

# Is Achieving Customer Satisfaction Enough?

By William A. Weeks, D.B.A. and Larry Chonko, PhD.

Research has often failed to find a relationship between customer satisfaction with salespeople and sales performance. Some research shows that as satisfaction levels increase, profits paradoxically decline. Other research has shown exactly the opposite. Conventional procedures for measuring and then coaching salespeople to drive customer satisfaction fail to recognize the unique relationship between customer satisfaction, customer retention, salesperson retention, salesperson performance, and organizational profits. Contrary to common assumptions, the relationships between these concepts are not necessarily linear, which means most projections of improvement fail to be confirmed in the reality of the marketplace.

Based on our research, asking customers if they are satisfied is not sufficiently diagnostic to drive sales performance. Asking how customers can be more satisfied, moving them toward a strategy of delight, is a more useful approach. We have found a significant positive association between customer delight and sales performance. Furthermore, several specific salesperson behaviors have been found to be related to increasing customer delight. These behaviors are presented in descending order based on their level of importance in creating customer delight.

- Agility
- Communications
- Quality Interactions
- Helping Behaviors
- Adaptability

## What is Customer Delight and Why is it Important for You?

Customer delight occurs when salespeople or agents anticipate customer needs, provide solutions to needs before customers ask and then observe to see if new and/or additional expectations surface. Customer delight goes beyond simply providing good customer service because customer service misses the opportunity to provide extended rewards.

When agents create a “WOW” situation (and exceed customer expectations), they plant seeds in the customer’s memory that are easy to recall. Exceeding customer’s expectations also increases the chance that the customers will tell their story about their “WOW” experience to others, providing free advertising for the agent’s organization, which may result in future home listings and sales. Customer delight is a



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state of mind that leads customers coming back and wanting more. Delighting customers allows agents to position themselves as different from competitors' agents, and our research reveals a significant relationship between an organization's ability to offer customer delight and sales performance. The accompanying illustration shows the agent's opportunity related to moving from customer dissatisfaction to customer delight.

We are drawing on survey research completed by 198 salespeople in the manufacturing industry. To measure customer delight, salespeople indicated how well they thought their customers believe their salesperson and his/her company exceed the customer's requirements. Additionally, we examined how other salesperson behaviors impact customer delight. Although our sample involves salespeople in manufacturing, we believe the relationship between customer delight and sales performance is equally important for the real estate industry and agents.

## **Agility**

Salesperson agility is critical to the development and maintenance of customer delight as agility is related to the creation of value propositions in response to marketplace change. Salesperson agility reflects an agent's ability to quickly change his/her strategies and tactics, in order to *anticipate* and respond successfully to changes that a customer is experiencing. Thus, being agile entails being open, learning-oriented, and ready to change. More than simply reacting to events, agility really means agents are able to anticipate their customers' changing needs. Agile representatives do not wait to consider change until a customer demands it, rather they work with customers to learn about changing needs before the change actually occurs.

Agility is a competence that agents must develop in order to anticipate and identify problems and opportunities, consider and discuss alternatives with customers, and proffer successful solutions in real time. Thus, agile salespeople and agents need to plan, but also must be capable of deviating from the plan instantaneously at the unexpected requests of customers. Unfortunately, salespeople commonly become "set" in how they conduct business, resulting in an appearance of inflexibility and being disinterested in a customer's well-being. With the business environment being so fluid, it is important to remember that agility is *dynamic* in that the way a salesperson or agent demonstrates agility today may not be effective tomorrow. Agility is *context-specific* because a customer's current needs/wants influence the level of needed agility. Agility is also *change-focused* as changes in what the customer is thinking require salespeople and agents to respond with agility. Furthermore, agility is *growth-oriented* because it relies on the salesperson's or agent's ability to reconceptualize his/her vision, strategies and techniques.

We offer agents the following suggestions for increasing their agility:

1. Focus on constantly sensing and responding to the changing business environment. Be prepared to create your own personal information infrastructure that will allow you to be agile and that can be coordinated with other information infrastructures in your work environment.

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2. Work with your organization's leaders to understand the strategic need for agility. Strive for long-term relationships with customers and be agile in the face of changes in the competitive and customer landscape. Bring new information to your managers for evaluation and to your organization's leaders apprised of changing market conditions, especially if acting on this new information departs from plan.
3. Be prepared to reconfigure your sales strategies and tactics as needed but within boundaries set by your organization.
4. Think and act in entrepreneurial ways by learning to create, manage, and disseminate knowledge. Place a high value on the coaching, advice, and information that can be derived from others in the organization and from customers.
5. Monitor and control your actions for continuous improvement. Always be alert to blend old and new knowledge.

## Communications

Effective communications between agents and customers is vital. Strong customer relationships are reflected in joint agent/customer problem assessment and sharing of information. Such a relationship also enhances the ability of the agile salesperson or agent to understand, in real-time, where a customer is and what must be done to improve the relationship with this customer and drive additional increases in customer satisfaction.

While frequent communication is necessary, the quality of your communication is far more critical to the development of loyal customers. For example, if a conflict occurs between an agent and a customer, increasing the frequency of communication while not drilling down to ascertain the source of the conflict will provide no long-term value to the relationship. You must improve the quality of your communications with customers. For example, answering the following questions should lead to improved customer communications:

1. What does a customer consider a quality communication?
2. How can you, your managers, and support personnel work together to understand what is meant by quality of communication as the customer sees it?
3. How can general market intelligence help you identify potentially actionable issues for a particular customer?

## Quality of Interactions

Our research suggests that the more information salespeople share with customers, the more trust bonds develop, leading to enhanced interaction quality. Salespeople and agents and their organizations benefit from sound understanding of the customer's context. Quality of interaction and customer delight are positively related, suggesting that salespeople who have quality

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interactions with their customers report stronger delight among their customers. Thus, agents should identify ways to improve the quality of their interactions with customers. The result will be an increase in customer trust, leading customers to be more inclined to share insights and discuss problems they are experiencing. Learning customer insights and problems directly allows salespeople to engage in agile marketplace behaviors, thereby enhancing customer delight and improving salesperson performance and organization revenue.

## **Helping Behaviors**

When salespeople are perceived as helpers in the salesperson/customer relationship, the salesperson is evaluated more favorably by the customer, leading to improved sales revenue and profitability. These positive outcomes extend to the organization through a mechanism known as transference of trust. Simply put, trustworthy salespeople or agents are employed by trustworthy organizations. Thus, salespeople or agents who engage in helping behaviors toward their customers increase the customer delight evident among their customers.

A common notion is that salespeople or agents will treat customers similarly to how they are treated within their own organization. Simply put, the relationships between salespeople, management, and customers are highly interrelated. For an organization, helping behavior can be fostered by growing positive relationships between the salesperson or agent and the firm or broker. When agents are satisfied with their jobs and firms, they are more likely to view customers and the provision of service positively. Further, as they converse with customers, their tendency will be to communicate more positive information about their organization, past experiences, etc. When a customer views a salesperson or agent as a helper, that customer is more likely to also adopt a helping posture and exhibit similar behaviors to those described above for the salesperson.

Sales leaders and managers must adopt positive approaches when relating to the sales force if they expect to influence salespeople and agents to do the same with customers. Even when times are difficult, such as today's economic climate, dwelling on difficulties or simply venting about negative situations is not a productive activity. It is more productive to focus on understanding the circumstances, seeking opportunities to lay a foundation for growth when the economy shifts (as it always seems to do) and being ready with agile strategies as customers send signals that they are ready to move their businesses forward.

## **Adaptability**

Adaptive selling relates to adjusting sales behaviors during the customer interaction or across customer interactions based on information derived from the selling situation. For instance, salespeople or agents make adjustments to initial impressions, solutions, and strategies when interacting with customers. For example, one selling strategy might be more helpful when selling to a customer demonstrating "driver" tendencies, while another approach might be more useful when interacting with an "amiable" customer. The driver would expect less time be spent on

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getting to know the salesperson or agent and want to get to the core of the business issues. However, a customer appearing to be an amiable would prefer to build a comfortable relationship with the agent prior to talking business.

*Adaptive selling* and *agility* appear similar. Possessing an adaptive core of strategies allows agents to keep an array of options available to cope with predicted change. To employ an analogy from genetics, those species that maintain diverse portfolios of ongoing genetic experiments have a greater likelihood of survival when environmental conditions change. Thus, all members of a species are engaging in change behavior, some radical, some not. It is the atypical members of the species—those that possess qualities that fit or are useful in the new environment—that make the survival of the species more likely. Similarly, agents with a robust portfolio of adaptive strategies are more likely to survive in a dynamic mix of marketplace changes. The key for agents is to develop the ability to understand when to use conventional approaches, minor adaptations, and radical departures to meet changes in customer requirements. Thus, both adaptability and agility require that agents adjust in response to changing conditions.

## **The Bottom Line**

In conclusion, customer delight is strongly associated with sales performance. Positive business outcomes are more likely if you enhance your agile orientation to selling, improve customer communications, emphasize quality interactions, focus on using helping behaviors, and strengthen your portfolio of selling strategies in order to be more adaptable. The sooner that such action is taken, the sooner an agent and the organization will experience increased success.

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