technologies, Bell Canada Enterprises, the Home Depot and others.

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Along with being a faculty member in the College of Business at Florida State University, Willy Bolander (PhD – University of Houston) is a founding partner of Cordoba Parsons, a consulting firm specializing in using an organization’s unique context to improve employee development efforts. He holds a Ph.D. from the University of Houston and conducts research on interpersonal influence and informal organizational systems that drive employee performance. His work has been published in various outlets, including the *Journal of Marketing*. Willy has also been featured in a variety of business publications, including *Forbes.com, YFS Magazine*, and the *Military Times*. He is also co-founder of Go Foster!, a nonprofit dedicated to recruiting and retaining great foster and adoptive parents in Florida.
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Dr. Cote (PhD – University of Arizona) is Professor Emeritus of Marketing at Washington State University – Vancouver where he also served as Business Program Director and Associate Dean of Academic Affairs. Dr. Cote has taught numerous courses but specialized in marketing strategy and an experiential capstone course where students do projects for local businesses. He has published over 50 articles, 10 of which are in the elite marketing journals (Journal of Marketing, Journal of Consumer Research, Journal of Marketing Research, and Marketing Science). Dr. Cote does research across a broad range of topics including logo and typeface design, sales influence, consumer satisfaction, and statistical methods. He also served on numerous Editorial Review Boards and has received five reviewer excellence awards. His other awards include the Chancellor’s Award for Research, College of Business Faculty Teaching Award, and the College of Business Faculty Service Award. He was also selected as a super forecaster in the IARPA Good Judgment Project – a group that was able to predict world events better than a team from a leading national security agency.

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Dr. Bryan Hochstein’s (PhD - Florida State University) passion for research, teaching, and life is based on experience. Academic experience (largely earned as a non-traditional, adult student) include a BA and MBA both from the University of Wisconsin at Oshkosh and a PhD in marketing from Florida State University. His research appears in the Journal of Marketing and the Journal of Marketing Theory and Practice. Industry experience includes a twenty-year career in the service/sales industry. Currently, Bryan serves as an Assistant Professor of Marketing at the University of Alabama. Bryan’s research experience is within the broad topic of sales, with a specific focus on sales interactions, where the customer and salesperson meet. Recent research topics include inputs and outcomes of B2C & B2B sales interactions, empowered consumers, the salesperson knowledge broker role, influence tactics, and ethics. Research awards include the American Marketing Association (AMA) Sales SIG Best Dissertation (Runner-up), AMA Sales SIG Best Dissertation Proposal, National Conference in Sales Management (Best Paper), and Global Science Sales Institute (Best Paper). Bryan’s industry experience results from careers as a general manager in the food service industry and as a Senior Media Sales Representative at the Time Warner Corporation. Bryan combines industry experience and research insights in teaching courses, such as: marketing principles, professional sales, sales practicum, and sales leadership.