How Giving the Client a Sense of Control Can Shape Clients’ Satisfaction and Retention

By Lin Guo, Jing Jian Xiao, and Chuanyi Tang

Introduction

Satisfaction has been identified as a central determinant of client retention, and its effect on client retention has been intensively discussed within the paradigm shift from transactional marketing to relationship marketing (Cronin et al., 2000). Transactional marketing generates passive, transitory, and reactive relationships with the clients and tends to be short-term in nature. On the other hand, relationship marketing is all about creating long-term bonds with clients to produce stronger, long-term purchasing and word-of-mouth activity. This type of marketing is also helpful to increase referrals and generate leads for the agent.

Our research set out to determine how satisfaction with the selling organization contributed to client retention with the organization in a relational service context. Retaining clients is a critical issue in service industries, like the residential real estate industry, which is characterized as a relational service exchange.

Specifically, we find that client satisfaction has both direct and indirect effects on client attitudes toward remaining with the agent long-term. Interestingly, satisfaction alone cannot guarantee client retention with the agent.

Client’s Overall Satisfaction

Both client overall satisfaction and their attitude towards the agent summarize their evaluative beliefs about the agent and can be considered similar to each other to some extent. Additional evidence that can support this similarity comes from the organizational behavior literature which suggests that an employee’s satisfaction with his or her job is as a measure of that employee’s attitude toward the organization (van Breukelen et al., 2004). Think of this in terms of real estate: a buyer’s satisfaction with his agent is a measure of the buyer’s overall satisfaction with the purchase or the sale of his home.

The Role of Perceived Behavioral Control

To understand how to influence your client’s satisfaction and likelihood of retaining a client, you must first understand his level of perceived behavioral control, that is, his perception of how easy or difficult it is to perform a behavior. Perceived behavioral control has a particular behavior as a target and varies among situations (Ajzen, 1991). This concept can be applied to home-buying situation. A seller who has limited awareness of market conditions might have the perception that the market has strengthened such that it will be easy for his agent to quickly move his property. On the other hand, a buyer who is more aware of the market situation (i.e., market is
still “supply heavy”) might have the perception that it will be easy for her agent to negotiate down an asking price on a property. Buyers’ perceived behavioral control exerts direct effects on their intention to remain with the agent and actual retention that the agent experiences with his/her clients.

The conceptualization of perceived behavioral control goes hand-in-hand with the concept of perceived self-efficacy. Self-efficacy, the conviction that one can successfully execute the behavior required to produce a certain outcome, measures one’s confidence towards the probability, feasibility, or likelihood of executing a given behavior. The intention to perform a behavior is constrained by both resources and the abilities one has to perform the behavior. For example, a buyer’s self-efficacy beliefs to perform a behavior will, therefore, strongly influence his/her intended as well as actual behavior.

Importantly, our research suggests that perceived behavioral control has a direct effect on client satisfaction, intention to remain, and actual retention behavior. In the aforementioned sales situation, a seller who has limited awareness of market conditions might have the perception that the market has strengthened such that it will be easy for his/her agent to quickly move his/her property. This perception is false, given the current housing supply. However, the seller’s perception will negatively influence his satisfaction and retention when the agent cannot move the property as quickly as the seller thinks the agent should.

Conclusion

Customer satisfaction has both direct and indirect effects on customers’ attitudes toward remaining in the service, which is the proximal predictor of client retention. Although satisfaction is a necessary premise of client retention, satisfaction alone is not sufficient to successfully retain clients. Customers’ perceived behavioral control exerts direct effects on clients’ satisfaction, intention to remain and actual retention. Thus, agents should help the clients enhance their feelings of self-efficacy and controllability regarding their housing transactions in order to increase their intention to remain with the agent as well as the likelihood of actual retention. This also means that once agents have helped their clients enhance their perception of self-efficacy and controllability in the exchange, clients will evaluate the agents in a more favorable way (Guo et al., 2009).
References


About The Authors

Lin Guo, Ph.D. Candidate University of Arizona; Instructor, University of New Hampshire
Jing Jian Xiao, Ph.D., Professor, University of Rhode Island
Chuanyi Tang, Ph.D. Candidate, University of Arizona

Lin Guo, a doctoral candidate at University of Arizona, is currently working as an instructor at University of New Hampshire. Her research focuses on services marketing and has been published in the *Journal of Business Research* and presented at the American Marketing Association and the American Council on Consumer Interests.

Jing Jian Xiao teaches courses and conducts research in consumer economics at University of Rhode Island. He is the editor-in-chief of *Journal of Family and Economic Issues*.

Chuanyi Tang is a doctoral candidate in Retailing and Consumer Sciences at University of Arizona. His research interest includes internet marketing, services marketing, and consumer behavior.
Trying to Find and Keep Top-notch Agents for your Sales Team? Why Not Use the Person-Job Fit Approach?

By William A. Weeks, D.B.A.
Chris Blocker, Ph.D.

Good salespeople are still hard to find and keep over the long haul. The national turnover rate for real estate agents remains high and many individuals do not survive in the business.

What is the tenure of salespeople in your office? Are you satisfied with it? If you are not, what do you believe is causing this problem? What can you do to improve this situation?

This article shows how managers can use the Person-Job fit concept when hiring new salespeople. Doing so can reduce the stress that your salespeople feel in their jobs, help retain your best sales agents, and enhance your office’s overall sales performance.

Recent studies (e.g., Kristof-Brown et al. 2005) show that if management can do a better job hiring individuals whose personal characteristics match the requirements of a particular job, employees will:

- Experience greater satisfaction with their jobs
- Be more committed to their organizations
- Be less likely to quit their jobs

Current research that we have underway (Fournier et al.) reveals that Person-Job fit has a strong positive impact on business outcomes.

What is Person-Job Fit (P-J fit) and How Does it Impact a Specific Organization?

Person-Job fit is the relationship between an individual’s characteristics and his/her job or the tasks s/he must perform (Edwards 1991; Kristof 1996). Beyond a person’s characteristics, experts are paying a lot more attention to the way people think about their time as well as how time relates to their jobs. Specifically, “time congruity”, is a form of P-J fit that exists when there is a match between the temporal requirements of a job (Job Time Personality) and the temporal style of the person who holds that job (Individual Time Personality). For instance, one might expect to find time congruity between an individual who is normally very punctual and the job of a railroad engineer who operates on a very structured schedule.

In the context that we are studying this phenomenon (the broadcasting industry), the sales leadership team has concluded that their account executive role requires lots of switching between tasks and focusing on scheduling and meeting deadlines. So, this work setting requires someone to be very “polychronic” to succeed. However, it should be recognized that this polychronic time perspective will vary for sales roles across industries.
We conducted preliminary analysis for 167 account executives, and found that those account executives who prefer to switch between job tasks and have a propensity to schedule their time and focus on meeting deadlines experience greater P-J fit. Furthermore, these account executives have less uncertainty about what must be done in their job, which reduces role conflict at work (e.g., conflicting expectations from multiple parties, boss vs. spouse). Finally, they report much greater satisfaction with their jobs and commitment to their organizations, and these factors drive their individual performance. Such findings, if identified in the real estate industry, should be equally important if the goal is to get and keep good salespeople, as well as grow organizational revenue.

**How can Managers Access a Job Applicant’s Person-Job Fit?**

In order to assess a job candidate’s fit with your organization, it is necessary to follow a three-step process.

a) First, using input from your agents, identify the optimal job timestyle for real estate agents in your organization

b) Next, when considering new hires, determine the job applicant’s individual timestyle

c) Finally, compare the applicant’s individual timestyle with the job’s optimal timestyle in order to determine if P-F fit exists

**How can You Measure the Real Estate Agent Job Timestyle and an Agent Applicant’s Timestyle?**

In order to measure a work preference to switch between tasks, we recommend using the Inventory of Polychronic Values (IPV) scale (Bluedorn et al. 1999). This includes four questions which focus on an individual’s preferences for how they would like to work and the wording should be adapted to fit the particular job.

To measure a propensity for scheduling and meeting deadlines, we recommend using a list of questions created by Schriber and Gutek (1987). This scale is comprised of 9 questions which are appropriate for determining a job candidate’s timestyle and the wording of the questions will have to be adjusted to refer to the sales agent position when measuring the job timestyle.
Future Directions Regarding Person-Job Fit Investigation

The investigation of how time can be used to recruit and hire the best people is in an early stage. While we have discussed above the concept of polychronicity/monochronicity and focused on scheduling and meeting deadlines, more topics are worthy of consideration. For example, would it be better to hire real estate agents who have a short-term orientation (who focus on the here and today) or would you prefer agents who are more long-term oriented and interested in the future implications of their efforts and growing long-term relationships? Furthermore, would you prefer to hire a new agent who prefers to be in a job that has a moderate or fast pace of work? Which is more appropriate for your organization’s sales role?

The Bottom Line

In conclusion, there is growing evidence that organizations can experience positive business outcomes by more systematically matching new employees with a specific job role. Achieving this objective should benefit organizations through bringing on board the right people for the right jobs, resulting in the new hires experiencing greater satisfaction with their organizations and higher performance. This should also result in less employee turnover which will reduce expenses associated with hiring and training new people and subsequently increasing company profitability.

References


About The Authors

William A. Weeks, D.B.A., Professor of Marketing, Hankamer School of Business, Keller Center for Professional Selling, Baylor University.
Christopher P. Blocker, Ph.D., Assistant Professor of Marketing, Hankamer School of Business, Keller Center for Professional Selling, Baylor University.


Chris Blocker completed his Ph.D. at the University of Tennessee in marketing. His research focuses on understanding the dynamics of customer value and how deep customer insights can enhance strategies like relationship management and global segmentation. Prior to pursuing a Ph.D. in marketing, Chris held marketing and sales positions in the high-tech sector, including consulting work in professional services and as a global account manager for AT&T and in business marketing at Sprint. His research has appeared or is forthcoming in *Journal of Business Research, Industrial Marketing Management, The European Journal of Marketing, and The Journal of Business and Industrial Marketing*, and in the proceedings of several international marketing organizations.
Insider – Consumer Generated Media in Real Estate

By Mark Chou, MBA Candidate May 2010

In this age of emerging technology, the modern homebuyer holds countless devices to discuss his experiences with other peers. Tools from blogs, videos, consumer websites, and simple word-of-mouth open the gates to a new era of consumerism. Consumer generated media (CGM) refers to the use of these mediums to communicate one’s experiences with service and product providers. In his book, titled *Satisfied Customers Tell Three Friends, Angry Customers Tell 3000*, Pete Blackshaw, a senior officer of the AC Nielsen company explains the recent hype over consumer-generated media in response to negative and positive experiences. To avoid retaliation from prospective homebuyers, real estate agents must focus on enhancing the client’s purchasing experience.

**Think Point #1:** The real estate market is saturated with advertising and marketing messages over the quality, dedication, and commitment of its agents. However, homebuyers observe an agent’s credibility. In fact, in this market where homebuyers have unlimited options, credibility is critical. Some of the key credibility drivers and their activation methods are:

- **Listening:** Keeping communication channels open and inviting feedback
- **Responsiveness:** Taking a proactive approach with customer-related issues
- **Transparency:** Being open about practices and policies during the process -- Transparency involves full disclosure
- **Trust:** Establishing meaningful, win-win relationships
- **Authenticity:** Caring, truly caring, about the customer

**Think Point #2:** Buying a home can be a challenging and stressful experience. Those agents who can provide homebuyers with an enjoyable interaction will reap the best CGM results. Indeed, one of the main motives behind CGM creation is a positive purchasing experience. The use of technology and expanded social networks from satisfied clients can become a source of free publicity for the real estate agency. So, an agent might want to consider what s/he is doing in the client-engagement process that can reduce stress and build pleasure for the buyer.

**Think Point #3:** It goes without saying that real estate agents need to nurture the buyer-seller relationship. Challenge the client to stay involved by using your expertise to help frame the decision-making process. Homebuyers who actively engage in and enjoy the decision-making process will communicate their experiences to others. It can prove useful to perform checks after each transaction to evaluate client feedback. Does the client “feel we are making progress?” And, importantly, “is the client enjoying the home-buying process?” These questions will allow the agent to estimate how s/he is perceived by clients and assess whether new issues should be addressed. Such data gathered by the broker can provide insights on where additional agent training might be needed.
Think Point #4: An agent is the image of the broker’s operation and the overall brand. So, the agent should never promise what s/he cannot deliver because such actions impact the agent’s credibility, the broker’s credibility, and the overall brand equity. Whenever one fails to deliver the appropriate information or meet client expectations, clients then have the ability to communicate this to “the greater public” through the use of technology. While the influence pattern used to be one-way (i.e., businesses influenced consumers’ perceptions and behaviors), consumers now have far greater power to express their grievances with the home-buying process, thereby influencing other consumers’ perceptions of the agent, the broker, and the brand. Consumer-to-consumer communication should not be underestimated.

Think Point #5: Evaluating key CGM metrics available through mainstream technology and using client surveys can help the agent respond accordingly and maintain/build the agent’s, the broker’s and the brand’s current reputation. Metrics that can be evaluated regularly include:

- Volume: How many messages about the agent are there?
- Emotion: How do clients feel about the agent’s service?
- Sentiment: How favorable or unfavorable are these public messages?
- Issue: What specific issue is being addressed in these public messages?
- Reach: How widely are these public comments spread?

Recommended Reading


About The Author

Marc Chou, M.B.A. Candidate, December 2010, Baylor University Graduate Assistant, Keller Center for Research. Marc is a first-semester graduate student from Paris, France. He earned his BBA with a double major in Finance and Entrepreneurship from Baylor University.
Insider – The Female Brain

By Ivory E. Welcome, MBA Candidate December 2009

Dr. Louann Brizendine provides the technical perspective on the obvious physical differences between the minds of men and women in her appropriately titled book, *The Female Brain*. She describes how the differing structures of the male and female brains and the makeup of our hormones work together to produce two very different perceptions of one’s environment and our interactions with others that we encounter within that environment. “More than 99% of male and female genetic coding is exactly the same…but that [1%] percentage difference influences every single cell in our bodies – from the nerves that register pleasure and pain to the neurons that transmit perception, thoughts, feelings, and emotions” (Bridenzendine).

**Think Point #1:** While the male brain is larger than the female brain by 9%, this has nothing to do with a man’s mental capacity over a woman’s. The cells in a woman’s brain are merely more compact than those of a man’s. In fact, several critical parts of the brain are larger in women than in men, such as the Anterior Cingulate Cortex (ACC), the Prefrontal Cortex (PFC), and the Insula. The larger size of these sections of the female brain can provide important cues to an agent attempting to sell to a female buyer. The ACC, for example, is responsible for weighing options and making decisions; it often leads one to worry before making any important decision. When dealing with a female buyer, speak to this need for absolute certainty in decision-making by giving adequate attention to ensure her comfort with her decision to buy. The female brain structure prompts this buyer to “have” to carefully weigh all options before reaching the “best decision.” Implication for the real estate agent is clear; you must offer her several options that cater to her individual desires and allow her to take the time necessary to be comfortable with her final decision.

**Think Point #2:** Sincerity and honesty go a long way with a female buyer as she can often see right through ulterior motives. The Insula controls one’s gut feelings; women are often accused of being “psychic”, but in fact the female brain’s larger Insula makes women more equipped to read faces, interpret the tone of voice and the emotions of individuals with which they are engaged in conversation. Thus, the woman’s hormones and brain structure work together to allow the woman to receive emotional signals with a stronger and clearer signal. “This information is sent through her brain circuits to search her emotional memory banks for a match” (Bridenzendine). From the relaxation or tension within the face, to the way one breathes or postures oneself, the female is able to interpret these non-verbal behaviors to make her own interpretations of an individual’s intentions. When verbal cues enter, the female brain searches what an individual is saying to see if it is a match to the tone of voice of that individual. The takeaway here: be genuine when approaching a female buyer. She can spot motives that are not within her best interest a mile away!
Think Point #3: Women’s emotions are so deeply affected by the daily hormonal changes that occur within the brain. The female brain is said to change a little bit every day with some parts of the brain changing as much as 25% within a month. These changes are said to create a different reality for the woman, where her values and desires could change from one day to the next. As Dr. Brizendine put it, “A woman’s neurological reality is not as constant as a man’s. His is like a mountain that is worn away imperceptibly over [time] by glaciers, weather and the deep tectonic movements of the earth. Hers is more like the weather itself – constantly changing and hard to predict.” At times, things may be rocky when working with a female client but don’t take offense – remember that much of this is due to the changes occurring within her brain from day to day. One practical tip: consider keeping a “running log” of what she says are important criteria to her. Open up each sales call by reminding her of what you heard the last time you connected with her.

Think Point #4: From the perspective of a female agent, remember that this extreme ability to receive emotional signals also allows you to engage in emotional mirroring, or the activation of similar emotional responses by merely observing or imagining another individual in a particular emotional state. Research conducted at California State University of the success of psychotherapists showed that those therapists who had the best results had the most emotional connection with their clients. This allowed the therapists to comfortably settle into the climate of the clients’ worlds by establishing good rapport. It so happened that all of these therapists were also women. As a female agent, this aids you in the ability to sympathize with the desires and emotions of your buyer, thus provide a more genuine buying experience.

Think Point #5: There is much more to learn about the male brain in order to aid in interactions with a male buyer or as a male seller interacting with buyers. It is known, however, that the larger Prefrontal Cortex (PFC) in women controls the wild emotions that result from the Amygdala, which is naturally larger in men. Whereas a woman is more likely to bite her tongue due to her aversion to conflict fueled by her larger PFC, the larger Amygdala in men cues a man to stay alert for any indication of threatening emotional responses. While a woman’s emotions may be unstable from day to day due to changing hormonal levels, a female client is less likely...
to adversely respond to any conflict that could occur during the buying process. The male buyer, on the other hand, is likely to pounce at any sign of threat or disagreement; maintain calm in any touchy situation which may guarantee the future of this buying relationship. As a male agent, the emotion centers within the brain are less active than in that of a woman. Women typically remember emotional events, occurrences, and facts of a situation better than men. As a male agent, take notes on potential buyers after each interaction. Review before interacting again to aid in the memory of critical facts about the potential buyer to strengthen the buying relationship.

**Recommended Reading**


**About The Author**

Ivory Welcome, M.B.A. Candidate, December 2009, Baylor University Graduate Assistant, Keller Center for Research. Completing her degree in December 2009, Ivory is completing a specialized MBA degree in Healthcare.
Christopher P. Blocker, Ph.D., Assistant Professor of Marketing, Baylor University

Chris Blocker completed his Ph.D. at the University of Tennessee in marketing. His research focuses on understanding the dynamics of customer value and how deep customer insights can enhance strategies like relationship management and global segmentation. Prior to pursuing a Ph.D. in marketing, Chris held marketing and sales positions in the high-tech sector, including consulting work in professional services and as a global account manager for AT&T and in business marketing at Sprint. His research has appeared or is forthcoming in *Journal of Business Research*, *Industrial Marketing Management*, *The European Journal of Marketing*, and *The Journal of Business and Industrial Marketing*, and in the proceedings of several international marketing organizations.

Marc Chou, M.B.A. Candidate, December 2010, Baylor University Graduate Assistant, Keller Center for Research

Marc is a first-semester graduate student from Paris, France. He earned his BBA with a double major in Finance and Entrepreneurship from Baylor University.

Lin Guo, Ph.D. Candidate University of Arizona; Instructor, University of New Hampshire

Lin Guo, a doctoral candidate at University of Arizona, is currently working as an instructor at University of New Hampshire. Her research focuses on services marketing and has been published in the *Journal of Business Research* and presented at the American Marketing Association and the American Council on Consumer Interests.

Chuanyi Tang, Ph.D. Candidate, University of Arizona

Chuanyi Tang is a doctoral candidate in Retailing and Consumer Sciences at University of Arizona. His research interest includes internet marketing, services marketing, and consumer behavior.

William A. Weeks, D.B.A., Professor of Marketing, Hankamer School of Business, Keller Center for Professional Selling, Baylor University.

Bill Weeks, D.B.A., Indiana University, primary research interests focus on perceived organizational ethical climate, role stress, time congruity, and alignment in the sales force context. His work has appeared in the *Academy of Marketing Science*, *Journal of Personal Selling & Sales Management*, *Industrial Marketing Management*, *Journal of Business Research*, as well as other publications.
Ivory Welcome, M.B.A. Candidate, December 2009, Baylor University Graduate Assistant, Keller Center for Research
Completing her degree in December 2009, Ivory is completing a specialized MBA degree in Healthcare.

Jing Jian Xiao, Ph.D., Professor, University of Rhode Island
Jing Jian Xiao teaches courses and conducts research in consumer economics at University of Rhode Island. He is the editor-in-chief of *Journal of Family and Economic Issues*. 