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Aligning Motivation for a Value-Based Sales Strategy  
*Ryan Mullins, PhD, Bulent Menguc, PhD, and Nikolaos G. Panagopoulos, PhD*

Selling strategies in many organizations are shifting away from promoting a product’s features and benefits to, instead, engaging in value-based selling (VBS). Now more than ever, customers expect real estate agents to quantify value, such as resale value for consumers and rental value for investors. Firms that communicate value win over tentative customers to new products and services at a higher rate than those who promote features. Beyond winning over tentative customers, engaging in VBS leads to increased customer retention, growth, and salesperson performance.

**About Our Study**

Implementing VBS in a firm, however, is challenging—most managers point to a sales force’s inability to articulate the offering’s unique business value. This study examines the influence of different motivational sources – self, supervisor, customer, and team – to uncover how to motivate and benefit from implementing VBS in an organization. Through this research we uncover a framework of motivational mechanisms that explain salesperson motivation for VBS.

**VBS Framework**

**Self:** Real estate agents will likely be motivated by one of two self-regulatory motivational systems—a promotion or a prevention focus. A real estate agent with a *promotion focus* will strive to attain positive outcomes and stretch goals. These individuals are willing to try riskier strategies to achieve desired outcomes. *Prevention-focused* real estate agents, on the other hand, desire to avoid negative outcomes and will implement more conservative strategies to avoid potential losses.

Both motivation systems help motivate real estate agents for VBS, but they create value through different routes. Because promotion-focused agents tend toward the use of creative strategies and are best suited for risk and growth, they will be motivated towards VBS by the prospect of creating financial value by increasing property value or revenue growth. Prevention-driven agents will be less motivated by revenue growth than by by focusing on preventing loss or quantifying cost reduction. It is important to note that an individual could have high levels of both prevention and promotion motivation strategies.
Supervisor: If agents perceive that their manager displays empowering leadership (e.g., offers autonomy in performing activities, asks for input in defining goals) – employees will demonstrate greater intrinsic motivation and engagement, often going above and beyond minimum job requirements. As a result, supervisors who demonstrate empowering leadership behavior will motivate agents to create value for customers by innovating offerings, assisting in facilitating transactions, or matching goals between buyers and service providers.

Customers: Understanding the customer’s goals is an essential element of VBS. A customer’s willingness to share value-relevant knowledge influences the salesperson’s effort to uncover and realize value. Empowering customer behaviors might include expressing confidence in advice during decision making, delegating control, or expressing confidence in an agent’s ability to provide value.

Teams: Our study reveals that sales team monitoring, a form of informal peer evaluation, increases awareness of individual members’ activities. Sales team monitoring has the potential to motivate a sales team’s goal pursuit, such as working together to achieve a shared quota. When sales team monitoring is in place, agents display increased communication and feedback behaviors to help members reach individual goals that contribute to the team’s collective goal.

Managerial Implications

Motivating VBS involves a careful balance of salesperson and sales team-level motivation factors. For this reason, firms should consider the agent, their environment, and their team when implementing VBS. Prevention-focused (loss-avoidance) agents will be more motivated when they perceive lower levels of monitoring from their team and higher levels of empowerment from their customers. Promotion-focused (gains-oriented) agents, on the other hand, are more motivated by higher levels of team monitoring and lower levels of customer empowerment. It should be noted that lower levels of team monitoring will lead to lower motivation among sales teams and lower team performance and customer adoption. An efficient way to identify whether an agent is promotion or prevention-focused is to conduct a short survey during hiring and later during employment. Based on results of the survey, managers can design training sessions specifically geared toward each motivation style.

Empowering leadership behaviors can also motivate VBS. Sales leaders can increase agents’ motivation by offering more opportunities to express opinions, showing confidence in agents’ abilities, and increasing agent autonomy. For this reason, firms should also consider VBS coaching for leadership. Leaders can also use survey results from each agent to create benchmarks and team assignments based on identified levels of motivation factors.

When real estate agents perceive customers giving them some influence and autonomy with respect to important decisions, preventative salespeople will be motivated for VBS. Many customers limit communication with agents during the purchasing context, which can be
perceived as a lack of influence with the customer that ultimately hampers VBS implementation. Using survey results, managers should segment customers based on perceived customer willingness to empower salespeople. Using this information, real estate managers can better support individual agents’ selling approaches for customers who may hamper the agent’s efforts to act on their goal motivations during customer interactions.

**Conclusion**

VBS clearly increases customers’ acquisition of desirable properties that match buyers’ goals. Don’t underestimate the influence of individual agents, supervisors, teams and the customer when implementing VBS. Sales managers should regularly monitor sales team dynamics, specifically, whether team members collectively exert effort toward team goal achievement, such as collecting and sharing customer insights.

**Recommended Reading**


**About the Authors**

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Dr. Ryan Mullins’ (PhD – University of Houston) research projects are related to sales effectiveness, branding, team selling, customer relationship management, and sales leadership. Ryan’s work has appeared in the *Journal of Marketing, Journal of the Academy of Marketing Science, Journal of Applied Psychology, Industrial Marketing Management, Journal of Personal Selling and Sales Management, and the Journal of Business Research*. Dr. Mullins also serves the field through his associations with marketing journals across domains. Ryan actively serves on the editorial review boards at the *Journal of Service Research* and the *Journal of Personal Selling and Sales Management*.

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