Trouble in Paradise: How Working at Home May Negatively Affect Spouse’s Work Productivity
Dawn S. Carlson, PhD, Merideth J. Thompson, PhD, Wayne S. Crawford, PhD, Wendy R. Boswell, PhD, and Dwayne Whitten, PhD

Consumer Susceptibility to Cross-Selling Persuasion
Xuehua Wang, PhD and Hean Tat Keh, PhD

Sharing Market Intelligence Among Salespeople
Zachary R. Hall, PhD, Ryan R. Mullins, PhD, Niladri Syam, PhD, and Jeffrey P. Boichuk, PhD

Implementing Humor in Real Estate Transactions
Bruno Lussier, PhD, Yany Grégoire, PhD, and Marc-Antoine Vachon, PhD

Predict, Don’t Project
Meredith David, PhD

INSIDER: UnSelling
Jackson Price, MBA Candidate

INSIDER: The Culture Code
Arjun Azavedo, MBA Candidate
Implementing Humor in Real Estate Transactions

Bruno Lussier, PhD, Yany Grégoire, PhD, and Marc-Antoine Vachon, PhD

Using humor wisely is known to have many benefits in the workplace. In fact, recent research revealed positive associations between humor usage, creativity, and employee relationships. In the organizational literature, having a sense of humor has been shown to decrease anxiety and stress while also increasing one’s mood and overall life satisfaction. Furthermore, the flexibility and innovation promoted by humoristic individuals has been documented in different management settings. However, there is limited research on the potential benefits of humor usage in the specific context of a salesperson-customer relationship. Therefore, the main objective of this study was to examine the influence of salesperson humor usage on salesperson creativity, customer trust, and sales performance within the context of a salesperson-customer relationship.

Salesperson creativity is a critical success factor leading to sales performance, and trust is the cornerstone of the most successful salesperson-customer relationships. One way of increasing creativity is through humor usage, which we define as the ability to perceive, create, and express a message or idea with the ingenuity, verbal skill and incongruity that can produce a smile or laughter. Also, humor usage was found to have a positive impact on customer trust as it helps diffuse tensions; as a result, proper humor usage can be viewed as an effective tool for developing and maintaining lasting work relationships. Lastly, management literature supports a positive linkage between workplace humor and job performance. In light of past findings, this research examines how humor usage can simultaneously and independently affect salespersons’ creativity and customer trust. This research also examines the effect of humor on objective sales performance, customers’ word-of-mouth, and customers’ expectation of continuity (i.e., the likelihood of continued purchases from the salesperson).

We argue that, through the use of humor, salespeople become more inclined to provide creative and innovative business solutions to customers, and that salespersons’ humor makes them more trustworthy for their customers. As a result, salespeople with a humoristic approach have a competitive advantage over others. Our model posits that customer trust and increased creativity from a humoristic salesperson should ultimately lead to an increase in sales performance. Results indicate that (1) salesperson humor usage positively influences salesperson creativity and customer trust, (2) which in turn indirectly influences (i.e., mediates) the effect of humor on
objective sales performance. In addition, (3) customer trust also influences word-of-mouth propensity and expectation of relationship continuity. In the end, our findings reveal the importance of using humor in developing strong business salesperson-customer relationships.

**Our Study**

Our study tested a model with the hypothesized sequences of “humor → creativity → performance” and “humor → customer trust → performance.” We tested our model using 149 matched salesperson-customer surveys and their objective sales performance from cross-industry sales B2B organizations. We controlled for a variety of variables, including salesperson expertise, salesperson adaptability, sales experience, interaction frequency, and relationship duration. For the first part of the model, we tested the effects of salesperson humor usage on salesperson creativity, customer trust, and objective sales performance. Then, we examined the effect of salesperson creativity on objective sales performance. Lastly, we also investigated the effects of customer trust on objective performance, word-of-mouth, and expectation of continuity.

**Our Findings**

For direct effects, we first examined the influence of salesperson humor usage on creativity, trust, and objective performance, and, as expected, salesperson humor usage positively affects salesperson creativity. Salesperson humor is not *directly* related to objective performance. However, salesperson humor was shown to have a direct positive effect on customer trust (even after controlling for four important control variables). Among the control variables, relationship duration and salesperson expertise were positively related to customer trust, whereas interaction frequency and adaptability were not significant.

Next, we examined the impact of salesperson creativity on objective sales performance. As hypothesized, salesperson creativity is positively related to objective sales performance. Lastly, we found that customer trust positively influences objective sales performance, customers’ word-of-mouth, and customers’ expectation of continuity.

With respect to mediating effects, we examined the effect of humor usage on objective sales performance through the mediating mechanisms of customer trust and salesperson creativity. Our results show a significant indirect effect of humor usage on objective sales performance mediated by customer trust. This effect is an indirect-only mediation, as salesperson humor usage has no direct effect on objective sales performance. Next, we found an indirect effect of salesperson humor usage on objective performance mediated by salesperson creativity. Likewise, the effect is an indirect-only mediation. Together the results from direct and indirect effects support our model with the sequences of “humor → creativity → performance” and “humor → customer trust → performance.”
Interestingly, despite the established importance of customer trust, our model found that humor has a stronger effect on salesperson creativity than on customer trust. Salesperson creativity heavily influences sales performance by providing innovative solutions to customer demands and needs.

**Implications**

Our study sheds new light on the importance of humor usage in a salesperson-customer relationship, as it shows that salesperson humor usage has a positive effect on salesperson creativity and customer trust. Salespeople who use humor wisely are associated with increased abilities to find new, creative, and practical solutions while interacting with customers. Furthermore, a salesperson’s ability to use humor exerts a positive influence on customers’ perception of the salesperson’s reliability and concerns about their welfare. Thus, being a humoristic salesperson may increase one’s creative performance and improve one’s ability to build strong relationships. Therefore, don’t be afraid to share humorous sales-related stories with your customers. If you struggle incorporating humor wisely into your sales approach, try personal coaching or workshops to develop this skill and to increase your confidence in your ability to use it as well, especially for developing creative business solutions.

**Conclusion**

A sales encounter represents a critical interaction between a salesperson and a customer where both parties could invest in building their relationship. Our findings reveal the importance of utilizing humor in this relationship building process. The effects of humor on creativity and customer trust imply that real estate agents should incorporate humoristic tactics to diffuse tensions or stressful situations. Neglecting humor usage can result in decreased creativity and trust, which could result to lower performance. In light of these results, challenge yourself to start incorporating humor into your selling approach as soon as possible.

**Recommended Reading**

About the Authors

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Dr. Bruno Lussier (PhD – Grenoble University) conducts research on sales force effectiveness, relationship marketing, positive organizational behavior, and ethics. His work has been published in various academic publications, such as *Industrial Marketing Management*. Prior to his academic career, Bruno had a 15-year career as a business analyst, consultant, trainer, and sales manager in several B2B firms.

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