# KELLER CENTER RESEARCH REPORT

# **Recognizing Emotion in the Buyer-Seller Interchange**

# By Heather McLeod, MBA Candidate, May 2010

How does the awareness of emotion impact interaction between buyer and seller? In *Perceiving Emotion in the Buyer-Seller Interchange: The Moderated Impact on Performance* (Journal of Personal Selling & Sales Management) published in the Journal of Personal Selling and Sales Management in Spring 2007, Blair Kidwell, Richard G. McFarland, and Ramon A. Avila look at the salesperson's ability to recognize emotion in the buyer-seller interaction and the corresponding effect on sales performance. The primary purpose of their research is to examine how the ability to identify customers' emotions can influence the buyer-seller interaction through the salesperson's effective use of adaptive selling and customer-oriented selling techniques.

#### What is Adaptive Selling?

Adaptive selling is a technique that allows salespeople to tailor their presentations to individual customers and rapidly make adjustments based on the customers' reactions. Higher performing salespeople are better able to adapt to different selling situations by developing distinctive scripts for different customers. The authors also point out that the opposite is true as well: salespeople who are unable to adapt based on their customers' reactions perform at a lower level. Recent studies have indicated that lower performing salespeople tend to talk too much and at inappropriate times and tend to alienate customers by failing to

listen to their concerns. Improvement in these interpersonal skills is suggested to substantially affect sales performance.

# What is Customer Orientation?

Customer-oriented selling involves marketing at the individual salesperson/buyer level and focuses on identifying and satisfying the needs of the customer. In this approach, the salesperson must participate in behaviors that help to increase the overall satisfaction of the customer. Key skills in customer-oriented selling include the ability to determine whether customers understand your sales presentations, to respond accurately to customers' questions, and to clearly explain how product benefits can help the customer achieve their desired outcome and fulfill their needs.

#### THINK POINT #1:

"Encouraging salespeople to be aware of the emotional expressions of customers can have important effects on performance."

Managers should recognize that salespeople who are better at identifying customers' emotions tend to be more effective when using adaptive selling and customer-oriented behaviors. The authors point out that simply encouraging a salesperson to be aware of their customers' emotions can have a positive effect on performance.

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#### THINK POINT #2:

"Expressions of emotion in faces have been shown to be universal across cultures and even across animal species."

There are certain characteristics that people exhibit when they experience certain emotions, for example, the lowering of the eyebrows when experiencing frustration, fidgeting as an indication of nervousness, or pursing the lips to show impatience. By simply making efforts to be more aware of these indications of emotion, salespeople can improve their ability to perceive and therefore respond to different emotions exhibited by their customers.

#### THINK POINT #3:

"Managers will be able to train salespeople to be more effective at perceiving emotion in the buyer-seller interaction."

Emotional abilities can be learned and therefore trained. This is crucial because it means that managers can train their salespeople to be more effective at recognizing emotions in their customers. Moreover, potential salespeople exhibiting low levels of perceiving ability are not precluded from eventually becoming adept at sensing emotions of customers.

#### THINK POINT #4:

"Having low levels of perceiving ability not only reduces salespeople's effective use of selling behaviors but may in fact hurt the customer relationships that have been developed or are developing."

Not being able to distinguish your customers' emotions can be a detriment to your success. If you cannot determine what your customers see as value-adding, you could end up spending time focusing on benefits that are not critical to them. This simple act causes your customer to feel as though you do not understand what is important to them, and can cause your relationship with them to suffer. Such transactions can create counterproductive feelings of distrust and dissatisfaction that can be very costly to your business.

#### THINK POINT #5:

"When salespeople are incapable of reading emotions, customers may feel as though their needs are not being met and that the salespeople may not care about their needs."

Buying a home can be an emotional rollercoaster for your customer. If your buyer feels as though you do not care about their needs, they are likely to not have confidence in your ability to successfully help them accomplish their goals. It is imperative that your customers trust you and your ability to meet their needs.

<u>Please note, the industry studied here was not real estate, though the core findings will still be</u> relevant to your field. The results of this research should not be applied blindly, but with serious thought as to how they might be relevant in your particular <u>market</u>.

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