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Listening, Empathy, and Sales Effectiveness
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Communication skills are the single most important determinant of effectiveness in both sales and sales management (Deeter-Schmetz, Goebel and Kennedy 2008). Poor listening behaviors by sales personnel contribute significantly to performance failure -- costing American businesses billions of dollars in revenues annually (Brownell 1990; Grossman 2011). Research confirms the importance of listening, determined its cognitive dimensions, and identified positive outcomes, including buyer loyalty. Researchers have begun to investigate affective components of listening – such as empathy and concern – and the relationship between these and adaptive selling and sales performance (cf., Castleberry and Shepherd 1993).

In this article, we report the findings of a study involving in-depth interviews with home buyers that concerns buyer perceptions of real estate agents’ listening behaviors. This work offers insight to real estate professionals concerning forms of listening and their role in building and maintaining long-term buyer-seller relationships (Aggarwal, Castlebery, Ridnour, and Shepherd 2005).

Background

Interpersonal communication includes both outwardly-oriented (expressive) behaviors and inwardly-oriented or listening (recognition) behaviors (Nichols 1995). Listening behavior comprises three components: sensing, evaluating, and responding (Ramsey and Sohi 1997). Sensing (the initiation of listening behaviors stimulated by verbal and nonverbal cues) and evaluating (the assessment of customer statements to discover underlying meaning) are cognitive activities. Responding is behavioral and its purpose may be to inform, control, empathize or ritualize (Mead 1986). We know there is a positive association between listening perceptions and relational outcomes. Scholars have speculated that salespeople must engage in all three components of listening to be perceived as effective listeners (Ramsey and Sohi 1997).

While early researchers focused on cognitive features of listening, more recent work suggests that listening skills are best understood if examined within relational structures. In fact, it is argued that: the effectiveness of sales interactions is determined by the interpersonal interaction between the salesperson and the customer, relational listening is a communicative phenomenon enacted “in-relationship,” and the processes underlying relational communication may be productively understood by examining how relational partners account for the listening process (Halone and Pecchiono 2001; Williams and Spiro 1985).

Salespeople who display empathy may be particularly effective communicators. As the salesperson’s empathy increases, their level of listening increases, as does their subsequent effectiveness (Comer and Drollinger 1999). Empathy is the ability to accurately perceive the
internal frame of reference of another as well as underlying emotions and meanings (Rogers 1959). When salespeople use active empathic listening (AEL) they attempt to intuitively assess the meanings underlying buyer messages by placing themselves in the customer’s place throughout the interaction (Comer and Drollinger 1999). From an AEL perspective, for interpersonal communication in the buyer-seller relationship to be effective, genuine concern (empathy) on the part of the salesperson is requisite.

Research finds a strong positive correlation between empathy and salesperson listening, trust in the salesperson, and satisfaction with the salesperson; trust and satisfaction, in turn, are positively related to future interaction expectations (Aggarwal, Castleberry, Ridnour, and Shepherd 2005).

Literature from diverse fields suggests that empathy has both cognitive and affective components (Duan and Hill 1996). The cognitive component, sometimes called perspective-taking or cognitive-role-taking, consists of an intellectual understanding of another person's situation (Barrett-Leonard 1962). The cognitive component involves understanding on an objective level. The affective component, sometimes called empathetic concern, consists of an internal emotional reaction that produces understanding of another's feelings (Allport 1961). The affective component is more difficult to explicate than is the cognitive component, since it involves emotional bonds between people that enable them to sense and process emotional states. A number of theorists have adopted the position that cognitive and affective aspects are both essential and work together (Brems 1989), while others feel that empathy can be either cognitive or affective depending on the situation (Gladstein 1983).

**Our Study**

Because of our interest in developing a deeper understanding of buyer beliefs, feelings, and experiences, we conducted indepth interviews with 31 home buyers. Informants had established a commercial relationship with a realtor within the past 12 months. The length of the commercial relationship ranged from two to six months. Buyers ranged from 21 to 65 years in age; 52% were female and 40% were first-time home buyers.

From the buyer’s perspective, every characteristic of listening (sensing, evaluating, responding) has both cognitive and affective characteristics. That is, sellers signal simultaneously the extent to which they understand buyers’ needs and concerns and the extent to which they care about such needs. In this study, buyers identified empathetic listening behaviors as key to the development of long-term buyer-seller relationships.

Buyers were alert to the extent to which their realtor paid attention to what they were saying, as well as whether the salesperson appeared aware of buyers’ verbal and non-verbal cues. Buyers themselves were sensitive to nonverbal aspects of the salesperson’s listening (sensing) in the form of their facial expressions, body language, gestures, alertness, and/or maintaining eye contact. As a result, our study suggests that each of the three dimensions of listening sensing, evaluating, and responding have affective and cognitive dimensions.

Not surprisingly, buyers found realtors to possess greater understanding of their needs over time. Importantly, buyers attributed this not merely to an accumulation of information by the realtor
but an indicator of a shift in the realtor’s perspective towards a more relational and empathetic viewpoint. Buyers discussed this in terms of both cognitive and behavior components of the realtor’s performance. Many buyers talked about whether they felt their realtors were trying to gain a more relational-level of understanding of them or simply viewed them as just “customers” looking for a service -- a purely transactional-level assessment (Comer and Drollinger 1999).

Finally, when evaluative communication is imbued with affect (such as empathy or caring), customers perceived the seller to be more effective at sales. Realtors who were perceived to be empathetic listeners showed houses which better met buyers’ needs and interests (creating efficiency for all parties), provided more ancillary information (e.g., regarding loans, schools, churches), met with buyers at times convenient to them, and communicated through means appropriate to the buyers’ own modes of communication.

**Implications for Real Estate Professionals**

This study offers insight useful to real estate agents in terms of understanding buyer attitudes and expectations. Customers are not naïve and they fully know that salespeople employ various strategies to create a positive impression. Yet, buyers expect appropriate sales behaviors which serve as important cues into the realtor’s level of attention to buyer needs and also to the realtor’s level of empathy.

Few would be surprised to learn that there is a strong relationship between listening skills and buyers’ perceptions of sales effectiveness and satisfaction (Aggarwal, Castleberry, Ridnour and Shepherd 2005; Ramsey and Sohi 1997). However, this study suggests that all listening is not equal. Buyers want not only evidence that the real estate agent has heard and understood them, but that the agent has a genuine interest in the buyer. Agents, then, have the opportunity to enhance relationships merely by signaling to the buyer not only are needs understood, but also that they matter.

The expression of empathy is an important predictor of the maintenance of successful, stable relationships (Long 1993; Long and Andrews 1990). The good news for sales managers is that empathy is a trainable skill and has been developed for a number of groups, including high school students, college students, medical students, nursing staff and parents (Guerney 1988; Hatcher et al. 1994; Patore 1995, Herbeck and Yamarmon 1990, Brems, Baldwin, and Baxter 1993). The focus of these programs is the creation of an environment conducive to the expression of empathy.

The impressions of affective and cognitive empathy created during sales interactions may play a key role in developing buyer-seller relationships. Specifically, our data suggest that when the realtors expressed the affective and cognitive components of empathy through listening activities as a part of their manner, buyers interpreted this as genuine concern for the outcome of the sales process. The examples buyers provide of these behaviors were generally very simple. Agents adjusted the air conditioning in the car to suit the customer, made reflective statements that drew
upon past conversations with the buyer, and sent simple welcome gifts that reflected the buyer’s unique interests and lifestyle. On the other hand, non-empathetic realtors were liable to make statements that showed a disinterest in the problems a particular house purchase may create for the buyer in terms of improvements, neighborhood, school satisfaction, etc. Buyers were particularly reactive to negative evidence. In the words of one first-time home buyer, “She [the agent] said it was nothing – nothing! – to restore those hardwood floors!” The customer then recounted, in disgust, how he was forced to hold onto his home because of the massive repairs that his agent had dismissed.

Finally, consistent with traditional thinking in sales, buyers suggest that the number and duration of interactions with the agent increased understanding, communication, and relationship quality. Therefore, agents can simply create a strategy for increasing the number of interactions and communication quality with buyers in order to enhance trust and purchase intent.

*The Role of Empathy in the Traditional Listening Model*
References


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