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**The relationship between buyer orientations and the influence tactics used by salespersons in adaptive selling - a replication with extension study.**

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**STATEMENT:**

A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

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## ABSTRACT

Adaptive selling literature identifies effective salespersons as those who match their influence tactics to the characteristics of buyers. McFarland, Challagala and Shervani (2006) propose a theoretical framework that uses influence processes to identify the seller influence tactics that salespersons use, and to assess which of these tactics will resonate with three different types of buyers. The results of their research, conducted in an agricultural retail industry, indicate that salespersons do use the influence tactics prescribed by theory in persuading different types of buyers. In an attempt to expand the generalisability of their empirical findings, this research study replicates their study with extension in the South African banking industry, where sales are conducted within a relationship marketing context. Pilot studies in the form of a focus group and personal interviews were used during a pre-test, while survey research was used to collect primary data on 60 bi-directionally matched buyer/seller dyads. The results indicate that salespersons/relationship executives in the banking industry do not alter their use of influence tactics when dealing with different buyer types, and that in general influence tactics, with the exception of recommendations, are unsuccessful in achieving manifest influence at the point of sale, irrespective of the buyer's orientation. It would appear that influence tactics are perceived as short term "hard sell" tactics when used at the point of sale in a relationship banking context, which is not consistent with a relationship characterised by high levels of trust and commitment. Finally this research proposes a new theoretical framework that focuses on the use of influence tactics with different types of buyers both during the relationship and at the point of sale.



## DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University.

**Name: Brenton David Booth**

**Signature: .....**

**Date: .....**

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## **1. CHAPTER 1: Introduction to research problem**

### **1.1. Introduction**

In a recent South African study in the field of personal selling, it was found that only 37 % of South African executives interviewed were satisfied with their sales results: one of the key reasons cited for poor sales performance was salespersons with poor protocols, who did not know how to sell in a demanding market (Real Business, 2007). A particularly demanding market is the South African banking industry, which has seen much structural change over the last ten years, leading to increased competition. The competition has come in the following forms: first the entry of foreign banks into the highly lucrative commercial and corporate market segments; secondly, the deregulation of the industry has seen non-financial institutions offering financial services historically only offered by banks; and finally, the growing commoditisation of the banking industry has resulted in lower margins (Bankseta, 2005). With increased competition in this industry, banks have turned their focus to improving the sales and relationship marketing skills of their front line staff. With this in mind this research study turns its attention to personal selling, and more specifically the salesperson/buyer dyad, to identify ways in which the sales effectiveness of salespersons in the South African banking industry can be improved.

While there are various factors in the salesperson/buyer dyad that can influence sales performance, a review of the sales literature confirms general support for the relationship between sales performance and adaptive selling (Giacobbe, Jackson Jr, Crosby and Bridges, 2006), (Boorum, Goolsby and Ramsey, 1998), (Weitz, Sujan and Sujan, 1986). Adaptive selling is described as the altering of sales related behaviours during a customer interaction or across interactions based upon the perceived information about the nature of the selling situation (Giacobbe *et al*, 2006).

There are two widely accepted concepts in sales literature: the first is that influence tactics are the mechanism through which salespersons persuade buyers in interactions (Brown, 1990), and the second that adapting sales tactics to different buyers is important for superior performance (Spiro and Weitz, 1990). The sales literature however, until fairly recently, provides little guidance regarding which influence tactics should be used with different types of buyers.

McFarland, Challagalla and Shervani (2006) focus on addressing this point: firstly, by identifying which influence tactics are used by salespersons in a personal selling context, to develop a framework of Seller Influence Tactics (SIT) and secondly, by identifying which SITs are more likely to be successful in influencing different buyer orientations with the ultimate objective of improving sales effectiveness.

The results of the research conducted by McFarland *et al* (2006) indicate that buyers are more complex than expected, and in two thirds of the cases buyers exhibit multiple buyer orientations.

It would however appear that salespersons recognise these buyer orientations and use different influence tactics to maximise manifest influence in the sales process (McFarland *et al*, 2006).

## **1.2. Research motivation**

The findings of the McFarland *et al* (2006) study provide us with important insights as to which influence tactics should be used in a personal selling context when dealing with buyers of different orientations, in order to achieve sales effectiveness. McFarland *et al* (2006, p 114) however, highlight the limitations of their study by stating that “the salesperson data are nevertheless from a single industry” and “there is a need for further research that examines a variety of industries and firms to examine the generalisability of the empirical results”.

An additional motivation for this research paper is a response to the growing call for more replication studies within the field of marketing. In an extended editorial on the issue of replication in the *Academy of Management Journal* (2002, p 841), Eden wrote that sound management practices would be greatly aided by “a large number of high quality replication studies”. A stronger call for more replication research comes from Evanschitzky, Baumgarth, Hubbard and Armstrong (2007, p1) who state that “practitioners should be sceptical about using the results published in marketing journals as hardly any of them have been successfully replicated, teachers should ignore the findings until they receive support via replications and researchers should put little stock in the outcomes of single shot studies”.



Many researchers fail to appreciate the idea that in the absence of replication research the behavioural and management science rest on weak foundations (Evanschitzky *et al*, 2007).

### **1.3. Research objectives**

This research study has two specific objectives:

- firstly to contribute to the growing call for more replication research in the field of marketing, by performing a “replication with extension” of the McFarland *et al* (2006) original research study, by drawing the sample from a population in a different industry: and
- secondly to attempt to validate the SIT framework proposed by McFarland *et al* (2006) in the South African banking industry.

If the findings of this research confirm the empirical findings of the McFarland *et al* (2006) SIT framework, it will allow for further generalisation of the SIT framework theoretical results across industries. If the findings are not confirmed it draws the theoretical results of the SIT framework proposed by McFarland *et al* (2006) into question, but nevertheless adds to our knowledge and highlights the need for additional replication research to test the original hypothesis.



#### 1.4. Scope of research

The context for this research study is as follows: the topic is first and foremost a marketing theme, in that it focuses on one aspect of marketing namely, the personal selling process. Personal selling is the only form of marketing in which the salesperson's communication can be adapted according to the selling situation and, more specifically, the individual customer. Within the personal selling context salespersons may elect to practise either adaptive selling or non-adaptive selling. In an adaptive selling context salespersons react to the selling situation and take into account the individual buyer's values, beliefs, wants and needs, and prepare and deliver a tailored sales presentation (Spiro and Weitz, 1990). Conversely, in non-adaptive selling salespersons don't take the selling situation into account and effectively ignore the individual buyer's orientation and deliver standardised sales presentations. The scope of this study will focus specifically on the influence tactics used by salespersons when dealing with different buyer orientations within the salesperson/buyer dyad, under adaptive selling conditions.

Other aspects of the salesperson/buyer dyad such as the characteristics and capabilities of the salesperson, as well as the motivation of the salesperson to practise adaptive selling, fall beyond the scope of this research study and will not be addressed.

This research study comprises basic research which is defined as "research that is intended to expand the boundaries of knowledge itself or to verify the acceptability of a given theory" (Zikmund, 2003, p 7).

This research study meets both criteria of the definition in that it aims firstly, to test the acceptability of the McFarland *et al* (2006) theoretical SIT framework and secondly expand the boundaries of knowledge by establishing whether the SIT framework is equally applicable in different industries (Eden, 2002).

### **1.5. Structure of research report**

This research study is broken into the following key areas: first, replication research, and its importance in validating existing theory, especially in the field of marketing, is covered; second, adaptive selling, and the importance of salespersons developing unique presentations depending on individual selling situations, is discussed; third, influence tactics used by salespersons in a personal selling context within the framework of adaptive selling are identified and discussed; fourth, the influence processes through which the individual influence tactics are used are identified and discussed; fifth, different buyer orientations are described i.e. the different characteristics that buyers exhibit in a personal selling context; sixth an attempt is made to validate the McFarland *et al* (2006) SIT framework in the South African banking industry i.e. to identify whether salespersons recognise different buyer orientations and whether they use specific influence tactics operating through different influence processes to achieve sales effectiveness; finally, a new theoretical model is proposed for the use of influence tactics in a relationship banking context.

## CHAPTER 2: Literature review

The literature review for this study can be broken into three distinct parts.

Firstly an overview of replication research is provided in support of this research study which is a replication with extension of a previously published study. Replication with extension research duplicates a previously published study, with basic changes in the original study's design in order to establish whether the original research findings can be generalised.

The second part of the literature review investigates the theme of adaptive selling, which is described as “altering sales related behaviours during a customer interaction or across interactions based on perceived information about the nature of the selling situation” (Giacobbe *et al*, 2006, p 116).

The third part of the literature review can be broken down into four subsections: firstly the influence tactics in personal selling are identified; secondly the influence processes through which the various influence tactics operate are identified; thirdly different buyer orientations are identified and finally the use of influence tactics through specific influence processes by salespersons when dealing with specific buyer orientations in attempt to create manifest influence and improved sales effectiveness, is evaluated.

## **2.1. Replications**

### **2.1.1. Introduction**

A replication is defined as “a duplication of a previously published empirical study that is concerned with assessing whether similar findings can be obtained upon repeating the study” (Hubbard and Armstrong, 1994, p 236). This involves duplicating as closely as possible the research design used in the original study by employing the same variable definitions, settings, measurement instruments and analytical techniques (Hubbard and Armstrong, 1994).

A replication with extension is defined as “a duplication of a previously published empirical research project that serves to investigate the generalisability of earlier research findings” (Hubbard and Armstrong, 1994, p 236). The extension does not alter the conceptual relationships involved in the original study, but instead tests them by making changes in some aspect of the initial design. This may include modifying either the manipulated or measured variables, but not both, analysing the impact of additional variables, and repeating the study with a sample drawn from a different population i.e. socio-economic background, special versus general consumer groups and between different countries (Hubbard and Armstrong, 1994).

## 2.1.2. Lack of support for replications

In a recent study conducted by Evanschitzky *et al* (2007) it was found that replications with extensions in three major marketing journals i.e. Journal of Marketing, Journal of Marketing Research and Journal of Consumer Research, for the period 1990-2004, represented only 1.2% of all empirical research conducted in these journals, which shows a declining trend if compared to the period 1974-1989 where replications constituted 2.4% of all empirical research. A breakdown of these statistics is set out in **Table 1, Replication with extensions in marketing: 1974-2004.**

**Table 1: Replication with extensions in marketing: 1974-2004.**

Journals	1974-1989			1990-2004		
	Number of empirical studies	Replications with extension	%	Number of empirical studies	Replications with extension	%
Journal of Marketing	207	7	3.4%	331	4	1.2%
Journal of Marketing Research	366	7	1.9%	524	3	0.6%
Journal of Consumer Research	262	6	2.3%	534	9	1.7%
<b>Total</b>	<b>835</b>	<b>20</b>	<b>2.4%</b>	<b>1389</b>	<b>16</b>	<b>1.2%</b>

**Source: Based on Hubbard and Armstrong (1994)**

It would appear that many see replications research as a mundane form of research, one that is synonymous with “merely checking” other’s results and can therefore degenerate its worth (Evanschitzky *et al*, 2007). The fundamental error in rejecting replications as redundant stems from two specific misperceptions:

Firstly - the use of creativity as the sole criterion for determining the quality of scientific studies. While scientific progress does rely on new ideas and a stress on creativity generates the search for new ideas, scientific studies requires a database of facts and facts can only be established through replicated studies (Hunter, 2001).

Secondly - the widespread belief that single studies establish findings and thus a replication adds nothing is a further error (Hunter, 2001). Statistical reasoning alone will show this belief to be incorrect, given that in order to achieve a sample correlation with one digit accuracy a sample size of  $N = 1,544$  is required. The Journal of Consumer Research has an average sample size of approximately  $N = 200$  for single studies, meaning that in order to achieve one digit accuracy in correlations eight statistical replications would be required (Hunter, 2001).

A further factor responsible for the low number of replications is often the difficulty in obtaining detailed information, such as the measurement instruments, sampling methods and analytical techniques needed to perform accurate replications with extension (Hubbard and Armstrong, 1994).

Replication attempts that rely on information published in the original article only, may only be able to approximate some of the procedures involved in that research. Any discrepancies in these procedures could be sufficient to produce conflicting results between the two studies (Hubbard and Armstrong, 1994).

While obtaining more detailed information from the original authors would appear the most obvious step in addressing this problem, requests for information needed to perform replications has historically met with only partial success. In a study conducted by Reid, Rotfeld and Wimmer (1982), authors of 99 empirical studies appearing in five different academic journals, were approached to gather the necessary information needed to perform replication studies. The results were less than impressive: 49% of the authors indicated that the materials were available, some of these authors sent information, 11% answered that the requested information had been destroyed or discarded, 3% said they were proprietary, and the remaining 36% did not respond to the request, even after follow up mailing.

### **2.1.3. The importance of replication research in marketing**

The failure to obtain similar findings in replication research indicates the need for further work in the area (Hubbard and Armstrong, 1994). In a recent study conducted by Evanschitzky *et al* (2007) a “replication with extension” of Hubbard and Armstrong (1994) original work on replications, it was found that 44% of replications confirmed the original research, 31% provided partial support, while 25% conflicted with the original research.



Given these results, practitioners should be sceptical about making decisions on the findings of predominantly single shot studies reported in leading marketing journals (Evanschitzky *et al*, 2007).

Marketing researchers have been trained to think of good science as consisting of the development of new theories, which has impeded the refinement of theory through the lack of support of replications (Easley, Madden and Dunn, 2000). Few results in marketing have been successfully replicated (Evanschitzky *et al*, 2007). In social sciences, the human subject's behaviour is the unit of analysis whereas in the natural sciences human behaviour is rarely a part of what is studied. There are therefore more background factors and greater variability likely in the social sciences in comparison with the natural sciences (Easley *et al*, 2000). The marketing researcher typically studies complex organisms that have moods, can be generally uncooperative and are known to evidence behavioural inconsistencies over time. It is therefore unlikely that a single study alone will be able to answer a theoretical question (Easley *et al*, 2000).

#### **2.1.4. The outcomes of replication studies**

Replications may fail to confirm the results of the original study due to various influencing factors. These could include chance variation, researcher bias and mistakes made in the coding, recording and analysing of data. The initial study's conclusions may also not hold up over time or fail to generalise to other locations, situations and populations (Hubbard and Armstrong, 1994).

To be most effective, replications and replications with extensions should appear soon after the original publication. This is especially important where the results conflict with the original study, as this would be of interest to those planning to use the original findings in research and decision making (Hubbard and Armstrong, 1994).

Whether or not replications produce the same findings as the original study, even an exact replication adds to research knowledge. If it “only” repeats the same finding, it enriches the data relevant to the theory tested and increases confidence in generalisation (Eden, 2002). When studies yield results contradictory to the original findings, it raises doubt and gives reason for further replication, to test the original hypothesis (Eden, 2002). The less similar a replication is to the original study, the greater is its potential contribution (Eden, 2002).

A successful replication on the other hand, promotes confidence in the reliability of the results, and suggests the need to study whether the findings can be generalised to different populations, products and geographical areas (Hubbard and Armstrong, 1994).

Replications with extension serve this function of assessing whether outcomes can be generalised beyond the original context. They help determine the scope and limits of the findings and ensure the integrity of a discipline’s empirical results (Hubbard and Armstrong, 1994).

### **2.1.5. Scientific replication methodology**

From the perspective of a scientist, replicated studies are studies that are scientifically equivalent to each other. Hunter (2001) lays out the following requirements for scientific replications for simple casual studies:

- a) All studies measure the same independent variable X.
- b) All studies measure the same dependent variable Y.
- c) All studies use essentially the same procedure.
- d) All studies should sample from populations that are equivalent in terms of the study question and hence the study outcome

An important difference between a statistical replication and a scientific replication, is that statistical replications assume the word “same” to be identical, while scientists interpret the word “same” to be equivalent (Hunter, 2001). Consider simple casual studies in the social sciences, where the key to generalisation from one population to another has to do with the casual effect being studied. If that effect is the same in the two populations, then the two populations are equivalent even though the populations might be different on other irrelevant dimensions (Hunter, 2001)

### **2.1.6. Conclusion**

A perceived absence of a replication tradition in the social sciences is the result of incorrect perceptions regarding both the acceptability of replication studies and the form that such studies should follow (Easley *et al*, 2000).

A number of factors bode well for the increasing presence of replications in literature, which include the publication of various papers in marketing and management areas, emphasising the vital role of replication research (Evanschitzky *et al*, 2007). Other positive signs include a special issue of the Journal of Business Research (2000) on the topic of replications and its importance (Evanschitzky *et al*, 2007). More importantly, there have been changes in the editorial policies of leading marketing and management science journals aimed at facilitating the publication of replications.

These include the introduction of a “Re-Inquiries” section in the Journal of Consumer Research and extended editorials in the Academy of Management Journal (Evanschitzky *et al*, 2007).

With support for replication with extension research in the field of marketing clearly motivated, the background of adaptive selling in which the McFarland *et al* (2006) research study is conducted can now be addressed.

## **2.2. Adaptive selling**

Personal selling behaviours such as adaptive selling have been defined as “altering sales related behaviours during a customer interaction or across interactions based on perceived information about the nature of the selling situation” (Giacobbe *et al*, 2006, p 116).

### **2.2.1. Background to personal selling**

Kotler and Keller (2006, p 556) describe personal selling as “an immediate and interactive relationship between two or more persons, where each party is able to observe the other’s reaction”. Spiro and Weitz (p 61, 1990) state that “personal selling is the only communication vehicle that allows a marketing message to be adapted to the specific needs and beliefs of each customer”. Salespersons are therefore able to develop and implement a sales presentation tailored to each customer, as well as make rapid adjustments in their sales presentations in response to the customer’s reaction (Spiro and Weitz, 1990). It is this personal communication or contact that enables the salesperson to effectively deal with customer needs, wants and concerns immediately – in other words to “adapt” (Robinson Jnr, Marshall, Moncrief and Lassk, 2002).

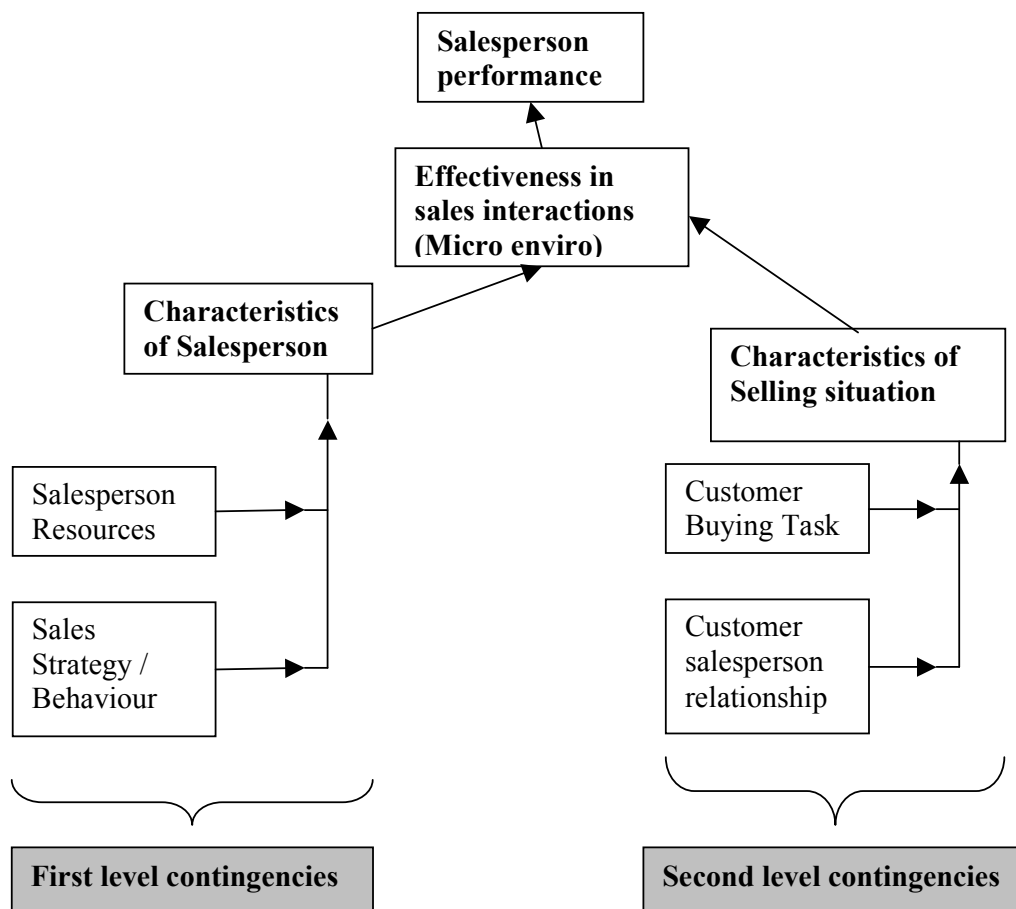
Adaptive selling is conceptualised as “working smarter” in that salespersons must recognise the need to customise presentations to better satisfy buyer needs rather than “working harder” and exerting more effort in standard presentations (Sujan, 1986).

### **2.2.2. Contingency model and Adaptive selling framework**

Sales research continues to emphasise that personal selling is an interaction based on the selling situation as well as the specific capabilities and behaviours of the salesperson (Spiro and Weitz, 1990). Weitz (1981) developed the Contingency model as a guide for research aimed at uncovering ideal selling behaviours that yield effective customer interactions.

The Contingency model was designed around the interaction of two levels of contingencies, see **Figure 1, Contingency model**: 1) First level contingencies focus on the salesperson and their specific capabilities and behaviours during the sales interaction. 2) Second level contingencies focus on the nature of the selling situation encountered e.g. variety of customer types and type and importance of the buying situation, the size of the order and its moderating effect on the selling strategy that is most appropriate for the encountered selling situation (Weitz, 1981).

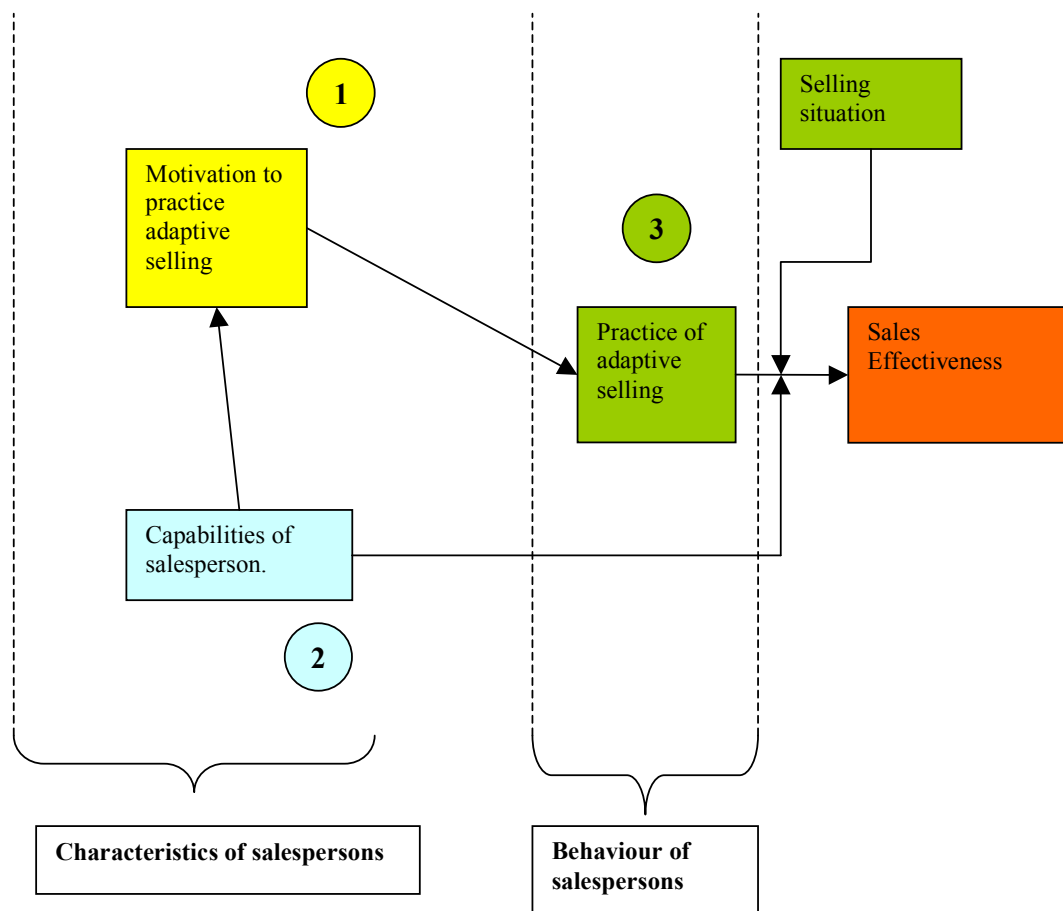
**Figure 1: Contingency model**



Source: Adapted from Weitz (1981)

Weitz *et al* (1986) added to our understanding of the Contingency model by extending and clarifying the first level of contingencies - characteristics of the salesperson - by developing the Adaptive selling framework; see **Figure 2, Adaptive selling framework**. Adaptive selling is conceptualised as the process a salesperson goes through to gather information about the selling situation and the use of this information to develop unique sales presentations designed to meet the needs of the customer (Spiro and Weitz, 1990). The Adaptive selling framework proposes that the proper use of adaptive selling strategy can be critical to a salesperson's effectiveness (Weitz *et al*, 1986).

**Figure 2: Adaptive selling framework**



Source: Adapted from Weitz, Sujan and Sujan (1986)

In order for a salesperson to sell adaptively, they need to be predisposed to the following:

1) a recognition that different selling approaches are needed in different sales situations 2) confidence in the ability to use a variety of different sales approaches: 3) confidence in the ability to alter the sales approach during a customer interaction. (These three facets pertain to the “motivation” of the salesperson to practise adaptive selling (Spiro and Weitz, 1990). Refer point 1, in Figure 2)

4) a knowledge structure that facilitates the recognition of different sales situations and access to sales strategies appropriate for each situation; 5) the collection of information about the sales situation to facilitate adaptation; (These two facets relate to the “capabilities” needed to practice adaptive selling (Spiro and Weitz, 1990). Refer point 2, in Figure 2), and

6) the actual use of different approaches in different situations. This facet pertains to the “actual behaviour” of salespersons (Spiro and Weitz, 1990). (Refer point 3, in Figure 2)

Research has indicated that higher performing salespersons are better able to adapt to different selling situations by developing distinctive scripts for different customers and by considering more contingencies within different selling situations relative to different types of customers (Weitz *et al*, 1986).



### 2.2.3. Adaptive selling - effect of the selling situation

Much research has stemmed from the Contingency model and Adaptive selling framework over the last two decades, in an effort to establish the relationship between adaptive selling strategy and sales effectiveness. The majority of this research has focused on investigating the characteristics of the salesperson i.e. individual difference traits or capabilities (equating to Weitz *et al* (1986) - first level contingencies) which is hypothesised to enhance a salesperson's ability to practise adaptive selling, but the results have been equivocal on linking adaptive selling strategy to a salesperson's effectiveness (Spiro and Weitz, 1990). One of the possible reasons for this has been that researchers have ignored the importance of the second level contingency, namely the characteristics of the selling situation (Porter, Weiner and Frankwick, 2003).

Porter *et al* (2003) were the first to empirically test the moderating effect of the selling situation encountered by a salesperson on the relationship between adaptive selling behaviour and sales performance.

Porter *et al* (2003) believe that it was not the intention of the original researchers to suggest that adaptive selling strategy should be seen as the optimum selling strategy in every selling situation. Weitz *et al* (1986) specifically argues that adaptive selling should be used in those situations where benefits outweigh the costs. Porter *et al* (2003) propose that benefits would most likely exceed opportunity costs with potentially large orders or with a high probability of using currently collected information to secure future sales.

## **Buying tasks / selling situations**

Weitz *et al* (1986) suggest that sales behaviours used by salespersons should vary depending on the buying task/selling situation and used three different buying tasks proposed by Robinson, Farris and Wind (1967), which include:

**Straight rebuy situation** – the organisation has purchased an item in the past and in all likelihood will reorder from the supplier in the future. This routine decision involves low levels of perceived risk and low information needs.

**Modified rebuy situation** – the organisation has purchased similar items in the past, however some aspects of the buying task have changed. New information may be required to consider new solutions to the buying task.

**New task situation** - the buying task is very important because the organisation is buying the item for the very first time. Since buyers have little experience of new buy vendors and little or no experience with the product itself, their information needs are very high.

Weitz (1981, p 93) states that “since these buying tasks differ in the amount of information needed and the level of uncertainty or risk associated with the purchase decision, one would expect that different sales behaviours would be appropriate for each situation”.

Adaptive selling may cause a salesperson to sacrifice short term sales to maintain customer satisfaction and increase the probability of future sales; this is typical of a “new task” or “modified rebuy” situation. “New buy” or highly complex selling situations are characterised by the buyer requiring more time to collect information needed to reduce the risk of error associated with making a poor purchase decision, making it more beneficial for the salesperson to engage in adaptive selling (Porter *et al*, 2003).

Typically “straight buy” buying situations afford the buyers the opportunities to gain efficiencies through minimal time expenditures with salespersons, making it less likely that the salesperson would need to engage in adaptive selling by having to develop a new sales or communication strategy, but rather just maintain the status quo (Porter *et al*, 2003).

These findings are supported by Weitz *et al* (1986) who indicate that adaptive selling behaviour is more applicable in “new buy” or “modified rebuy” situations. Research by Giacobbe *et al* (2006) found that adaptation during sales presentations is an activity engaged in by most salespersons in contexts where 1) needs variability is high 2) the buying unit and offerings are complex, and 3) each customer/prospect affords significant long term profit potential.

#### **2.2.4. Sales effectiveness**

Studies provide ample support for the link between adaptive selling and achieving sales performance goals i.e. sales person ratings of performance and adaptiveness are significantly correlated (Spiro and Weitz, 1990).

Giacobbe *et al's* (2006) findings indicate that adaptive selling behaviour is strongly, associated with the performance of salespersons and that the sales situation moderates the strength of the relationship. Their study found that adaptive selling behaviours accounted for approximately 33% of the variance in sales performance. Similar results were achieved by Boorum *et al*, (1998) in their research study where adaptive behaviours accounted for 31% of the variance in sales outcomes.

#### **2.2.5. Conclusion**

It is clear from the literature that adaptive selling does lead to increased sales performance, but that this is moderated depending on the nature of the selling situation. The sales literature also states that rather than using the same tactics salespersons should adapt their tactics and these adaptations should suit the buyers with whom they are dealing (Weitz *et al*, 1986). These tactics are referred to in the sales literature as “influence tactics” and are seen as the mechanism through which salespersons persuade buyers in selling interactions (Brown, 1990). Little guidance is however provided to salespersons regarding which influence tactics they should use with different types of buyers. McFarland *et al* (2006) in their research study set out to address this, by proposing a theoretically grounded framework for investigating the effectiveness of salespersons’ influence tactics across groups of buyers who are dissimilar in their characteristics.

## **2.3. Influence tactics**

### **2.3.1. Introduction**

Influence strategies are defined as “compliance gaining tactics that channel members use to achieve desired actions from channel partners” (Frazier and Summers, 1984, p 46).

### **2.3.2. History of influence tactics**

The definition above highlights the introduction of influence tactics to marketing literature in an inter-firm context in channel relationships. Influence tactics were subsequently investigated in an intra-firm context in the buying centres / buying committees and more recently in a personal selling context by McFarland *et al* (2006).

Influence tactics were first introduced to marketing literature by Frazier and Summers (1984) who investigated the use of influence strategies by boundary personnel in inter-firm interactions in distribution channel relationships i.e. relationships between manufacturers and their distributors. Unlike sales personnel who are engaged in sales, boundary personnel’s responsibilities lie primarily in the area of customer service and territorial management. Boundary personnel’s influence objectives focus on co-ordinating marketing strategy and tactics in an existing business relationship rather than attempting to initiate new business relationships or creative selling (Kim, 2000).

Venkatesh, Kohli and Zaltman (1995) extended the existing research on influence tactics to an intra-organisational context, to understand decision-making processes of buying committees in buying centres. The key objectives of their research was to assess the pervasiveness of alternative influence strategies in buying centres and compare the findings with those reported for inter-firm or channel relationships. A buying centre context suggests that several additional variables related to the source and the target persons are determinants of the use of alternative influence strategies (Venkatesh *et al*, 1995).

As recently as 2006 influence tactics were examined in a third context, namely personal selling, which is described as an inter-organisational, person to person relationship in which the unit of analysis is the individual relationship (McFarland *et al*, 2006). McFarland *et al* (2006), in their research study, focused on whether influence tactics identified in channel relationship and buying centre literature were equally relevant in a personal selling context. A further objective of the study was to determine whether salespersons recognise which influence tactics should be used with different buyer orientations in order to create manifest influence.

### **2.3.3. Influence tactics**

The influence tactics first introduced to the marketing literature were established by Frazier and Summers (1986) following forty personal interviews with dealer principals on the influence tactics frequently used by sales representatives of manufacturers.

A total of six influence tactics were identified, namely threats, legalistic pleas, promises, requests, recommendations and information exchange. These same six influence tactics were used by Venkatesh *et al*, (1995) in their research into the use of influence strategies used in an intra-organisational, buying centre context. More recent definitions of the six influence tactics are provided by Payan and McFarland (2005) in their study investigating the “Effectiveness of Influence Strategies in Gaining Channel Member Compliance” and are defined in **Table 2, Influence tactics used in channel relationships.**

**Table 2: Influence tactics used in channel relationships**

<u>Influence Strategies</u>	<u>Channel definition</u>
<b>Information Exchange</b>	The source discusses general issues and procedures to try and alter the target's general perceptions without stating a request.
<b>Recommendations</b>	The source predicts that the target will be more profitable if the target follows the sources suggestions.
<b>Requests</b>	The source simply states the actions it would like the target to take.
<b>Threats</b>	The source threatens the target with a future penalty if the target does not comply with a request.
<b>Promises</b>	The source promises the target a reward if the target complies with a request.
<b>Legalistic pleas</b>	The source cites a legalistic, contractual, or informal agreement that requires the target to perform a certain action

**Source: Payan and McFarland (2005)**

#### **2.3.4. Relevance of influence tactics in a personal selling context**

To determine the relevance of influence tactics identified in channel relationship literature in a personal selling context, McFarland *et al* (2006) conducted a pre-test study using a small sample of professional buyers and industrial salespersons. The pre tests revealed the following:

Firstly - that four of the six influence tactics in channel relationships were relevant, namely recommendations, information exchange, promises and threats, while requests were perceived as implicit and legalistic pleas were simply not used.

Secondly - buyers identified a further two influence tactics, namely ingratiation and inspirational pleas as common sales tactics used by salespersons. Both ingratiation and inspirational pleas focus on emotional utilities which researchers have long acknowledged as having an important role in influencing buyers (Dixon, Spiro and Jamil, 2001).

#### **2.3.5. McFarland *et al* (2006) – Identified influence tactics**

The six influence tactics that make up part of the SIT framework proposed by McFarland *et al* (2006) are described in detail below:



**Information exchange** – involves the communication of information, including asking questions, without making any specific recommendations to influence positively the buyer’s general perceptions about the benefits of the salesperson’s offering (McFarland *et al*, 2006). “The source firm’s boundary personnel use discussions of general business issues to alter the target’s general perceptions; however no specific target action is requested” (Frazier and Summers, 1984, p 45).

**Recommendations** – are arguments used to convince a customer that products or services purchased from the salesperson would be beneficial to a customer’s firm (Fitzsimons and Lehmann, 2004). Venkatesh *et al* (1995, p 72) define recommendations as follows: “The source (of influence) suggests that following a specific course of action is likely to be beneficial”.

**Threats** – are implied or stated negative sanctions that the salesperson asserts will be applied to the buyer’s firm if the buyer does not comply with the seller’s request (Boyle and Dywer, 1995). “The source communicates to the target that it will apply negative sanction should the target fail to comply with the source’s request” (Frazier and Summers, 1984, p 46).

**Promises** – are where the seller “pledges to provide the target with a specific reward, contingent on the target’s compliance with the source’s request” (Frazier and Summers, 1984, p 46). Promises are pledges of future rewards for the buyer’s firm. Venkatesh *et al* (1995, p 73) state that “deprivation of rewards may be considered to be equivalent to the imposition of sanctions”.

Thus the influence tactic of promises is similar to that of threats, though it may be more tolerable than threats because the non-mediation of rewards leaves the buyer at the status quo, whereas the mediation of sanctions leaves the buyer worse off (Venkatesh *et al*, 1995).

**Ingratiation** – involves the use of “behaviours that are designed to enhance one’s interpersonal attractiveness” and improve rapport with the target of influence (Kumar and Beyerlein, 1991, p 619). These actions consist primarily of praising a customer for his or her achievements and expressing attitude similarity (Kipnis and Schmidt, 1988).

**Inspirational appeals** – An inspirational appeal is “a request or proposal that arouses enthusiasm by appealing to a target’s (high order) values, ideals and aspirations” (Yukl and Tracey, 1992, p 640). Inspirational appeals focus on arousing a positive affective response in the target, which serves to motivate the target toward a desired response. Forgas (1995) argues that positive affective arousal leads to more positive expectancies and thus to higher levels of compliance. Inspirational appeals may attempt to motivate people to go beyond their personal interests for the greater good by appealing to higher order psychological needs (Yukl and Tracey, 1992).

### **2.3.6. Conclusion**

McFarland *et al* (2006) confirm that six influence tactics are found to be relevant in a personal selling context i.e. information exchange, recommendations, threats, promises, ingratiation and inspirational pleas. McFarland *et al* (2006) propose that each of the identified influence tactics operate through three processes of interpersonal influence cited by Kelman (1961) as being internalisation, compliance and identification.

## **2.4. Influence processes and influence tactics**

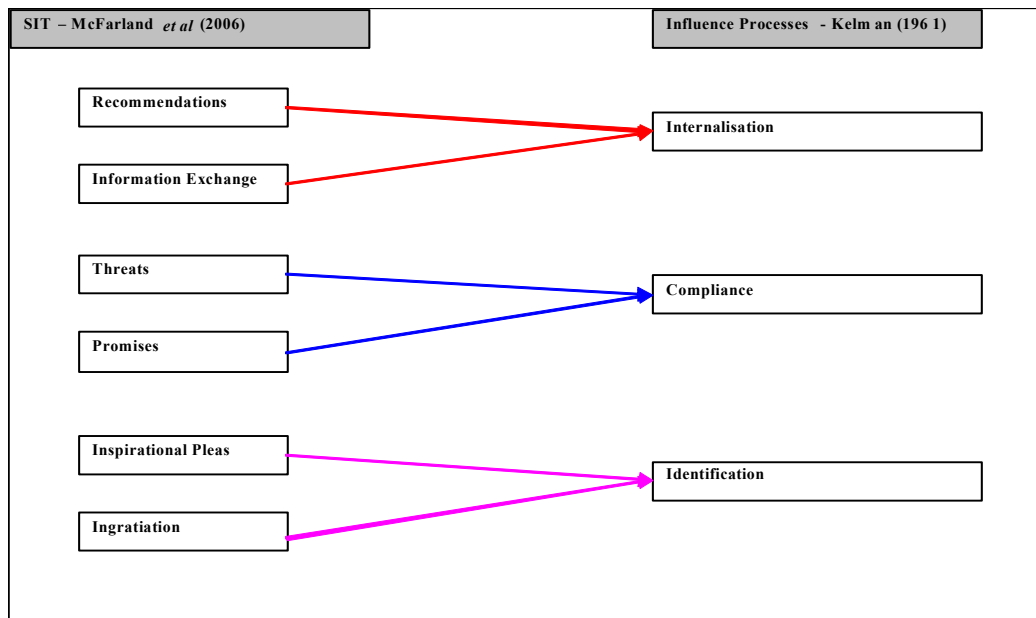
### **2.4.1. Introduction**

Three different processes of attitude change that parties undergo as a result of social influence are distinguished by Kelman (1961) as compliance, identification and internalisation. For the purposes of this research paper these social influences are referred to as the processes of influence through which salespersons use the influence tactics described in section 2.3.5. The three influence processes are defined in section 2.4.2.

## 2.4.2. SIT and influence processes

McFarland *et al* (2006) propose that each of the identified SITs operate through the three influence processes of compliance, identification and internalisation as described in **Figure 3: Influence tactics operating through influence processes**. Information exchange and recommendations operate through the process of “Internalisation”; threats and promises operate through the process of “Compliance”; and ingratiation and inspirational appeals operate through the process of “Identification”.

**Figure 3: Influence tactics operating through influence processes**



Source: Based on McFarland *et al* (2006) and Kelman (1961)

**Internalisation** – is said to occur when an individual accepts influence because the content of the induced behaviour i.e. the ideas and actions of which it is composed, are intrinsically rewarding. The buyer adopts the induced behaviour because it is congruent with his value system and because it may be useful for the solution of a problem (Kelman, 1961).

Information exchange and recommendation tactics attempt to positively influence the buyer's perceptions of the inherent desirability of the salesperson's offering (Frazier and Summers, 1984).

McFarland *et al* (2006) propose that both these tactics operate through the process of internalisation, where the target of influence (buyer) does what the source of the influence (salesperson) requests, as the target believes that the products or services offered by the salesperson would be beneficial to the buyer's firm (Fitzsimons and Lehmann, 2004).

In sales settings, internalisation occurs when buyers accept influence because they find the content of the influence to represent a useful solution or because it is congruent with their own orientations (McFarland *et al*, 2006).

**Compliance** - occurs where the buyer accepts influence because he hopes to achieve a favourable reaction from the salesperson. The buyer accepts influence not because he believes in the content, but rather to gain specific rewards or approval and avoid specific punishments or disapproval by conforming (Kelman, 1961).

Threats and promises tactics focus on changing the motivation of the customer to comply on the basis of either positive or negative source controlled consequences (Venkatesh *et al*, 1995). McFarland *et al* (2006) propose that both promises and threats operate through the influence process of compliance, in that the buyer is interested in attaining certain rewards or in avoiding certain punishments that the influencer (salesperson) controls (Brown, Lusch and Nicholson, 1995).

**Identification** - occurs where the buyer accepts influence because he wants to establish or maintain a satisfying self-defining relationship with the salesperson. The target believes in the responses which he adopts, but the specific content is more or less irrelevant; he adopts behaviour because it associated with the desired relationship (Kelman, 1961).

Ingratiation and inspirational appeals aim to satisfy a psychological need of “of increasing their attractiveness in the eyes of others” resulting in improved relationships (Strutton, Pelton and Tanner, 1996, p 152).

McFarland *et al* (2006) propose that these tactics operate through the process of identification which occurs when a target is receptive to influence because they find it attractive to maintain a satisfying or self-defining relationship with the influencer (Kelman, 1961).

### **2.4.3. Conclusion**

The linking of SITs proposed by McFarland *et al* (2006) to three different influence processes provides insight as to the different influence processes through which these influence tactics work in a personal selling context. The next step is to determine which influence tactics and their corresponding influence processes should be used by salespersons when dealing with different buyer orientations i.e. different types of buyers.

## **2.5. Buyer orientations**

### **2.5.1. Introduction**

The concept of selling as a “dyadic relationship” means that the salesperson/ buyer relationship is contingent on both the salesperson’s and buyer’s characteristics, which is an alternative to the traditional view of focusing exclusively on the salesperson.

Sheth (1976) proposes that understanding the interaction between the buyer and the seller is a prerequisite to adequately explaining the sales process. The ability to correctly diagnose the buyer’s communication style is crucial to maximising selling efforts (Miles, Arnold, Nash and Henry, 1990). For the purposes of this research paper, “communication styles” are synonymous with buyer orientations, the latter term being the favoured term in more recent literature on the topic.

### 2.5.2. Communication styles / Buyer orientations

Sheth (1976, p 382) defines communication style as the “format, ritual or mannerism which the buyer and seller adopt in their interaction”. A second perspective is provided by Williams and Spiro (1985, p 434) who define communication style as the “synthesis of content, code and communication rules into unique and infinite combinations”. The dyad’s interface of communication styles is one of Sheth (1976) two determining dimensions of dyadic interaction. Due to the impact of communication style on the dyad’s relationship it is therefore essential to better understand interpersonal communication styles (Miles *et al*, 1990).

Sheth (1976) proposes that communication style is a significant variable in the dyadic relationship and bases his conceptualisation of buyer/seller communication styles on the framework of leadership styles suggested by Bass (1967), who indicates that leaders can be categorised according to the extent to which they are task, self or interaction-oriented. Drawing on the framework of leadership styles is conceptually consistent in that both leadership and personal selling are influence processes (Williams and Spiro, 1985).

Sheth’s (1976) buyer/seller framework identifies communication styles as being three dimensional, in other words a buyer can be distinguished on the basis of their task orientation, self orientation and interaction orientation. The various buyer orientations are described as follows:



- A task-oriented buyer can be defined by a “high level of goal directed behaviour by the communicator” (Miles *et al*, 1990, p 23).
- A self-oriented buyer is described as being “preoccupied with himself in an interaction and thus more concerned about his own welfare and less empathic towards the other person” (Williams and Spiro, 1985,p 436).
- An interaction-oriented buyer emphasises the social and interpersonal relationships and de-emphasises goal directed behaviour and self gain (Miles *et al*, 1990).

Theoretical support for communication style dimensions is provided by the Blake and Mouton (1980) sales and customer grids, which identify two orientations, namely concern for the sale and concern for the other person. These two orientations parallel the task and interaction orientations described by Sheth (1976), while customers who are low on both orientations may be categorised as having a self orientation (Williams and Spiro, 1985).

Williams and Spiro (1985, p 440) provide empirical support for the buyer seller framework in a study of buyer/seller interactions in retail sporting goods stores, indicating that communication styles “as measured by task, self and interaction orientation scores are significant in terms of explaining sales variance” and confirm the buyer/seller framework relevance for personal selling situations.

Sheth (1976) believes that it is difficult for a buyer to change or adapt his/her communication style, largely because these styles or orientations are deeply rooted in personality variables, socialisation processes, personal lifestyles and situational factors.

McFarland *et al* (2006) suggest that while a buyer's orientation is not a personality trait, it can be relatively stable and that firstly, because buyer orientations are stable, it is possible to identify a buyer's orientation and communication preferences, and secondly, adaptive selling literature suggests that sellers who use influence tactics most appropriate for a particular buyer orientation are likely to reap greater benefits. In support of this, McFarland *et al* (2006) propose an SIT framework which is discussed in the next section.

## **2.6. McFarland *et al* (2006) proposed SIT framework**

At this point of the literature review, having covered influence tactics, influence processes and buyer orientations, McFarland *et al* (2006) proposed SIT framework is evaluated as a basis for this research study. Following a pre test study, McFarland *et al* (2006) identify that influence tactics, information exchange, recommendations, threats and promises from channel relationship literature as being relevant in a personal context. A further two influence tactics ingratiation and inspirational appeals were also found to be relevant in a personal selling context, following input from respondents of the pre test study.

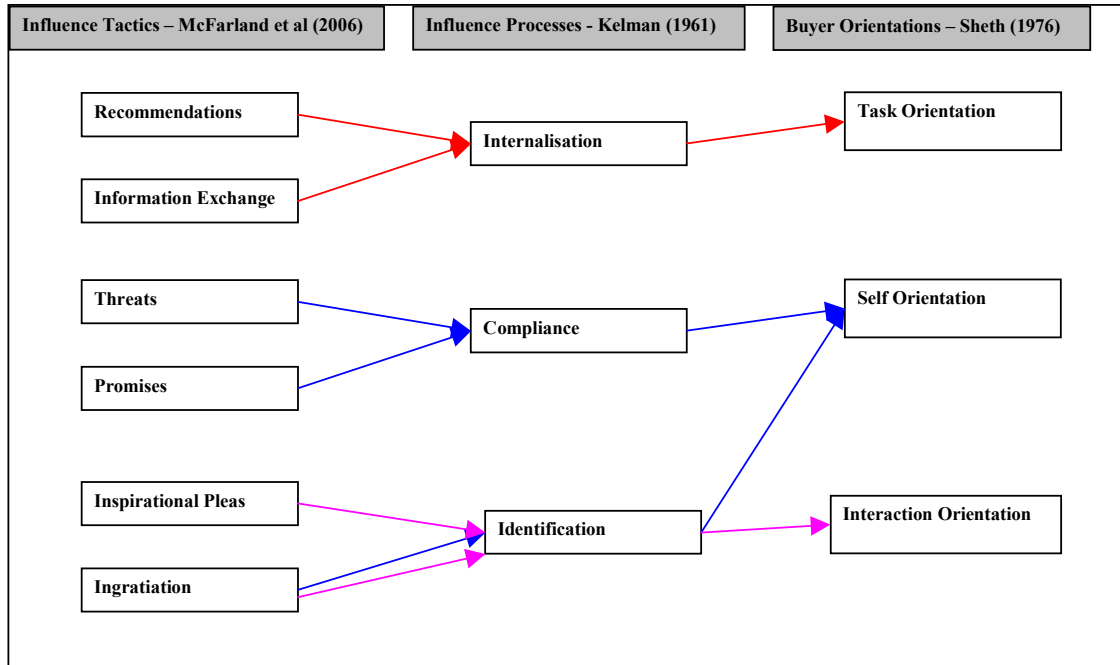
Further McFarland *et al* (2006) propose that these influence tactics operate through the influence processes of internalisation, identification and compliance in influencing buyers and that certain influence tactics are more suitable in creating manifest influence with specific buyer orientations.

McFarland *et al* (2006) SIT framework, see **Figure 4: McFarland *et al* (2006)**

**SIT framework**, propose that;

- Influence tactics recommendations and information exchange operate through the influence process of internalisation and are most effective in achieving manifest influence when the buyer has a high task orientation.
- Influence tactics threats, promises and ingratiation operate through the influence process of compliance and are most effective in achieving manifest influence when the buyer has a high self orientation.
- Influence tactics inspirational pleas and ingratiation operate through the process of identification and are most effective in achieving manifest influence when the buyer has a high interaction orientation.

**Figure 4: McFarland et al (2006) – SIT framework**



**Source: Based on McFarland et al (2006)**

A more detailed motivation for the use of specific influence tactics with different buyer orientations is provided in section, 3.3. in the following chapter.

## 2.7. Industry approach to marketing

As this research study will be conducted in a different industry to that of McFarland et al (2006) study, a background to the different marketing approaches that are likely to be followed in these industries is provided.

McFarland *et al* (2006) study was conducted in an agricultural retail industry, where the buyer enters a retail dealership and deals with an available salesperson. It is proposed that the retail industry of McFarland *et al* (2006) study is more likely to follow a more transactional approach to marketing. By comparison this research study will be conducted in a specified sector of the banking industry, in which each business customer is assigned a dedicated salesperson /relationship executive. In this specific sector of the banking industry it is likely that a relationship marketing approach would be followed, otherwise known as relationship banking. A brief overview of transactional and relationship marketing is provided as a basis for interpreting any differences in the results of this research study and that of McFarland *et al* (2006).

A relationship approach emphasises a longer time scale, taking account of the customers changing needs and value over time (Moriarty, Kimball and Gay, 1983). Relationship banking is recognition that the bank can increase its earnings by maximising the profitability of the total customer relationship over time, rather than by seeking to extract the most profit from any individual product or transaction (Moriarty *et al*, 1983). This contrasts with traditional marketing which focuses on the transaction and individual sales in the short term.

Transaction marketing is oriented towards product features with low service emphasis and involves moderate customer contact and limited customer commitment (Coviello and Brodie, 2001).

Banks seem to be able to create closer relationships with their customers than retailers do, which is not surprising given the nature of banking i.e. complex, high involvement service requiring high levels of trust (Colgate and Alexander, 1998). The personal relationships between bank and customer generate certain intangible but substantive benefits for both parties. The firm is assured of preferred access to credit and is relieved of other perceived risks attached to the purchase of complex banking products (Moriarty *et al*, 1983). The customer obtains certain advantages/rewards not available in short-term exchange relationships (Crosby, Evans and Cowles, 1990). The bank in turn gains access to information about the firm's business plans and banking product needs, which provides a substantial competitive advantage in selling more of the bank's products to the firm (Moriarty *et al*, 1983). In such cases, relationship banking includes an acknowledged perception of mutual interdependence between the bank and the customer (Moriarty *et al*, 1983).

Available marketing research shows that successful continuing relationships are characterised by trust and commitment (Morgan and Hunt, 1994) (Strandvik and Lijander, 1994). Commitment can be developed by the provision of benefits superior to the alternatives, shared values, communication and goodwill (Colgate and Stewart, 1998). Trust is also important in banking relationships in that the credibility of the bank selling the product therefore become increasingly important, and the ongoing, long-term nature of the relationship foster customer confidence that the bank will not supply an inappropriate product to the customer (Moriarty *et al*, 1983). Trust in relational sales can be defined as a "confident belief that the salesperson can be relied upon to behave in such a manner that the long-term interest of the customer will be served" (Crosby *et al*, 1990, p 70).

Many critics and customers, however, are equally firm in their own conviction that the business association which bankers euphemistically refer to as a “relationship” is prompted by financial lust, not customer trust (Perrien, Filiatrault and Ricard, 1993). Inertia is also thought to be beneficial to banks, as customers stay regardless of the level of service they receive (Colgate and Stewart, 1998)

## **2.8. Conclusion to literature review**

A strong case has been made for the need for more replication research given that 56% of all replication studies either provide only partial support or conflict with the results of the original empirical studies (Hubbard and Armstrong, 1994). Further it has been established that “replication with extension” research assists in determining the scope and limits of an original study’s findings and ensures the integrity of their empirical results. In the context of this research study, the aim is to establish whether the findings of McFarland *et al* (2006) SIT framework can be validated through extending their framework to a different industry, to that of the original research study.

Personal selling behaviours such as adaptive selling have been described as the altering of sales-related behaviours during a customer interaction or across interactions based on perceived information about the nature of the selling situation. Sales literature provides a strong link between the use of adaptive selling and increased sales effectiveness.

Various influence tactics used in channel relationship literature were discussed and McFarland *et al* (2006) through a pre test study were able to establish that influence tactics, information exchange, recommendations, promises and threats were relevant in a personal selling context. McFarland *et al* (2006) also identified two further influence tactics namely ingratiation and inspirational appeals as being relevant in a personal selling context. Influence processes compliance, identification and internalisation were identified by Kelman (1961) as the processes of attitude change that parties undergo as a result of social influence.

Buyer orientations/communication styles were described by Sheth (1976) as the format, ritual or mannerisms which the buyer adopts in selling interaction and that their buyer orientation/communication style can be distinguished based on a buyers level of task, self or interaction orientation. McFarland *et al* (2006) propose through their SIT framework that specific influence tactics operating through the described influence processes are better suited to different buyer orientation/communication styles in creating manifest influence, refer **Figure 4: McFarland *et al* (2006) SIT framework**. Finally it is proposed that the retail industry in which McFarland *et al* (2006) research was conducted is likely to follow a more transactional approach to marketing, while that of the specified sector in the banking industry in which this research study was conducted, is likely to follow a relationship marketing approach, described as relationship banking.

McFarland *et al* (2006) SIT framework is used as the basis for the pre test of this research study as well as the preparation of the hypotheses, which are described in more detail in the next section.



## CHAPTER 3: Research hypotheses

### 3.1. Introduction

In preparation for the development of the hypotheses three major areas have been discussed up to this point. Firstly, influence tactics relevant in a personal selling context have been identified and were used in the development of a SIT framework proposed by McFarland *et al* (2006). Secondly, three influence processes were identified through which it is proposed the influence tactics identified in the SIT framework operate in influencing buyers. Thirdly, three distinct communication styles or buyer orientations were identified.

The hypotheses for this research study will be based on identifying which influence tactics, operating through the identified influence processes are best suited to the different buyer orientations in creating buyer manifest influence and ultimately resulting in improved sales effectiveness by the salesperson.

In keeping with the research methodology followed by McFarland *et al* (2006) and to ensure that all the relevant factors were included in the research hypotheses, a pre-test was conducted in the form of two pilot studies. The objectives of the pre-test were as follows:

1. to identify which of the six influence tactics identified in channel relationships literature were relevant to this study's chosen population and whether there was a difference from the McFarland *et al* (2006) findings.

McFarland *et al* (2006) identified four of the channel relationship influence tactics as being relevant in a personal selling context for their chosen population. This included recommendations, information exchange, promises and threats, while influence tactics, requests and legalistic pleas were not found to be relevant to their chosen population and were subsequently excluded.

2. to identify whether the two new influence tactics, ingratiation and inspirational appeals, identified by the McFarland *et al* (2006) study, were relevant in a personal selling context for this study's chosen population and whether other influence tactics in personal selling could be identified that were not considered by McFarland *et al* (2006).

### **3.2. Pre-test findings - influence tactics used in personal selling**

A two stage pre-test process similar to the process used by McFarland *et al* (2006) was followed.

The results of the pre-test revealed the following:

Firstly, that the influence tactics of recommendations, information exchange, promises and legalistic pleas were all found to be relevant influence tactics in the context of personal selling for this research study. In contradiction to the McFarland *et al* (2006) SIT framework, threats was excluded from this research study on the recommendations of respondents who confirmed that threats was not an observed influence tactic used in the target population.

Also in contradiction to the McFarland *et al* (2006) SIT framework, legalistic pleas, not used in the McFarland *et al* (2006) SIT framework, was included in this research study on the recommendations of respondents who confirmed that legalistic pleas was an observed influence tactic used in the target population. Consistent with the McFarland *et al* (2006) influence tactic, requests was not found to be relevant in a personal selling context.

Secondly, the two influence tactics of ingratiation and inspirational appeals identified by McFarland *et al* (2006) were found to be relevant in the personal selling context of the South African banking industry. No further influence tactics not already covered in channel relationships literature or by McFarland *et al* (2006), were identified in this research study. The differences in the influence tactics found to be relevant in the personal selling context of both studies, can be viewed by comparing the McFarland *et al* (2006) SIT framework, refer **Figure 4: McFarland *et al* (2006) SIT framework**, with this research study's amended framework, refer **Figure 5: SIT Amended hypothesis framework**.

Based on the results of the pre-test the following influence tactics were included in this research study's hypothesis testing: - recommendations, information exchange, promises, legalistic pleas, ingratiation and inspirational appeals.

### 3.3. Hypotheses

#### 3.3.1. Influence tactics effectiveness and buyer task orientations

As briefly described in the previous chapter, a task-oriented buyer is highly goal oriented and purposeful and is concerned with efficiency, minimising time, cost and effort (Sheth, 1976). Spiro and Williams (1985) describe a task-oriented buyer as persistent, hardworking and interested in task completion.

Task-oriented communicators exhibit less interest in relationship building than interaction-oriented communicators and they place more emphasis on organisational objectives than self-oriented communicators (Miles *et al*, 1990). The buyers who prefer this style of interaction often tend to be mechanistic in their approach to people (Sheth, 1976).

Salespersons using recommendations and information exchange influence tactics through the process of internalisation, are likely to be more successful in dealing with a task-oriented buyer. This is because they need to be convinced of the merit of the idea and observe how it will meet organisational objectives (McFarland *et al*, 2006). Prior research suggests that buyers with a high task orientation respond more favourably to influence attempts that are high in knowledge and information (Williams and Spiro, 1985).

**H1** – The higher a buyers task orientation, the stronger is the positive effect of salesperson's use of a) information exchange and b) recommendations on buyer manifest influence.

This hypothesis is consistent with that of McFarland *et al* (2006).

### **3.3.2. Influence tactics effectiveness and buyer self orientations**

As briefly described in the previous chapter self-oriented buyers are preoccupied with themselves in an interaction and thus more concerned about their own welfare and less empathetic toward the other person (Williams and Spiro, 1985). Buyers with a self-oriented communication style focus primarily on what any activity means to themselves in terms of explicit rewards and are less interested in building relationships or achieving organisational objectives (Miles *et al*, 1990). This type of buyer is often unable to appreciate the other persons perspective and views all aspects of the interaction from his/her own selfish point of view (Sheth, 1976).

Success in meeting personal needs outweighs the need for task effectiveness and for accomplishing organisational objectives. Because buyers with a self orientation are more interested in their own agenda, they are more likely to be responsive to the influence process of compliance (McFarland *et al*, 2006).

Salespersons using promises through the process of compliance are more likely to be successful when dealing with a buyer with high self orientation because they produce inducements for a necessary behaviour (McFarland *et al*, 2006).

In addition, because these buyers often display reluctance to act (Bass, 1960) promises and legalistic pleas could be a means of overcoming this reluctance.

This study proposes that legalistic pleas also operate through the influence process of “compliance.” Legalistic pleas are defined as “those situations in which the source contends the nature of the formal legal contract and/or an informal binding agreement between the parties either requires or suggests that the target perform a certain action” (Frazier and Summers, 1984, p 46). Legalistic pleas attempt to turn back time and attention to the environment when the relationship was founded, suggesting the target party has breached or the source is reactivating, a dormant sanction (Boyle *et al*, 1992). Subsequent research has demonstrated that legalistic pleas are a special case of threats (Johnson, Sakano, Cote and Onzo, 1993).

McFarland *et al* (2006) propose that the influence tactic ingratiation will also resonate with a self-oriented buyer, as they like to receive attention and brag about their accomplishments. They also need validation and support from others (Bass, 1967).

**H2** – The higher a buyers self orientation, the stronger is the positive effect of the salesperson’s use of a) promises, b) legalistic pleas, and c) ingratiation on buyer manifest influence.

This hypothesis is not consistent with that of McFarland *et al* (2006), in that the influence tactic threat has been removed and legalistic pleas added.

### 3.3.3. Influence tactics effectiveness and buyer interaction orientations

An interaction-oriented buyer is more personal and social even to the extent of ignoring the task at hand (Sheth, 1976). These types of buyers will de-emphasise goal directed behaviour and self gain (Miles *et al*, 1990). The buyer will first establish a relationship with the other person and then only get involved in the specific content of interaction (Sheth, 1976).

Salespersons using ingratiation and inspirational appeals through the influence process of identification are most likely to be effective when dealing with a buyer with a high interaction orientation; salespersons that rely on ingratiation tactics, behave affably, discuss shared interests and hobbies and give praise and compliments (Kipnis and Schmidt, 1988).

These behaviours help forge interpersonal relationships, characteristic of a buyer with an interaction orientation.

Inspirational appeals on the other hand rely on attaching emotional relevance to a product, independent of the product's performance or functional utility (McFarland *et al*, 2006). Inspirational appeals are likely to be effective with a buyer with an interaction orientation as they are likely to elicit positive emotional responses.

**H3** – The higher a buyers interaction orientation, the stronger is the positive effect of a salesperson's use of a) ingratiation, and b) inspirational appeals on buyer manifest influence.

This hypothesis is consistent with that of McFarland *et al* (2006).

### **3.3.4. Influence tactics usage based on buyer orientations**

Prior studies indicate that, in general salespersons are aware of the type of sales interactions buyers prefer (Comstock and Higgins, 1997) and use this knowledge when interacting with buyers (Spitzberg and Cupach, 1984). Research suggests that the choice of influence tactics is likely to depend on the characteristics of the target of influence (Erez, Rimand and Keider, 1986). Empirical evidence suggests that people use influence tactics that they believe are most effective in gaining compliance from others (Venkatesh *et al*, 1985). These comments support the argument that the salesperson will employ different influence tactics through the discussed influence processes, based on the identified buyer orientations exhibited by the customer.

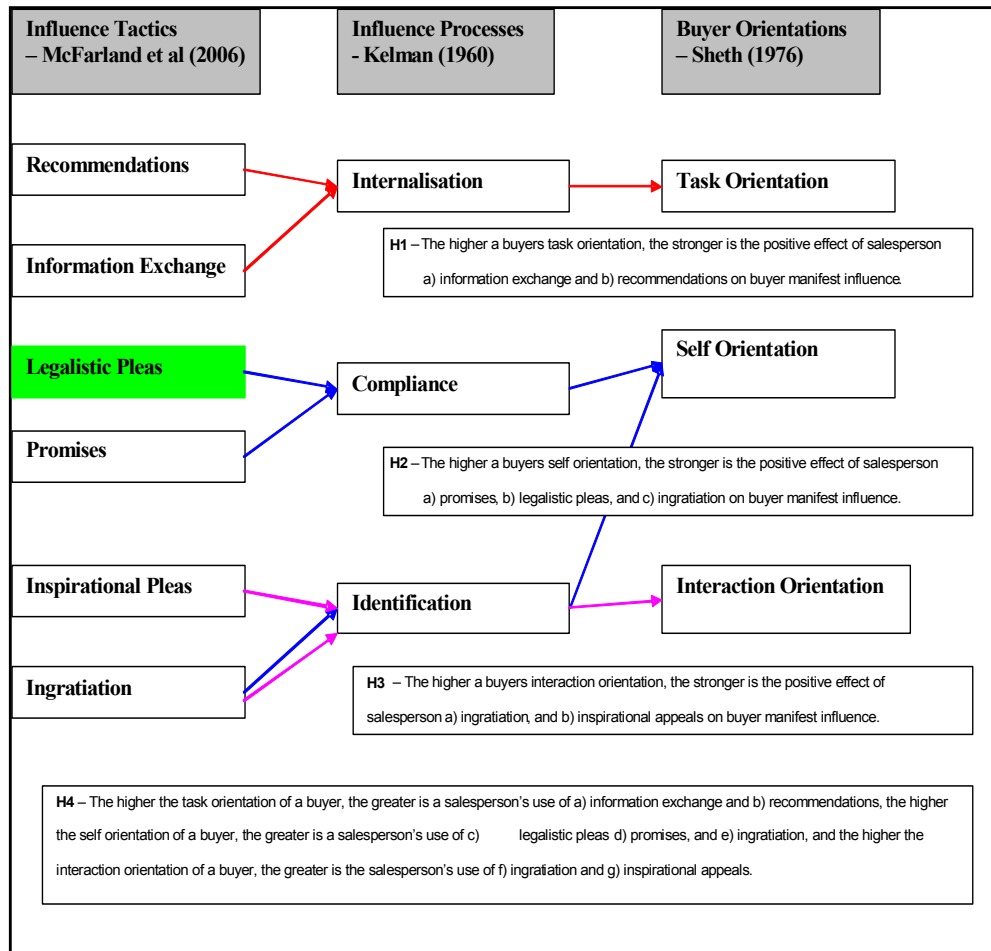
**H4** – The higher the task orientation of a buyer, the greater is a salesperson's use of a) information exchange and b) recommendations; the higher the self orientation of a buyer, the greater is a salesperson's use of c) legalistic pleas d) promises, and e) ingratiation; and the higher the interaction orientation of a buyer, the greater is the salesperson's use of f) ingratiation and g) inspirational appeals.

This hypothesis is not consistent with that of McFarland *et al* (2006), in that the influence tactic threat has been removed and legalistic pleas added.



An amended version of McFarland *et al* (2006) SIT framework is provided based on the hypotheses of this research study, **Figure 5: Amended SIT hypothesis framework**.

**Figure 5: Amended SIT hypothesis framework**



Source: Based on McFarland *et al* (2006)

Note: Legalistic pleas has replaced threats proposed by McFarland *et al* (2006) SIT framework.

## **CHAPTER 4: Research methodology**

This chapter covers five specific areas which address the methodology employed in this research study; firstly an approach to the methodology followed in replication research is covered, given that this is a replication study; secondly the rationale for the choice of a mixed-method approach to this research study is provided; thirdly the techniques used in this research study to avoid common method biases and the dyadic study design are discussed; fourthly the detailed research design processes followed for both the qualitative and quantitative phases of this research study are discussed and finally the limitations of this research study are listed to provide the reader with a context for interpreting the results of this research study.

### **4.1. Research method**

#### **4.1.1. Methodology in replication research**

A replication study involves duplicating as closely as possible the research design used in the original study by employing the same variable definitions, settings, measurement instruments and analytical techniques (Hubbard and Armstrong, 1994). This research study is a “replication with extension”, by virtue of the fact that the population is being drawn from a different industry from that of the original study it aims to replicate. As a result the “setting” was changed, but definitions, measurement instruments and analytical techniques remained largely unchanged.

In an attempt to gain access to the original data sets, questionnaires and detailed methods used in the original research study, the original authors McFarland *et al* (2006) were contacted. The primary author responded and advised that detailed instruments and processes used in the original study could not be provided as he was currently on sabbatical in Korea. The author did however provide key insights into the analytical processes used in the study and indicated that he was pleased there had been an interest in the original study.

This research study attempted to follow the methodology, processes and design of the original study as closely as possible based on the information provided in the published study. Where there were any deviations from the original study in methodology, process or design these were clearly highlighted and motivated.

#### **4.1.2. Rationale for research method**

This study contained elements of both qualitative and quantitative research otherwise known as mixed-method research design (Johnson and Onwuegbuzie, 2004). By utilising quantitative and qualitative techniques within the same framework, mixed methods research can incorporate the strengths of both methodologies (Johnson and Onwuegbuzie, 2004). The overriding character of the study was quantitative, in that its primary aim was to measure the influence tactics used by salespersons when dealing with different buyer orientations in creating manifest influence.

The qualitative phase in the form of a pre-test (pilot studies) focused on identifying whether the influence tactics identified in channel relationship literature, buying centre literature, as well as influence tactics identified in a personal selling context by McFarland *et al* (2006) were relevant in this research study.

An additional objective of the pre-test was to identify whether any additional influence tactics, previously not identified, were prevalent in the personal selling context of this research study, and which should be included in the quantitative research phase of this study. The quantitative phase of the research consisted of survey research with the objective of obtaining primary data, specifically in identifying which influence tactics were used by salespersons with different buyer orientations in the target population, in order to achieve manifest influence.

Meyer (1992) confirms that qualitative research techniques are better for theory building but quantitative research techniques are more effective and efficient for theory testing and that qualitative approaches are a common first step in quantitative studies.

#### 4.1.3. Common method biases and dyadic study design

Most researchers (Lindell and Brandt, 2000), (Lindell and Witney, 2001), (Campbell and Fiske, 1959), (Scullen, 1999) agree that common method variance or non-sampling errors i.e. a variance that is attributable to the measurement method rather than to the constructs the measures represent, is a potential problem in behavioural research.

Method biases are a problem because they are among the main sources of measurement error that threaten the validity of conclusions about the relationships between measures, and are widely recognised to have both a random and a systematic component (Bagozzi and Yi, 1991). Systematic measurement error is a particularly serious problem, because it provides an alternative explanation for the observed relationships between measures of different constructs that is independent of the one hypothesised. In a study conducted by Cote and Buckley (1987) it was found that 26.3% of variance in a typical research measure may be due to systematic sources of measurement error such as common method biases. In light of the above three procedural remedies suggested by Podsakoff, Mackenzie and Lee (2003) were adopted to reduce the level of common method bias in our study, which was consistent with the approach followed by McFarland *et al* (2006).

These included:

- a) obtaining measures of the predictor and criterion variables from different sources - relying on salespersons to self report on the influence tactics used with specific buyers may be highly problematic, as salespersons tend to overestimate their adaptations and may not be using the appropriate techniques for any given relationship (DelVecchio, Zemanek, McIntyre and Claxton, 2002). Consistent with McFarland *et al* (2006) study, bi-directionally matched dyads were used so key variables were not self reported;
- b) reducing evaluation apprehension - the loss of anonymity by both sets of respondents through following an approach of obtaining predictor and criterion variables from different parties has the potential to result in a high non-response error. In order to counter this effect, all respondents were informed that there were no wrong or right answers and that they should answer the questions as honestly as possible, as their responses would be confidential. Podsakoff *et al* (2003) believes this procedure should reduce evaluation apprehension and make respondents less likely to edit their responses to be socially desirable, lenient, acquiescent and consistent with what answers they think the researchers want; and
- c) improving scale items - although not expressly stated as a measure followed by McFarland *et al* (2006) this was deemed important given the difference in terminology used in different industries, in this case the banking industry in South Africa.

Tourangeau, Rips and Rasinski (2000) state that one of the most common problems in the comprehension stage of the response process is item ambiguity and they recommend a) defining ambiguous or unfamiliar terms; b) avoiding vague concepts and providing examples when concepts are used; c) keeping questions simple, specific and concise.

In line with above recommendations and the approach followed by McFarland *et al* (2006), bi-directional matched dyads were used so that key variables would not be self reported. Buyers were asked to report on the influence tactics used by salespersons and salespersons were asked to report on the individual buyer orientation. All respondents were informed that there were no wrong or right answers and that all answers would be kept confidential. Specifically given that the author was a member of the company from which the sample would be drawn, confidentiality was stressed and the fact that the research was academic and not commissioned by the organisation in question, clearly stated.

#### **4.2. Motivation for the choice of the specific population**

A vital part of this replication study, is its extension of the original research in that a sample was chosen from a population in a different industry. While McFarland *et al* (2006) chose their population from an agricultural retail industry in the U.S.A; this research study drew its sample from a population in the banking industry in South Africa.

While the two industries are distinctly different, it was important that the area within the South African banking industry, from which the population was drawn, had some similarities with the environment in which the original study by McFarland *et al* (2006) was conducted.

The banking sector in South Africa consists of four basic areas, namely the small, medium, large and corporate sector. In determining which of these sectors to choose a comparable population from, a process of elimination was employed, using the nature of the purchase decision and the presence of adaptive selling as qualifying criteria.

- Purchasing decisions made by the customer – in both the large and corporate sectors purchase decisions are made by committees, making it extremely difficult to evaluate the influence tactics used with different buyer orientations as the buyer is not an individual. As a result both the large and corporate sectors were eliminated as potential populations for this study.
- Adaptive selling – the small sector of the banking industry in South Africa is typically transactional in nature, with very little personal selling taking place. As a result, little or no adaptive selling would be likely to occur. As this whole study is based on adaptive selling, the small sector was eliminated as a potential population for this study.

Based on the above two criteria the medium sector was chosen as the most suitable sector in banking in South Africa in which to conduct the replication study.



A comparison of the medium sector of banking in South Africa with the retail agricultural retail industry in the U.S.A, which McFarland *et al* (2006) used as a target population, is highlighted in **Table 3: Populations (Comparison with McFarland *et al*, 2006).**

**Table 3: Populations (Comparison with McFarland *et al*, 2006)**

<u>McFarland <i>et al</i> (2006)</u>	<u>This research study</u>	<u>Comments</u>
<p><u>Agricultural retail industry</u></p> <ul style="list-style-type: none"> <li>• Conducted in a agricultural retail industry.</li> <li>• Dealer salesperson sells to end user.</li> <li>• Dealers are resellers of agricultural equipment for a Fortune 500 company.</li> <li>• Dealer represents manufacturer’s products exclusively.</li> <li>• Dealers operate in competitive market of multiple brands.</li> <li>• Most customers are small business operators.</li> <li>• Customer’s purchase decision made by individual rather than committee.</li> </ul>	<p><u>Banking industry – medium sector.</u></p> <ul style="list-style-type: none"> <li>• Conducted in the banking industry.</li> <li>• Bank salesperson sells to end user.</li> <li>• Bank sells its own products.</li> <li>• Bank represents its own products exclusively.</li> <li>• Banks operate in a competitive market of multiple brands.</li> <li>• Most customers are medium business operators.</li> <li>• Customer’s purchase decision made by individual rather than committee.</li> </ul>	<ul style="list-style-type: none"> <li>• Key part of replication.</li> <li>• Same</li> <li>• Difference, not deemed to be a major influencing factor in this study.</li> <li>• Same</li> <li>• Same</li> <li>• Justified difference.</li> <li>• Same</li> </ul>

**Source: Adapted from McFarland *et al* (2006) “Influence Tactics for Effective selling”**

A further two criteria in the choice of the population from the medium sector of the South African bank, was: firstly that the customer had to have an overdraft, as this would ensure that the customer had an active salesperson/relationship executive assigned to his/her account and; secondly that the customer had purchased a new product or service from the salesperson/relationship executive in the last 6 months, so that the observed influence tactics were fresh in the customers mind. Weitz *et al* (1986) also indicate that adaptive selling is more applicable in “new buy” or “modified rebuy” situations.

### **4.3. Research design**

#### **4.3.1. Qualitative phase**

Qualitative measurements usually consist of detailed descriptions of situations, events, people, interactions, observed behaviour and direct quotations from people about their experiences, attitudes, beliefs and thoughts (Patton, 1989). Zikmund (2003) indicates that where a researcher has a limited amount of experience or knowledge of a research issue, exploratory research is a useful preliminary step in gathering qualitative data and ensures that a future study will not begin with an inadequate understanding of the nature of the management problem. The channel relationship literature identified six influence tactics used by salespersons in adaptive selling, four of which were validated by McFarland *et al* (2006), and a further two influence tactics were identified by McFarland *et al* (2006) as relevant in a personal selling context, and these were subsequently incorporated into the McFarland *et al* (2006) SIT framework.

Consistent with the approach followed by McFarland *et al* (2006), a pre-test was conducted to determine which of the influence tactics identified in channel relationship, buying centre literature were relevant in a personal selling context. The pre-test served two further purposes: firstly to determine which of the influence tactics identified by McFarland *et al* (2006) in a personal selling context were relevant in the personal selling context of this research study; and secondly, to gain input from the chosen population on the scale items that were to be used to identify influence tactics and buyer orientations in the personal selling context of this research study.

Two forms of exploratory research were used in this study, namely secondary data analysis and the use of pilot studies.

First exploratory research in the form of secondary data analysis was conducted, which involved consulting similar research that had already been conducted by McFarland *et al* (2006). Zikmund (2003, p 136) states that “nowhere in science do we start from scratch” the real value of secondary data analysis is the ability to build on past research. In terms of this study secondary data analysis in the form of McFarland *et al* (2006) research findings were heavily relied upon as a point of departure in model building the relationship between influence tactics and buyer orientations. Secondly, exploratory research in the form of pilot studies was conducted, more specifically a focus group with salespersons and personal interviews with customers.



#### **4.3.1.1. Focus group**

A focus group is defined as “an unstructured, free flowing interview with a small group of people” (Zikmund, 2003, p 117). A focus group was chosen because it was time-efficient and allowed for a variety of salesperson’s opinions to be aired and debated. Zikmund (2003) highlights the flexibility of focus groups as a key advantage, as numerous topics can be discussed and many insights gained, particularly those involving the variations in behaviour in different situations.

To solicit input from salespersons in the chosen population of this research study as to which influence tactics were used in a personal selling context, a focus group with six salespersons from the target population was used.

##### **4.3.1.1.1. Sample selection**

###### **Unit of analysis**

The unit of analysis for the focus group discussion was the salesperson / buyer dyad.

###### **Target population: Salespersons/relationship executives**

Zikmund (2003, p 373) defines the target population as the “specific, complete group relevant to the research project”. The target population for the qualitative research phase/the focus group of this research study comprised the relationship executives who represent a major South African bank, and who were responsible for selling new banking facilities as well as increases in existing banking facilities in the last 6 -12 months to financial decision makers of medium sector companies that operate an overdraft.

### **Sampling frame**

The sampling frame was a list of all medium sector relationship executives who represent a major South African bank.

### **Sampling method**

Non-probability sampling in the form of a convenience sample was used for purposes of time efficiency and cost. Convenience sampling refers to sampling by “obtaining units or people who are most conveniently available” (Zikmund, 2003, p 380).

### **Sample size**

A sample of six salespersons was used for the focus group. Zikmund (2003) indicates that the ideal size of a focus group is six to ten individuals; if the group is too small then parties may feel intimidated, if too large, it may not permit adequate participation by each group member.

### **Research instrument / Data collection**

A focus group interview was conducted with the six salespersons, whereby the moderator introduced the topic and encouraged the group members to discuss the topic amongst themselves. The moderator ensured that all salespersons had the opportunity to speak and ask questions and to clarify topics introduced to the discussion. The discussion was kept focused by the moderator using a discussion guide, see **Appendix 1: Interview guide – Personal interviews**. A discussion guide is described as “written prefatory remarks and an outline of the topic / questions that will be addressed in the focus group”, (Zikmund, 2003, p 120).

## **Data recording and analysis**

Once all the topics in the discussion guide had been covered and debated, the focus groups responses were recorded as follows:

- a) Identification of influence tactics used in personal selling context in the target population were recorded on a white board and debated to see if they fell within the existing influence tactics identified in existing literature. No new influence tactics were identified.
- b) The relevance of influence tactics identified in existing influence tactics literature were debated to see if they were relevant in the personal selling context of this research study. Each respondent was asked to simply answer Yes or No on a piece of paper which was handed to the moderator. The outcome was unanimous and common influence tactics were agreed upon.
- c) The existing scale items used to measure these relevant influence tactics were debated and changes made to the scale items based on the general consensus of the group.

### **4.3.1.2. Personal interviews**

A personal interview is defined as “gathering of information through face to face contact with an individual” (Zikmund, 2003, p 199).

Personal interviews were chosen over a focus group when it came to soliciting opinions from customers as to which influence tactics were used by salespersons in a personal selling context, as it was impossible to get a sample of customers to meet at a specific time, given their work commitments.

The benefits of personal interviews are that they allow for feedback, in reassuring the respondent of the confidentiality of their responses as well as clarifying any questions a respondent may have.

### **Unit of analysis**

The unit of analysis for the personal interviews was the salesperson / buyer dyad.

### **Target population: Buyers**

The target population comprised financial decision makers of all medium sector companies that operate an overdraft at a major South African bank and who were responsible for negotiating new banking facilities or increases in existing banking facilities in the last 6 – 12 months.

### **Sampling frame**

The sampling frame was a list of all financial decision makers of all medium sector companies that operate an overdraft at a major South African bank.

### **Sampling method**

Non-probability sampling in the form of a convenience sample was used for purposes of time efficiency and cost. Convenience sampling refers to sampling by “obtaining units or people who are most conveniently available” (Zikmund, 2003, p 380).

### **Sample size**

A sample of four financial decision makers at medium sector companies was selected. The sample size was determined purely from a convenience perspective and brought the total number of respondents for the pre-test including members of the focus group, to ten, which was deemed sufficient for the purposes of the pre-test.

### **Research instrument / Data collection**

The personal interview was kept structured and focused by using a common interview guide for all interviewed customers; see **Appendix 2: Discussion guide – Focus group**.

### **Data recording and analysis**

Customers' responses were recorded on an interview sheet which was attached to the interview guide. The following topics were covered:

a) Influence tactics used in a personal selling context in the target population were recorded on the interview sheet and compared with the answers from the other customers. The interviewer then used the individual results and made a judgement as to whether the identified influence tactics were already covered by the influence tactics included in existing literature or whether they were newly identified influence tactics. No new influence tactics were identified.

b) Customers were asked whether the influence tactics identified in existing literature were relevant in a personal selling context. Customers were asked to simply answer Yes or No. The outcome from all four customers was unanimous and common influence tactics were identified.



c) The existing scale items used to measure these relevant influence tactics were discussed with the customers and their inputs requested. Proposed changes for each customer were recorded on the interview sheet. The interviewer used his judgement to determine common themes raised by the four customers and changes were made to the scale items.

#### **4.3.2. Quantitative phase**

Zikmund (2003, p 55) describes the purpose of quantitative research, as “determining the quantity or extent of some phenomenon in the form of numbers”. Descriptive research is designed to describe the characteristics of a population or phenomenon and is based on some previous understanding of the nature of the research problem. Such an understanding of the research problem was achieved in the qualitative phase of this research study through the use of secondary data analysis and pilot studies in identifying relevant influence tactics in the personal selling process. Quantitative measurement relies upon the use of instruments that provide a standardised framework in order to limit data collection to certain predetermined responses of analysis categories (Patton, 1989).

Survey research allows primary data to be gathered with the specific objective of identifying characteristics of a particular group, to measure attitudes and to describe behavioural patterns of a sample of people by use of a questionnaire or interview (Zikmund, 2003). Survey research is a method of data collection based on communication with a representative sample of individuals (Zikmund, 2003).

Consistent with the research of McFarland *et al* (2006), survey research was conducted to identify which influence tactics were used by salespersons with different buyer orientations to create manifest influence in the target population. The survey method was deemed a quick, inexpensive, accurate and efficient means of assessing the characteristics of the proposed population.

#### **4.3.2.1. Sample selection**

##### **Unit of analysis**

The unit of analysis for the quantitative phase of this research study was the salesperson / buyer dyad.

##### **Target population**

The bi-directionally matched dyads require that data be collected from two separate sources, hence the need for there to be two clearly specified target populations, as described below;

##### **Target population 1: Buyers**

The buyers comprise the financial decision makers of all medium sector companies that operate an overdraft at a major South African bank and who were responsible for negotiating new banking facilities or increases in existing banking facilities in the last 6 – 12 months.

## **Target population 2: Salespersons/relationship executives**

The salespersons comprise the relationship executives that represent a major South African bank mentioned in Target Population 1, who were responsible for selling new banking facilities as well as increases in existing banking facilities in the last 6 -12 months, to the specific financial decision makers of the medium sector companies that operate an overdraft in Population 1.

Notes to the target population:

- The term “relationship executive” at a specific major South African bank for the purposes of this study is equivalent to the “salesperson” mentioned in the adaptive selling literature.
- The term “financial decision maker” at a medium sector company for the purposes of this study is equivalent to the “buyer” in adaptive selling literature.
- The term “negotiating” for the purposes of this study is equivalent to “purchasing” in adaptive selling literature.
- The term “medium sector” refers to all medium sized commercial banking customers at a major South African bank.

## **Sampling frame**

A sampling frame is defined as a list of elements from which a sample may be drawn, otherwise referred to as a working population (Zikmund, 2003).

The sampling frame for this study was a list of all medium sector companies that were operating an overdraft and who had negotiated a new banking facility or had had an increase in an existing banking facility within the last 6 -12 months at a major South African bank, and the corresponding relationship executives that were allocated to these accounts as at the 15 August 2007.

The potential for sampling error is relatively small as the sample frame is very closely matched to the target population. There does still exist an opportunity for a potential sampling error in the following instance: customers could have been excluded from the population and hence the sampling frame i.e. new customers that were allocated an overdraft after the 15 August 2007 or existing customers of the bank with overdrafts who subsequently negotiated increases in existing banking facilities after the 15 August 2007.

### **Sampling method**

In order to achieve the maximum number of bidirectional dyads, the entire population of 286 relationship executives in target population 2 were chosen. Simple random sampling was used to randomly select two buyers from each relationship executive's portfolio that met the criteria specified in target population 1. Simple random sampling is "a sampling procedure that assures each element in the population an equal chance of being included in the sample" (Zikmund, 2003, p 384). While probability sampling proved a lot more time consuming in this study, importantly it would allow for the results of the research study to be generalised beyond the sample in question, which was an important objective, given that this was a replication study.

## Sample size

Intuitively it is known that the larger the sample, the more accurate the research, as increasing the sample size decreases the width of the confidence interval at a given confidence level (Zikmund, 2003).

This study was limited not by the number of customers but rather by the fact that there were only 286 relationship executives in the medium sector of the major South African bank, which could only be included once in a specific bi-directional dyad. The McFarland *et al* (2006) study in comparison, had access to 400 dealerships with at least one salesperson in each dealership, allowing for a minimum sample of 400 potential bi-directional dyads. The McFarland *et al* (2006) final response rate resulted in 193 completed independent bi-directional dyads. Interestingly, the Journal of Consumer Research has an average sample size of approximately  $N = 200$  for single studies (Hunter, 2001).

As discussed, because of a potentially high non-response rate due to the lack of anonymity of the respondents, the sample was increased to two customers per relationship executive, providing a total sample size of 572, although ultimately the study would be restricted to 286 bi-directional dyads i.e. one customer and one relationship executive per dyad. In following this approach it was hoped that the final response rate would render a similar number of completed independent bidirectional dyads to that achieved by McFarland *et al* (2006).

#### 4.3.2.2. Research Instrument

In line with the two target population groups identified, two questionnaires were produced to collect the required data for this study. The first questionnaire dealt with the responses of the buyer with regard to the influence tactics used by a specific salesperson and the resulting manifest influence: refer **Appendix 3: Buyer questionnaire – Page 1 and Page 2**. The second questionnaire dealt with the responses of the salesperson in identifying the buyer orientation of a specific customer: refer **Appendix 4: Salesperson questionnaire – Page 1 and Page 2**.

#### Measurement scales

The item and scale anchors for all measures i.e. influence tactics, manifest influence and buyer orientations, are listed in **Appendix 5: Scale items**. To avoid bias in the salespersons' self-reported use of influence tactics, buyers were asked to respond to the influence tactic scale items. These scale items were adapted by McFarland *et al* (2006) from scale items used to measure the use of influence tactics in channel relationship, buying centre and sales literature. Exceptions included the scale items used for legalistic pleas, which were taken directly from the channel relationship literature and adapted by the author of this research study.

To measure the relative influence of the influence tactics used by salespersons the manifest influence scale proposed by Kohli and Zaltman (1988) and adapted by McFarland *et al* (2006) was used. To avoid response bias, buyers were asked to respond to the relative effectiveness of influence tactics used by salespersons.

To measure the extent of a buyer's orientations i.e. task orientation, self orientation and interaction orientation, the multi-item scales of William and Spiro (1985) adapted by McFarland *et al* (2006) for a personal selling context, were used. Salespersons were asked to respond to the various buyer orientation scale items, given that based on their observations of the buyer, specific influence tactics were selected.

### **Pre-test of measurement scales**

A pre-test of all measurement scales revealed that respondents were not familiar with some of the terminology used in the measurement scales. Given that this was a replication with extension study there was reluctance on the side of the author to make fundamental changes to the structure of the scale items; but to improve accuracy, and based on the recommendations of the pre-test, certain terminology used in the adapted scales of McFarland *et al* (2006) were amended to be more representative of the terms used in the banking industry in South Africa.

Experts believe that improving the wording of questions can contribute far more to accuracy than can improvements in sampling (Zikmund, 2003). The following changes were made in the basic wording of several scale items:

- “Salesperson” was changed to “your relationship executive”.
- “Purchase options” was changed to “funding options”.
- “Purchasing goals” was changed to “financing goals”.
- “Purchasing decisions” was changed to “financing decisions”.
- “Purchase request” was changed to “financing suggestions”.
- “Buying” was changed to “concluding the deal”

In addition the relevance of the scale items in terms of collecting the required information to answer the research problem, was deemed acceptable given that the scales had, firstly been pre-tested and then subsequently used in primary research conducted by McFarland *et al* (2006); secondly, additional pre-testing had been conducted in this research study of all the influence tactics, including the additional influence tactic legalistic pleas, not covered by McFarland *et al* (2006).

### **Attitude rating scales**

Consistent with the McFarland *et al* (2006) study, five point Likert scales were used to allow respondents to indicate their basic level of agreement with the scale items for each of the primary constructs, namely influence tactics, manifest influence and buyer orientations.



In the absence of the actual questionnaires used by McFarland *et al* (2006), the published study only provided details of the basic anchor scales used. For this research study the same rating scale for buyer orientations was adopted i.e. “strongly disagree to strongly agree.” In the case of influence tactics and manifest influence however, only “never to always” and “very little to a great deal” were provided as the basic scale anchors in the published study. To ensure accuracy in measurement similar frequency category scales were selected to those described by Zikmund (2003): for influence tactics “never to very often” and for manifest influence “hardly ever to all the time” were used. A five point measurement scale was deemed sufficiently sensitive to accurately measure any variability in the respondents’ responses.

### **Questionnaire refinement**

In keeping with the original study, fixed alternative questions were used, which take less time for the customer to complete and are easier to answer. Zikmund (2003) states that in general questions for mail and telephone surveys must be less complex than those utilised in personal interviews. With this in mind the only additional information requested over and above the completion of the questions included the customers’ names and the names of their respective relationship executives. To further improve the accuracy of the questionnaire questions were kept short, and clear directions were provided for the completion of the questionnaire.

## Sequence and ordering of questions

Replication studies place a high emphasis on using the same measures and tools as the original study. In the absence of the original questionnaires used by McFarland *et al* (2006) the literature on best question sequence was used.

For the buyer's questionnaire - two of the six influence tactics, namely legalistic pleas and promises, are perceived as coercive influence tactics and were moved to the end of the questionnaire, so as to avoid creating what Podsakoff *et al* (2003, p 884) refers to as "context induced mood" described as "inducing a mood on the part of respondents that influences the manner in which they respond to the remaining items of the questionnaire". Two further influence tactics, namely, ingratiation and inspirational appeals and their respective scale items, were moved to the top of the questionnaire, as they are both more interaction focused constructs and more likely to be successful in "warming up" the customer. Kline, Sulsky and Rever-Moriyama (2000) recommend intermixing items of different constructs on the same questionnaire to reduce common method variance. Podsakoff *et al* (2003) on the other hand suggest that by intermixing constructs that are similar, it may increase the inter-construct correlations while at the same time decreasing the intra-construct correlations, resulting in artificial co-variation among the constructs. In this study the view of Podsakoff *et al* (2003) was adopted, given that certain constructs in this study were perceived as being similar, and as a result the scale items of the different constructs were not mixed.

For the salespersons' questionnaire: no significant changes in the order of the constructs or randomisation of the construct scale items was undertaken, given that there were only three constructs and relatively few scale items.

#### **4.3.2.3. Administration of the questionnaire**

McFarland *et al* (2006) indicated that the questionnaires were mailed, although it is not clear whether the questionnaires were physically mailed by post or emailed. It is thought that no difference in the quality of responses would occur, but rather that the response rate could be improved through email as the process of returning the questionnaire would be more convenient. In this research study a self-administered internet survey was used as the means of collecting responses, with the respondents being invited via email to participate in the internet survey. Copies of the covering email for both the buyer and salesperson internet surveys are provided in **Appendix 6: Covering email to buyer internet survey and Appendix 7: Covering email to salesperson internet survey**. The email invitation contained an introductory message and provided background to the research in order to elicit interest in the respondent to complete the survey. An internet survey was chosen as the distribution medium for the questionnaire following input from respondents of the pre-test. Support for the internet survey included: a high degree of access by target population to the internet; fewer expenses, no sending or return postage costs incurred; it was efficient as questionnaires could be delivered and accessed immediately; it was convenient and efficient for the respondent to complete; and people tend to be more candid in an email or internet survey than in a telephone or personal interview (Zikmund, 2003).

The following initiatives were taken to address the negative aspects of an internet survey:

- a) as the respondent cannot ask questions, a high degree of emphasis was placed on ensuring that the questions and instructions were clear and concise and a contact reference was provided if difficulties were encountered in the completion of the questionnaire;
- b) anonymity was a problem that could not be avoided in this study, so confidentiality of responses was stressed in both the covering email and internet survey for both customers and salespersons/relationship executives ; and
- c) an email is unsolicited and often seen as SPAM, so it was mentioned in the email where the respondents contact details had been obtained and that the author was an employee of the major South African bank.

#### **4.3.2.4. Pre-test of questionnaires**

Consistent with the approach followed by McFarland *et al* (2006) a pre-test was conducted to review both questionnaires and confirm that all instructions and questions were clear and unambiguous. McFarland *et al* (2006) used a convenience sample of 93 salespersons from a Fortune 500 company involved in the industry of the underlying study.

The pre-test in this research study chose a convenience sample of experts that included, four salespersons from the medium sector of the major South African bank in which the research was being conducted, 2 senior executives from the major South African bank in which the research was being conducted and a further two senior executives of Johannesburg Stock Exchange (JSE) listed companies who had significant experience in the banking sales process.

Two senior executives from the major South African bank were regarded as experts, based on the fact that both were MBA graduates who were familiar with the process of questionnaire design from their own research studies as well as research commissioned by them on behalf of the bank. Further, both executives had in excess of ten years experience in banking in South Africa and were responsible for business units that were involved in the process of sales within commercial banking. The parties therefore had a strong understanding of both salespersons and buyers in the chosen target population.

The two senior executives from JSE listed companies were considered experts given that they had been buyers of banking services in the corporate banking sector for the past ten years.

Finally the four salespersons from the medium banking sector in which the survey research would be conducted, were considered experts given that they had first hand experience in dealing with the specified population in which the questionnaire would be administered.

The pre-test of the questionnaires focused on the following key areas: the response to receiving a request to participate in an internet survey via email; whether the contents in the body of the email created sufficient interest for participants to complete the internet survey; whether the fact that the participants could not remain anonymous would have an impact on participants willingness to participate in the survey and how the impact of this could be improved; their views on the appearance of the questionnaire; whether instructions were clear and easy to follow; and whether the questions were easy to understand. Based on respondents' inputs to the pre-test, adjustments were subsequently made to both the invitation email and internet survey.

#### **4.3.2.5. Data collection**

A two phase approach consistent with that of McFarland *et al* (2006) was adopted in the data collection process of this research study.

In the first phase a list of all medium sector banking customers who met the criteria of the target population, and their respective relationship executives' names were obtained from the bank's mainframe. This was achieved given that the author was an employee of the bank and had secured the commitment of the head of the medium sector for the research to be conducted. A letter was sent out to all medium sector salespersons/relationship executives by the head of the medium sector asking for their support in the research process, given the sensitivity around making contact with their customers. From the list of customers, two customers were randomly selected per relationship executive, providing a total sample of 572 customers.

The objective of selecting two customers although only one response per relationship executive would be used, was to compensate for the high non response error that was anticipated, given that the customers could not remain anonymous.

A total of 100 customers were eliminated from the original list of 572 customers because of inaccurate account information, leaving a sample of 472. For the remaining sample the relationship executives were contacted to verify the contact details of the customer, specifically the name and email address of the financial decision maker.

Consistent with the recommendations of Podsakoff *et al* (2003) it was stressed on both the email and internet survey that all responses were confidential and that there were no wrong or right answers. Customers were asked to record the name of their respective relationship executive on the questionnaire for matching purposes.

After the initial emailing to customers to participate in the internet survey, a total of 123 emails were returned marked “undelivered”. This raised immediate concerns as to the quality of the customer information on hand and possibly the quality of the relationship between the salespersons/relationship executive and customer. With a further two successive mailings a total of 82 customer responses were received, yielding a response rate of 17.37%, which compared unfavourably with that of McFarland *et al* (2006) who achieved a response rate of 39%. Of the 82 responses received only 60 unique salespersons were identified.

Where more than one response was received for a specific relationship executive, one response was randomly chosen and the other response discarded. As a result of the low number of responses there was concern regarding the validity of the factor analysis test that would need to be performed to determine whether the measures were internally consistent, refer to section 4.3.3. Limitations of the research study, last paragraph.

In the second phase of the research 60 emails were sent to the specific salespersons/relationship executives identified in the customer responses. To ensure that matched dyads were obtained, the salesperson/relationship executive was provided with the customer's name (customer's responses were not revealed) and were asked to bear the specific customer in mind when completing the internet survey; in addition each salesperson/relationship executive was asked to record his/her name on the internet survey to enable matching. Consistent with the recommendations of Podsakoff *et al* (2003) it was stressed on both the email and internet survey that all responses were confidential and that there were no wrong or right answers. A total of 69 responses were received, which included nine duplicate responses which were eliminated, resulting in a 100% response rate i.e. a response from a relationship executive was received for each completed customer response. This ultimately resulted in 60 individually matched independent pairs of buyer – seller dyads. Non-response bias was not tested for.





#### **4.3.2.6. Data analysis**

In the majority of cases the exact analytical processes used by McFarland *et al* (2006) were employed for this research study in order to be consistent with the process of replication.

#### **Descriptive statistics**

The first step in the data analysis process was the use of descriptive statistics, in order to summarise the large quantity of raw data collected, so that the raw data could be transformed into a form that was easy to understand and interpret. Zikmund (2003) states that rearranging, ordering, or manipulating data through the use of averages, frequency distributions and percentage distributions are common ways of summarising data.

In terms of this research study: for seller influence tactics, a higher mean value would imply that the relationship executives interviewed in this research project used these tactics more often. In the same manner, a higher mean value for a specific buyer orientation aspect would imply that this buyer aspect was observed more often in the customers included in the sample. In general, a larger standard deviation implies larger variance, which would mean that there was less consensus amongst the respondents regarding the specific factor.

## **Factor Analysis**

Factor analysis is a common statistical method used to find a small set of unobserved variables (also called latent variables, or factors) which can account for the covariance among a larger set of observed variables (also called manifest variables) (Albright, 2007). Factor analysis is used if a researcher has a set of variables and suspects that these variables are interrelated in a complex fashion. When this occurs factor analysis can be used to untangle the linear relationship into its separate patterns (Zikmund, 2003). Factor analysis was used in this research study to assess the reliability and validity of the measurement scales. A confirmatory factor analysis using a multivariate technique structural equation model (SEM) was used to examine a series of dependent relationships between manifest variables and factors, using Amos (Albright, 2007). Using the measurement model, the contribution of each scale item, how well the scale item measures the concept (its reliability) and the estimation of the relationships between dependent and independent variables, were determined.

## **Multivariate regression**

H1-H3 predicted that the effectiveness of each SIT would vary with each buyer orientation. To test the moderator effects of buyer orientations, the sample was split along the median of the moderator for each of the three orientation variables to obtain “high” and “low” subgroups (Johnston, 1984), (Kohli, 1989).

Two regressions were then performed on the sample;

(Restricted regression) In the first regression all cases where the dependent/response/Y variable is the manifest influence factor (obtained in the previous factor analysis) and independent/predictor/ X variables include the factors (also from the preceding factor analysis) that relate to the following constructs : X1-information exchange, X2-recommendations, X3-legalistic pleas, X4 – promises, X5 – ingratiation, X6 – inspirational appeals were used.

(Unrestricted regression) In the second regression, the regression coefficients of the six seller influence tactics were allowed to take on different values in the high and low groups i.e. regression 2 on the subgroup with lower values for buyer task orientation, regression 3 on the subgroup with higher values for buyer task orientation, and so on. By including all of the influence tactics in the regression analysis the author was able to examine not only whether the hypothesised relationship was in the right direction, but also whether the non-hypothesised relationships were non-significant (McFarland *et al*, 2006).

A Chow Test (Johnston, 1984) was then performed to assess whether there was a significant difference between the sum of the squared residuals in the restricted and unrestricted run, allowing the researcher to establish whether the buyer orientations did in fact moderate the relationship between the influence tactics and manifest influence and their corresponding implications for hypothesis 1-3.

## Cluster Analysis

Rather than assuming that customers only exhibit one buyer orientation, a hierarchical cluster analysis was performed, using the buyer's individual scores on the three buyer orientations (McFarland *et al*, 2006). Cluster analysis is defined as “ an analysis that classifies individuals or objects into a small number of mutually exclusive groups, ensuring that there will be as much likeness within the groups and as much difference among groups as possible”, (Zikmund, 2003, p 589). A three cluster solution was followed using a procedure by Milligan and Cooper (1985) to determine the number of clusters. A k-means cluster analysis as proposed by Punj and Stewart (1983) was used to determine the starting values of the clusters as well as to eliminate certain outliers. In addition the k-means cluster analysis was used to determine a cluster solution, a technique not employed in the McFarland *et al* (2006) study. The clusters means were then plotted, to determine which of the clusters aligned along the various buyer orientations.

In the second step of the analysis three buyer clusters as the multi category variable in a MANOVA (multivariate analysis of variance), where cluster membership was the predictor variable and the influence tactics the response variables were used. MANOVA is the multivariate extension of the univariate techniques for assessing the differences between group means. The univariate procedures include the t test for two group situations and analysis of variance (ANOVA) for situations with three or more groups defined by an independent variable/s (X).The following measures were evaluated and commented on, Wilks lambda, Hotellings T and Roy's largest root.

The means of each of the influence tactics for the different clusters were then shown and discussed. The means from the MANOVAs were compared using Helmert contrasts and were followed with individual ANOVAs (univariate one way analysis) for each of the influence tactic variables. The F statistic and p value for each were reported on. The implications for hypothesis 4 were subsequently discussed.

#### **4.3.3. Limitations of the research study**

The limitations of this research study were as follows;

- The research study covers only one additional industry (banking industry) to that of the original study of McFarland *et al* (2006). This limits the findings being generalised to other industries.
- In the absence of detailed processes, methods, and measurement tools of the McFarland *et al* (2006) study, this research study was not able to replicate every single step of the original research process. As a result erroneous conclusions could have been drawn in the analysis of the relationship between the various constructs.
- The research study was limited to evaluating the use of influence tactics with different buyer orientations in creating manifest influence. This study ignored other factors that could have a significant impact on the choice of influence tactics, such as salesperson/buyer power and the impact of emotions in the personal selling process.

- The sample for the research study was drawn from the medium sector of a single South African bank, limiting the generalisation of the results across the medium sector of all South African banks.
- By including only customers with an overdraft facility as a pre requisite in the population, customers without overdrafts but with other banking products were excluded from this study, making the sample less representative of the medium banking sector.
- A limitation of this research study was that only 60 bidirectional dyads were collected. Literature on factor analysis and cluster analysis recommend that a sufficiently large sample size is required to provide accurate results. Garsuch (1983) recommends at least 5 subjects per scale item with a minimum of 100 subjects, while Cattell (1978) recommends 3-6 subjects per scale item with a minimum of 250 subjects. Having said this techniques such as Maximum Likelihood Estimation (MLE) have been found to provide valid results with sample sizes as small as 50, although a sample size this small is not recommended (Hair, Anderson and Tatham and Black, 1998).

This research study only obtained 60 independent bi-directional dyads, which did not meet the criteria prescribed by theory. Therefore it is important that the results of this research study be viewed with caution and further research is recommended before adopting any of its findings.

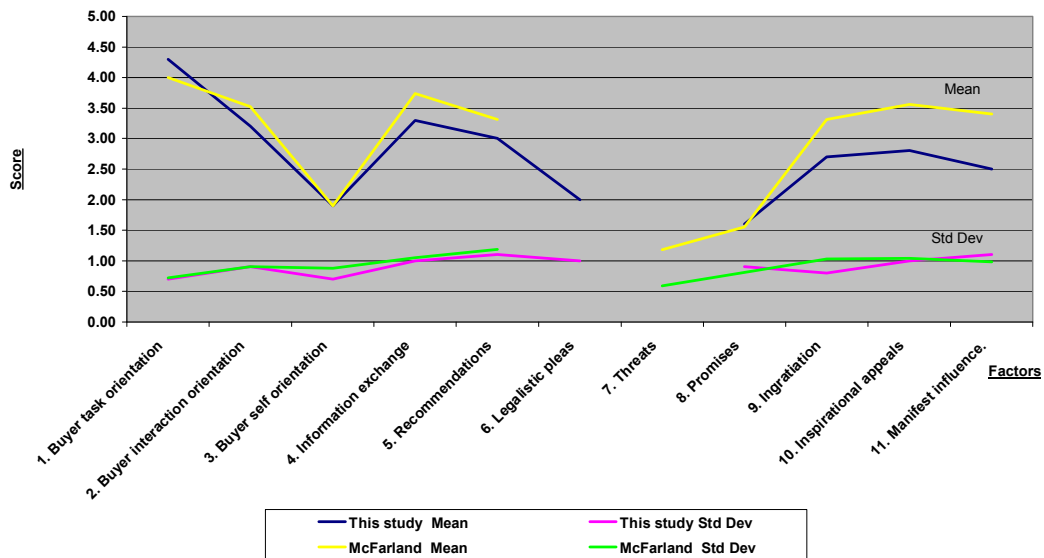
## CHAPTER 5: Results

### 5.1. Descriptive statistics

Frequency tables and descriptive statistics for all three factors i.e. manifest influence, buyer orientation and influence tactics for both studies; appear in **Appendix 8: Frequency table and descriptive statistics (Comparison)**.

A comparison of the mean scores and standard deviations of this research study with those of McFarland *et al* (2006) are graphically portrayed in **Figure 6: Descriptive statistics – (Comparison with McFarland *et al*, 2006)**, below.

**Figure 6: Descriptive statistics – (Comparison with McFarland *et al*, 2006)**



**Note:** Gaps in figure 7, are as a result of the influence tactic, threats been tested in McFarland *et al* (2006), while not tested in this research study and legalistic pleas tested in this research study but not in McFarland *et al* (2006) study.



## **Buyer orientations**

This research study shows a higher incidence of task-oriented (mean, 4.30) and interaction-oriented (mean, 3.20) buyers, while few buyers demonstrated a self orientation (mean, 1.90). The study by McFarland *et al* (2006) reveals very similar results with a high incidence of task-oriented (mean, 4.00) and interaction-oriented (mean, 3.52) buyers, while few buyers demonstrated a self orientation (mean, 1.90). The two studies show a similar pattern in terms of the observed buyer orientations, although this research study found a slightly higher incidence of task-oriented buyers compared with the McFarland *et al* (2006) study. A greater incidence of interaction-oriented buyers was observed in the McFarland *et al* (2006) study. Both industries showed a similar low incidence of self-oriented buyers.

## **Influence tactics**

In this research study influence tactics information exchange (mean, 3.30), recommendations (mean, 3.00) and inspirational appeals (mean, 3.30) were the three most commonly used influence tactics by salespersons, while coercive tactics such as promises (mean, 1.60) and legalistic pleas (mean, 2.00) were the least used influence tactics. Similarly in the study by McFarland *et al* (2006) influence tactics information exchange (mean, 3.74), recommendations (mean, 3.30) and inspirational appeals (mean, 3.56) were also cited as the three most used influence tactics by salespersons, with a higher incidence of these influence tactics found in McFarland *et al* (2006) in comparison with this research study.



The incidence of the influence tactic promises was essentially the same for both studies, while neither legalistic pleas nor threats were frequently used influence tactics. The largest discrepancy between the means of the influence tactics used in the two studies concerned ingratiation and inspirational appeals; both influence tactics showed a higher frequency in the McFarland *et al* (2006) study.

### **Manifest influence**

From the results, one can draw the conclusion that the salespersons in the McFarland *et al* (2006) study appear to be more successful in creating manifest influence with buyers, than their counterparts in the banking industry of this research study, given the higher manifest influence mean scores recorded.

Overall it would appear that the influence tactics of information exchange, recommendations, ingratiation and inspirational appeals are used extensively by salespersons in both industries, while coercive influence tactics such as legalistic pleas, threats and promises are used less often by salespersons in both of the chosen industries. There is also great similarity in the incidence of the different types of buyer orientations in the two chosen industries.

### **5.2. Construct validity**

Zikmund (2003, p 303) defines construct validity as “the ability of a measure to confirm a network of related hypotheses generated from a theory based on the concepts”.

## Factor loadings

The next step in the statistical analysis process was to determine how well correlated the various scale items were in measuring their respective constructs. Factor loadings for each scale item were measured to determine the importance of the scale items in measuring their specific related constructs, see **Appendix 9: Factor loadings**. All factor loadings (except the two scale items for buyer interaction orientation) were significantly different from zero at the 1% level. The scale items that relate to each construct showed a high factor loading on the corresponding factor, thus indicating convergent validity. Convergent validity is defined as “the ability of some measure to correlate with other measures of the same construct” (Zikmund, 2003, p302). For example “focus on task” (0.74), “interactions efficient” (0.67) and “goal-oriented” (0.92) in **Appendix 9: Factor loadings**; all correlate highly in measuring the construct “buyer task orientation”. The two scale items for buyer interaction orientation “likes to socialise” (0.27) and “personal interest” (0.77), factor loadings were not significantly different from zero at the 1% level indicating a poor correlation of the scale items in measuring the construct. Overall the model is a good fit in that the scale items measure their specific constructs well.

## Composite reliability and variance extracted

The measurement model was assessed by measuring the composite reliability and variance extracted for each construct. The reliability relates to whether a set of latent construct indicators are consistent in their measurement i.e. they are all measuring the same construct.

In this study all but two constructs “buyer interaction” orientation and “ingratiation” exceeded the recommended cut off criteria of 0.70 for composite reliability and the 0.50 for variance extracted for each factor (Hair, Rolph, Anderson and Black, 1998), see **Appendix 10: Composite reliability and variance extracted**. Values range between 0 and 1 with higher values indicating higher reliability among the indicators. If one examines the scale items for buyer interaction, “likes to socialise” and “has a personal interest”, it becomes clear that these items are quite diverse and probably measure different attitudes. Ingratiation on the other hand “praised achievements” and “feel good about yourself” appear similar in their purpose, but the third scale item “discussed shared interest” may be unrelated.

A comparison of composite reliability and extracted variance scores between this research study and that of McFarland *et al* (2006), see **Appendix 10: Composite reliability and variance extracted**, reveals strong reliability for most factors, providing evidence that the measures are internally consistent. Both studies indicate low reliability for the construct of “buyer interaction”, which is consistent with the low factor loadings for the two scale items.

### **Correlations**

The correlations between the various constructs were examined and comparisons made with the results of the McFarland *et al* (2006) study, refer **Appendix 11: Correlation between factors (Comparison)**.

In this research study a number of interesting findings occurred: firstly, a high correlation was found between common factors i.e. (information exchange and recommendations) and (legalistic pleas, promises and ingratiation) and (inspirational appeals and ingratiation) which confirms the findings in channel relationship, buying centre and personal selling literature; secondly, all influence tactics were found to be positively correlated to manifest influence with the exception of promises (0.20), which did not appear to be an effective means of influencing buyers irrespective of their buyer orientation. By comparison the McFarland *et al* (2006) study also confirms similar correlations between common factors i.e. (information exchange and recommendations) and (legalistic pleas, promises and ingratiation) and (inspirational appeals and ingratiation). Threats not tested in this research study but tested by McFarland *et al* (2006) were found to be negatively correlated to manifest influence, confirming that threats are not an effective means of influencing buyers irrespective of their buyer orientation. Promises were, however, found to be positively correlated to manifest influence in the McFarland *et al* (2006) study, in contradiction to this research study.

For certain variables there existed a high correlation e.g. information exchange and recommendations (0.86). High correlations can result in multicollinearity between explanatory variables which can make the estimation of their significance in a regression difficult. Multicollinearity occurs “when there is a fairly strong linear relationship among a set of explanatory variables” (Albright, Winston and Zappe, 2006, p 649).

### 5.3. Testing the effectiveness of SITs

**H1-H3** predicted that the effectiveness of each influence tactic would vary with each buyer orientation. To test the moderator effects, a procedure of splitting the sample along the median of the moderator for each of the three buyer orientations was used, which is explained further in the research methodology section of this research study, see Data analysis, 4.3.2.6. The adjusted  $R^2$  is the percentage of variation of the dependent variable explained by the regression. The results of the regression analysis for this research study recorded a high  $R^2$  for all three models used in the regression of buyer orientations, influence tactics and the corresponding variance in manifest influence, i.e. (0.93), (0.92) and (0.92). Refer **Appendix 12: Regression coefficients – buyer orientations** and **Appendix 13: Regression coefficients – buyer orientations (McFarland et al, 2006)**. In comparison the  $R^2$  results from the McFarland et al (2006) study were far lower for each of the regressions of buyer orientation, influence tactics and the corresponding manifest influence i.e. (0.44), (0.47) and (0.46). The regression analysis for this research study is therefore better than the McFarland et al (2006) study in explaining any variance in the dependent variable, manifest influence. A Chow test was used to determine whether the difference between the sum of the squared residuals from the restricted and unrestricted regressions was significant.

Chow test results indicate that task orientation ( $F(28,26)=1.50$ ,  $p<0.10$ ; adjusted  $R^2=1.50$ ) self orientation ( $F(22,32)=1.78$ ,  $p<0.10$ ; adjusted  $R^2=0.92$ ) interaction orientation ( $F(26,28)=0.57$ ,  $p<0.10$ ; and adjusted  $R^2=0.92$ ) do not moderate the relationship between influence tactics and manifest influence.

This indicates that buyer orientations do not matter when influence tactics usage is considered in this research study. This is a startling contradiction to the findings of McFarland *et al* (2006) study who found support for the notion that buyer orientations matter when influence tactics usage is considered, refer, **Appendix 13 : Regression coefficients – buyer orientations (McFarland *et al*, 2006).**

## Hypothesis 1

**H1a** predicts that information exchange has a positive relationship to manifest influence when buyer task orientation is high.

**Table 4: Results - Hypothesis 1a (Comparison with McFarland *et al*, 2006)**

Study	Moderator variable	Independent	Hypothesis	Moderator level - High	Moderator level - Low
This study	Buyer task orientation	Information exchange	H1a	0.53	0,60
McFarland <i>et al</i> (2006)	Buyer task orientation	Information exchange	H1a	0.44 *	0.78***

McFarland *et al* (2006) = \* $p < .05$ , \*\* $p < .01$ . \*\*\* $p < .001$ .

This research study found information exchange not to be significantly related to manifest influence when buyer task orientation is high ( $b=0.53$ ,  $p>0.05$ ), indicating that buyer task orientation is not a moderating factor in the choice of the influence tactic information exchange.

By comparison the McFarland *et al* (2006) study found information exchange to be positively related to manifest influence when the buyer task orientation is both high ( $b=.44$ ,  $p <.05$ ) and low ( $b=.78$ ,  $p <.001$ ) indicating a main effect for this tactic.

**H1b** predicts that recommendations have a positive relationship to manifest influence when buyer task orientation is high.

**Table 5: Results - Hypothesis 1b (Comparison with McFarland *et al*, 2006)**

Study	Moderator variable	Independent	Hypothesis	Moderator level - High	Moderator level - Low
This study	Buyer task orientation	Recommendation	H1b	0.71 ***	0.81***
McFarland <i>et al</i> (2006)	Buyer task orientation	Recommendation	H1b	0.54 **	-

This research study = \*\*\* $p <.001$ ., other at 0.10 level

McFarland *et al* (2006) = \* $p <.05$ , \*\* $p <.01$ . \*\*\* $p <.001$ .

This research study found recommendations to be positively related to manifest influence when the buyer task orientation was both high ( $b=0.71^{***}$ ,  $p <.001$ ) and low ( $b=0.81$ ,  $p <.001$ ) indicating a main effect for this tactic, confirming that buyer task orientation is not a moderating factor in the choice of the influence tactic recommendations. By comparison the McFarland *et al* (2006) study found recommendations to be positively related to manifest influence only when the buyer task orientation was high ( $b=0.54$ ,  $p <.01$ ) but unrelated when buyer task orientation was low. This confirms that buyer task orientation is a moderating factor in the choice of the influence tactic recommendations.

Conclusion to H1:

**H1** therefore does not receive support from this research study. Further promises, legalistic pleas and inspirational appeals were found to be unrelated to manifest influence, while ingratiation was found not to be significantly related to manifest influence when buyer task orientation is high. While the McFarland *et al* (2006) study receives partial support for H1, this research study does not support the theoretical model proposed by McFarland *et al* (2006).

## **Hypothesis 2**

**H2a, H2b and H2c** predict that legalistic pleas, promises and ingratiation have a positive relationship with manifest influence when buyer self orientation is high.



**Table 6: Results - Hypothesis 2 (Comparison with McFarland *et al*, 2006)**

Study	Moderator variable	Independent	Hypothesis	Moderator level - High	Moderator level - Low
This study	Buyer self orientation	Legalistic pleas	H2a	-	-
McFarland <i>et al</i> (2006)	Buyer self orientation	Did not test	Did not test	Did not test	Did not test
This study	Buyer self orientation	Promises	H2b	-	-
McFarland <i>et al</i> (2006)	Buyer self orientation	Promises	H2b	.21*	-
This study	Buyer self orientation	Ingratiation	H2c	-	0.27
McFarland <i>et al</i> (2006)	Buyer self orientation	Ingratiation	H2c	.74***	-

This research study = \*\*\* $p < .001$ ., other at 0.10 level

McFarland *et al* (2006) = \* $p < .05$ , \*\* $p < .01$ . \*\*\* $p < .001$ .

This research study found legalistic pleas and promises to be insignificantly related to manifest influence when buyer self orientation is high, indicating that buyer self orientation is not a moderating factor in the choice of these influence tactics. Furthermore ingratiation was found to be unrelated to manifest influence when buyer self orientation was high and insignificantly related to manifest influence when buyer orientation was low ( $b=0.27$ ,  $p \geq 0.10$ ), although not significant ingratiation was found to be an influence tactic used when dealing with a self-oriented buyer in this research study.

By comparison the McFarland *et al* (2006) study found promises ( $b=.21$ ,  $p <.05$ ) and ingratiation ( $b=.74$ ,  $p <.001$ ) to be positively related to manifest influence when buyer self orientation was high and unrelated when buyer self orientation was low. This confirms that buyer self orientation is a moderating factor in the choice of these influence tactics.

Conclusion to H2:

**H2** therefore does not receive support from this research study. Again recommendations in this research study were found to be strongly related to manifest influence when buyer self orientation was high ( $b=0.97$ ,  $p<0,001$ ) and low ( $b=0.70$ ,  $p<0,001$ ). Interestingly, recommendations were also found to have a positive relationship with manifest influence when buyer self orientation was high ( $b=0.51$ ,  $p<.01$ ) or low ( $b=.50$ ,  $p<.01$ ) in McFarland *et al* (2006) study. While the McFarland *et al* (2006) study provides support for H2 (excluding threats) this research study doesn't support the theoretical model proposed by McFarland *et al* (2006).

### **Hypothesis 3**

**H3a** and **H3b** predict that ingratiation and inspirational appeals have a positive relationship to manifest influence when buyer interaction orientation is high.

This study found ingratiation and inspirational appeals not to be significantly related to manifest influence when buyer interaction orientation was high, indicating that buyer interaction orientation was not a moderating factor in the choice of these influence tactics. By comparison H3 receives strong support from the McFarland *et al* (2006) study for ingratiation ( $b=0.46$ ,  $p<0.01$ ) and inspirational appeals ( $b=0.39$ ,  $p<0.05$ ) where buyer interaction orientation was high. In support of the positive relationship between inspirational appeals and manifest influence, the McFarland *et al* (2006) study also found that inspirational appeals were negatively related to manifest influence where buyer interaction orientation was low ( $b=-0.43$ ,  $p<0.05$ ).

**Table 7: Results - Hypothesis 3 (Comparison with McFarland *et al*, 2006)**

Study	Moderator variable	Independent	Hypothesis	Moderator level - High	Moderator level - Low
This study	Buyer interaction orientation	Ingratiation	H3a	-	-
McFarland <i>et al</i> (2006)	Buyer interaction orientation	Ingratiation	H3a	0.46**	-
This study	Buyer interaction orientation	Inspirational appeals	H3b	-	-
McFarland <i>et al</i> (2006)	Buyer interaction orientation	Inspirational appeals	H3b	0.39*	-0.43

This research study = \*\*\* $p<.001$ ., other at 0.10 level

McFarland *et al* (2006) = \* $p<.05$ , \*\* $p<.01$ . \*\*\* $p<.001$ .

### Conclusion H3:

H3 therefore does not receive support from this research study. Again recommendations in this research study were found to have a positive relationship to manifest influence when buyer interaction orientation was high ( $b=0.96$ ,  $p<0,001$ ) and low ( $b=0.97$ ,  $p<0,001$ ). All other influence tactics were found to be insignificantly related to manifest influence. The McFarland *et al* (2006) study provides strong support for H3. This research study does not support the theoretical model proposed by McFarland *et al* (2006).

### **Conclusion Hypothesis 1-3**

The results of hypothesis 1-3 for this research study don't validate the findings of the SIT framework proposed by McFarland *et al* (2006) in the context of the South African banking industry. Recommendations were the most commonly used influence tactics in this research study, while most buyers sampled in this study have a strong task orientation. The results of hypothesis 1-3 indicate that while salespersons may recognise different buyer orientations, they don't alter the use of their influence tactics to match these orientations as prescribed by theory in the South African banking industry. The influence tactic, recommendations, is used irrespective of whether the buyer has a high task, self or interaction orientation in creating manifest influence, indicating universal appeal.

#### 5.4. Buyer orientation clusters and SIT usage

A two stage analytical process consistent with that of McFarland *et al* (2006) was used to test H4. A cluster analysis solution was used to determine whether buyers align themselves along more than one buyer orientation. The clustering techniques used are described in more detail in the research methodology section of this paper: see Data analysis, 4.3.2.6.

The results of the cluster analysis should be interpreted with caution, given that only 60 bidirectional dyads were tested. By splitting the 60 completed dyads into three clusters, these clusters may not be sufficient in size to deliver reliable results from which meaningful conclusions may be derived, refer to section 4.3.3., Limitations of the research study. Hierarchical and k means cluster analyses were used to sort buyers into three clusters with similar characteristics, while outliers were eliminated. Both cluster analyses revealed almost identical standard deviations: the hierarchical cluster analysis revealed three relatively distinct buyer groups, while the k means cluster analysis did not reveal three clear buyer clusters. For this study the clusters identified in the hierarchical cluster analysis were chosen.

The results of the cluster analysis revealed that all clusters align along multiple buyer orientations. The three clusters were given similar names to those used by McFarland *et al* (2006) because of their similarity. Task focus buyers, (27 % of buyers) Engagement with balance focus buyers, (36% of buyers) Self focus with balance buyers, (37% of buyers).

- Task focus buyers, have a high task orientation (4.9) followed by interaction orientation (3.6) and self orientation (1.6).
- Engagement focus with balance buyers, is high on both task orientation (4.0) and interaction orientation (3.9), but is low on self orientation (1.7).
- Self focus with balance buyers, have higher scores on self orientation (2.3) than the other two clusters i.e. Task focus buyers, (1.6) and Engagement focus with balance buyers, (1.7).

A comparison of the results of the cluster analysis between this research study and the McFarland *et al* (2006) study show similarity, with the exception of the Self focus with balance buyers: see **Figure 7 & 8** below.

On average this research study confirms a higher level of task orientation between all three cluster groups, while the Self focus with balance buyers of this research study has a lower interaction orientation.

The general conclusion from the buyer clusters identified in both research studies is that buyers don't align along a single buyer orientation, but rather along multiple buyer orientations.

Figure 7: Hierarchical clustering results: Plot of mean scores

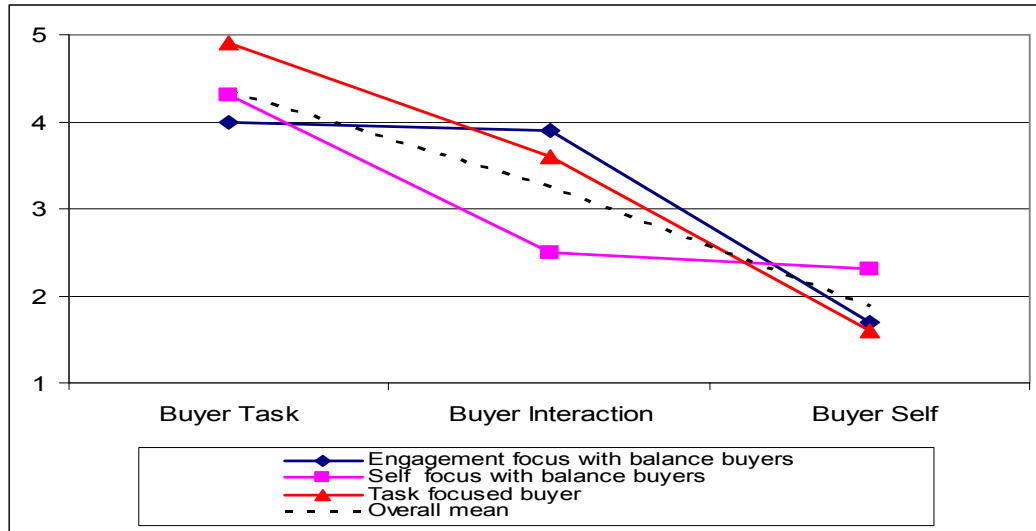
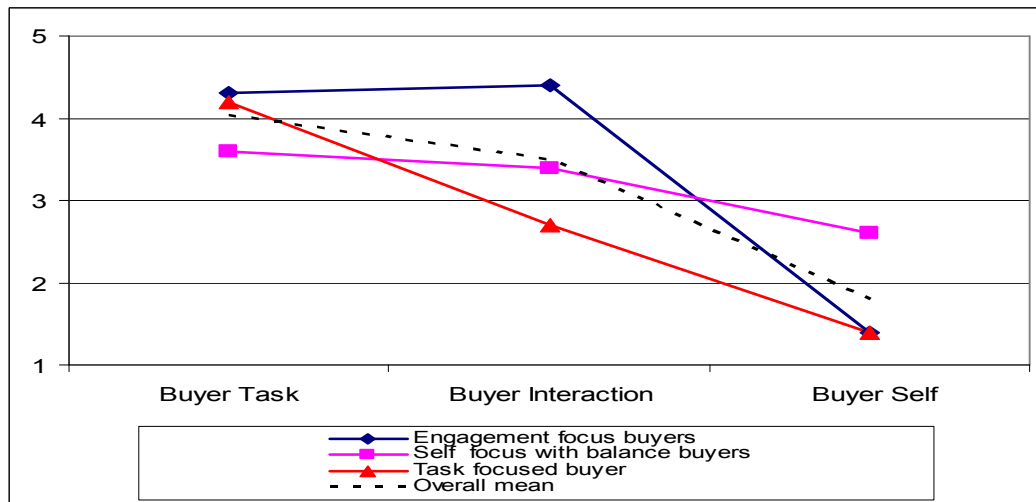


Figure 8: McFarland *et al* (2006) - k means clustering results: Plot of mean scores



In the second part of the cluster analysis the three clusters identified were used as the multicategory variable in a multivariate analysis of variance (MANOVA).

Cluster membership was used as the predictor / X variable and the six SITs variables as the response/ Y variable. Wilks' Lambda is 0.843 ( $F=0.756$ ,  $p = 0.694$ ), Hotellings T is 0.182 ( $F=0.757$ ,  $p =0.693$ ) and Roy's largest root is 0.154 ( $F=1.337$ ,  $p =0.258$ ) for the MANOVA, indicating that the mean values for the SITs do not vary significantly across the clusters: **Table 8; Buyer orientation cluster means (MANOVA/ANOVA)**. On comparing the means from the MANOVA using Helmert contrasts, it was found that none of the comparisons are significantly different from zero, with no p-values  $<0.05$ . This confirms the results of the MANOVA, namely that the mean values for the SITs do not vary significantly across the buyer clusters. The ANOVA test predictably offer a similar result, with p-values all greater than a significance level of 0.05, confirming that the means of the SITs are not significantly different across the clusters.

**Table 8: Buyer orientation cluster means (MANOVA/ANOVA)**

	Buyer Orientation Clusters (a)			ANOVA Results (b)	
	Engagement focus with balance buyer	Self focus with balance buyer	Task focused buyer	F-statistic	p-Value
F04 Information Exchange	3.6	3.1	3.2	1.08	0.35
F05 Recommendations	3.2	3.0	2.9	0.33	0.72
F06 Legalistic Pleas	1.7	2.2	2.1	1.62	0.21
F07 Promise	1.4	1.7	1.7	0.58	0.56
F08 Ingratiation	2.6	2.6	2.8	0.30	0.74
F09 Inspirational Appeals	2.8	2.8	2.9	0.10	0.90
Number of observations	21	22	16		

a) Mean values along same row, based on the Helmert comparison procedure

b) Results from one-way ANOVA with the clusters as the grouping variable.



In contrast, the McFarland *et al* (2006) study's ANOVA results indicate the means of SITs used across the three buyer clusters were significantly different, see **Appendix 14: Buyer orientation cluster means (McFarland *et al*, 2006)**.

This effectively means that in this research study, salespersons/relationship executives do not use different combinations of influence tactics with the different buyer clusters; they do not appear to sell adaptively.

Based on the results of the MANOVA and ANOVA tests of this research study, hypothesis 4 can now be answered. Comparisons will also be made with the findings of the McFarland *et al* (2006) study.

#### **Conclusion Hypothesis 4:**

Hypothesis 4a:

Information exchange was not significantly higher across the three buyer clusters, which is not consistent with H4a. In contrast, the McFarland *et al* (2006) study found information exchange to be higher across Task focus and Engagement focus with balance buyers, but lower in Self focus with balance buyers. The McFarland *et al* (2006) results were therefore found to be consistent with H4a.

Hypothesis 4b:

The means for recommendations were not significantly higher across any of the three buyer clusters, which is not consistent with H4b.

McFarland *et al* (2006) results were found to be consistent with this research study, with no discernible difference in the means of recommendations across the three buyer clusters.

Hypothesis 4c & 4d:

The means for legalistic pleas and promises were not significantly higher across all three buyer clusters, which is not consistent with H4c & H4d. By contrast the McFarland *et al* (2006) results found threats and promises to be higher in Self focus with balance buyers, than the other two clusters, which is consistent with H4c & H4d.

Hypothesis 4f & 4g & 4e:

The means of ingratiation and inspirational appeals were not significantly higher across any of the three buyer clusters, which is not consistent with H4f & H4g, H4e. By contrast the McFarland *et al* (2006) results found ingratiation and inspirational appeals to be higher with Engagement focus with balance buyers, than for the other two buyer clusters, which are consistent with H4f & H4g, but inconsistent with H4e.

### **Conclusion to cluster analysis**

The findings of this research study indicate that while salespersons/relationship executives do use a combination of influence tactics, they do not apply different combinations of influence tactics across different buyer clusters as prescribed by theory. Influence tactics legalistic pleas and promises; do not appear to be used much across the board.

By contrast the McFarland *et al* (2006) study found that salespersons do use a combination of influence tactics and apply a different combination of influence tactics across the different buyer clusters as prescribed by theory.

Coercive influence tactics legalistic pleas and promises in this research study and threats and promises in the McFarland *et al* (2006) study were not found to be used much across the board.

## 5.5. Summary of results

A summary of the results is provided for hypothesis 1 – 4:

- Both studies indicate a similar incidence of buyer orientations. Task orientation is the most observed buyer orientation followed by interaction orientation, while few buyers have a self orientation.
- The influence tactics of information exchange, recommendations and inspirational appeals are the most used influence tactics in both studies, with the McFarland *et al* (2006) study recording a higher incidence of these three influence tactics in comparison with this research study.
- Coercive influence tactics such as promises, legalistic pleas and threats were not identified as highly used influence tactics across both studies.

- Salespersons in this research study do not use influence tactics prescribed by the McFarland *et al* (2006) SIT framework or those proposed in hypothesis 1- 4.

Recommendations was the only influence tactic used across all buyer orientations that created significant manifest influence, irrespective of whether the buyers were high or low in the specific orientation.

- Through the use of buyer clusters, it was established that buyers do not align along a single buyer orientation i.e. task, self or interaction orientation, but rather across multiple orientations, which each include varying levels of task, interaction and self orientation.
- While salespersons/relationship executives use combinations of influence tactics when dealing with different buyer clusters, they do not vary these combinations of influence tactics across different buyer clusters, contrary to theory. The McFarland *et al* (2006) study, by comparison, indicates that salespersons do vary the combinations of influence tactics when dealing with different buyer clusters. Salespersons/relationship executives in this study therefore do not appear to sell adaptively.

Given that this research study was conducted in a different industry from that of the McFarland *et al* (2006) study, an attempt is made in the next chapter to explain possible reasons why salespersons/relationship executives in the South African banking industry do not follow the processes proposed in the McFarland *et al* (2006) SIT framework.

## CHAPTER 6: Discussion of Results

The focus of this chapter is to evaluate the findings of this research study relative to those of McFarland *et al* (2006). By doing so the key objective of this research study can be addressed, namely to attempt to validate the McFarland *et al* (2006) SIT framework in the South African banking industry. The secondary objective of answering the call for more replication research in the field of marketing has already been achieved by virtue of the fact that this research study was conducted.

Given that this research study was conducted in a different industry (banking industry) from that of the original research (agricultural retail industry), a brief explanation of different approaches to marketing that are followed in the two industries is provided to provide context for the discussion of the results of this research study.

This research study was conducted in a specific sector of the South African banking industry where a relationship approach to marketing is followed. Relationship banking is characterised by high levels of salesperson/relationship executive and buyer interaction, perceived mutual interdependence and commitment and trust in the context of a long term relationship i.e. a dedicated salesperson/relationship executive is assigned to each customer.

Relationship banking emphasises a longer time scale, taking account of the customers' changing needs and value over time (Moriarty *et al*, 1983).

Relationship banking has a long term orientation and there is recognition that the bank can increase its earnings by maximising the profitability of the total customer relationship over time, rather than by seeking to extract the most profit from any individual product or transaction (Moriarty *et al*, 1983). By comparison the retail industry in which the McFarland *et al* (2006) study was conducted follows a more transactional approach to marketing, focusing on the individual transaction, with a view to extracting maximum profitability from each transaction in the short term. Transactional marketing is said to be oriented towards product features with a low service emphasis and involves moderate customer contact and limited customer commitment (Coviello and Brodie, 2001).

### **6.1. Attempt to validate McFarland *et al* (2006) SIT framework**

In an attempt to validate the McFarland *et al* (2006) SIT framework, the following results of this research study will be discussed: the incidence of buyer orientations, the incidence of influence tactics and finally the results of hypothesis 1-4.

#### **6.1.1. Incidence of buyer orientations**

The results of this research study indicate a high incidence of task-oriented buyers, which was not unexpected given the highly complex nature of banking (Colgate and Alexander, 1998).

Given the importance of the financial decision maker's role in understanding the various banking offerings and the potential liability stemming from committing the company to the bank, it would be expected that a buyer in this industry would have a relatively high task orientation, otherwise he/she would not occupy this position. A high incidence of interaction-oriented buyers were also identified in this research study, which is consistent with relationship banking, where buyers maintain strong social and interpersonal relationships with their salesperson/relationship executive. Literature on relationship banking highlights that banks are able to create closer relationships with customers than retailers, given the high involvement nature of the service, which requires high levels of trust (Colgate and Alexander, 1998). Finally, low levels of self-oriented buyers were identified in this research study, which can possibly be explained by the fact that relationship banking includes an acknowledged perception of mutual interdependence between the bank and customer (Moriarty *et al*, 1983). A self-oriented buyer would be unlikely to be effective in creating and maintaining satisfying long term relationships in relationship banking. A similar incidence of task, self and interaction-orientated buyers were found in the McFarland *et al* (2006) study, indicating that buyers in these two industries were purposeful in the accomplishment of their buying task and sought some level of social interaction in the purchasing process.

#### **6.1.2. Incidence of influence tactics**

A high incidence of influence tactics information exchange and recommendations were found in this research study, which was not unexpected given the highly complex nature of banking.



Buyers are likely to rely heavily on information exchange and recommendations to understand complex bank offerings. Buyers are also more likely to be responsive to recommendations, given the long term nature of relationship banking, which fosters confidence that the bank will not supply an inappropriate product to the customer (Moriarty *et al*, 1983).

The use of legalistic pleas and promises were not found to be highly used influence tactics in this research study. Legalistic pleas and promises are perceived as coercive influence tactics and given the importance of trust and commitment in relationship banking would not be constructive in maintaining a mutually beneficial relationship. Trust in relational sales is the confident belief that salespersons/relationship executives can be relied upon to behave in such a manner that the long term interest of the customer will be served (Moriarty *et al*, 1983).

In this research study the influence tactics inspirational appeals and ingratiation were also found to be commonly used influence tactics. This was unexpected as one would not expect a salesperson/relationship executive who has an established relationship with a buyer, to use these influence tactics at the point of sale. Ingratiation tactics include, praising a customer for his achievements and expressing attitude similarity (Klipnis and Schmidt, 1988), while inspirational appeals include, appealing to the buyers' values, ideals and aspirations (Yukl and Tracey, 1992). Rather one would expect to see the actions of ingratiation and inspirational appeals used during the course of the relationship, but use at the point of sale may be perceived as unprofessional and even patronising.

The incidence of influence tactics in this research study support the influence tactics proposed by the McFarland *et al* (2006) SIT framework as being relevant in a personal selling context, with the exception of threats, which was not tested in this research study, see **Figure 4: McFarland *et al* (2006) – SIT framework** and **Figure 5: SIT Amended hypothesis framework**.

### **6.1.3. Matching influence tactics with buyer orientations**

The results of this research study found buyer orientations not to have a moderating effect on the use of influence tactics by salespersons/relationships executives in creating manifest influence. These results were in direct contradiction to those of the McFarland *et al* (2006) SIT framework, who found that buyer orientations did moderate influence tactics usage in creating manifest influence, as prescribed by theory.

#### **Hypothesis 1**

Spiro and Williams (1985) describe a task-oriented buyer as persistent, hardworking and interested in task completion. High incidences of task-oriented buyers were identified in this research study, along with a high usage of the influence tactic, information exchange by salespersons/relationship executives. Information exchange however was found not to create manifest influence when buyer task orientation was high. Possible reasons for this could be the fact that in relationship banking there is an open exchange of information during the course of the relationship.

The bank therefore gains access to information on the customer's business plans and banking products throughout the relationship (Moriarty *et al*, 1983). As a result the salesperson/relationship executive has a significant amount of information on the buyer and understands the needs of the buyer at any point of time. By the same token a long term oriented relationship allows the buyer to develop an understanding of the bank's products, making the use of information exchange as an influence tactic at the point of sale by the salesperson/relationship executive ineffective.

Recommendations, on the other hand, were found to be highly effective at creating manifest influence when buyer task orientation was high or low indicating a significant effect amongst all buyers. Buyers are more likely to be influenced by salespersons/relationship executives where successful continuing relationships are characterised by trust and commitment (Morgan and Hunt, 1994).

Trust is important in banking relationships in that the credibility of the bank selling the product becomes increasingly important, and the ongoing, long term orientation of the relationship fosters confidence that the bank will not supply an inappropriate product to the customer (Moriarty *et al*, 1983). In essence recommendations appear to have universal appeal and are heavily relied upon by all buyers irrespective of their orientations. Given the ongoing nature of relationship banking, the buyer is more assured that the salespersons/relationship executive will make recommendations in the best interest of the buyer.

By comparison, the McFarland *et al* (2006) study found information exchange to be positively related to manifest influence when buyer task orientation was both high and low, indicating a main effect. This is possibly explained by the fact that in a short term exchange typical of the retail industry, where little is known of the buyer and his/her needs. In the absence of a long term oriented relationship, it would therefore appear useful to use information exchange, to gain additional information on all buyers which can be used to influence the customer at the point of sale. Recommendations on the other hand were only found to create manifest influence in the retail industry when task orientation was high. This is possibly explained by the fact that highly task-focused buyers are interested in efficiency, minimising time, cost and effort, all of which would be achieved by recommendations from knowledgeable salespersons in a short term exchange.

## **Hypothesis 2**

The use of influence tactics promises, legalistic pleas and ingratiation were not found to create manifest influence with buyers with a high self orientation, or for that matter, buyers with a low self orientation. Possibly this is due to the fact that buyers in relationship banking were not found to exhibit high levels of self orientation, hence there was no need for salespersons/relationship executives to use these proposed influence tactics. Self-oriented buyers are described as being preoccupied with themselves in an interaction and thus are more concerned about their own welfare and less empathetic to other people (Williams and Spiro, 1985). This orientation clearly clashes with the definition of relationship banking where there is an acknowledged perception of mutual interdependence between bank and customer (Moriarty *et al*, 1983).

Promises and legalistic pleas are perceived as coercive influence tactics and would not be likely to contribute positively to a long term oriented relationship associated with commitment and trust. If anything it would result in a breakdown of perceived commitment and trust, which could result in the relationship being strained or terminated. Given the cost of customer acquisition in relationship banking, these tactics would not be employed unless the bank wanted to terminate the relationship with the customer. Ingratiation on the other hand is used to get the buyer to “like” the salesperson/relationship, by praising the customer and expressing attitude similarity. While these tactics may be suitable during the course of a relationship, using them at the point of a sale would not be appropriate and could be perceived as patronising and unprofessional in a long term oriented relationship.

By comparison, in the retail industry of the McFarland *et al* (2006) study, promises and ingratiation were found to create manifest influence when buyer self orientation was high, while threats were found not to create manifest influence when self orientation was high or low. The inability of threats to create manifest influence with any buyer orientation is not unexpected, given that in a transactional short term exchange typical of the retail industry, where there are no barriers to exit and the buyer, if threatened, would most likely just walk away from the exchange. Ingratiation and promises on the other hand would appear to be suitable influence tactics in a retail industry as they are “hard sell” tactics typical of a short term exchange, where the salesperson cannot rely on the commitment associated with long term oriented relationship i.e. captive audience.

The salesperson in this instance has no guarantee that the buyer will buy from him/her or return to the retail outlet. In the absence of a relationship, barriers to exit are low and the salesperson has a limited window of opportunity to influence the buyer. By contrast, in relationship banking a relationship exists, with high barriers to exit i.e. cost and inconvenience of moving to or purchasing from another bank. For convenience sake the buyer is likely to obtain all his banking needs from the bank where he has an existing relationship, making the use of “hard sell” influence tactics unnecessary.

Interestingly, in this research study, although recommendations were not part of hypothesis 2, recommendations were found once again to create manifest influence when the buyer self orientation was high or low. This confirms the importance and universal appeal of recommendations in relationship banking in creating manifest influence with all buyers.

### **Hypothesis 3**

Ingratiation and inspirational appeals were not found to create manifest influence when buyer interaction orientation was high or low. An interaction-oriented buyer emphasises the social and interpersonal relationships and de-emphasises goal directed behaviour and self gain (Miles *et al*, 1990). A possible explanation for this is that ingratiation and inspirational could be seen as “hard sell” influence tactics more suited to short term exchanges and not relationship banking.

Typically in relationship banking the outcomes of ingratiation and inspirational appeals i.e. showing similar interests, shared values, praising the customer for his achievements and acting enthusiastic about his business would typically occur during the course of the relationship and not at the point of sale, in an attempt to influence the buyer. Using these influence tactics at the point of sale with a buyer with whom the salesperson/relationship executive has an existing long term oriented relationship could be perceived as inappropriate and would therefore most likely not result in manifest influence. As discussed in hypothesis 2, ingratiation is more suited to a short term exchange typical of the retail industry as is the use of inspirational appeals as both influence tactics appeal to the emotions of buyers. Both these tactics are short term emotional appeals aimed at achieving manifest influence with buyers where a long term oriented relationship is not likely to exist. In essence they are both attempts to create a short term relationship in a transactional environment and in doing so, create manifest influence.

Interestingly, in this research study, although recommendations were not part of hypothesis 3, recommendations were once again found to create manifest influence when buyer interaction orientation was high or low. This confirms the importance and universal appeal of recommendations in relationship banking in creating manifest influence with all buyers.

## Hypothesis 4

In many respects hypothesis 4 is a summary of this research study as it questions whether salespersons/relationship executives practise adaptive selling, by using different influence tactics with different buyer orientations to create manifest influence.

The results of hypothesis 4 indicate that in relationship banking and the retail industry, customers do not align along a single buyer orientation but rather along multiple orientations. Three sets of distinct buyer clusters were identified in both industries, with varying levels of the buyer orientations proposed by Sheth (1976) i.e. task, self and interaction orientation. In this research study the buyer clusters were framed as Engagement focus with balance buyers, Self focus with balance buyers and Task focus buyers, see **Table 8: Buyer orientation cluster means (MANOVA/ANOVA)**. Similarly salespersons were found in both studies to use not only one influence tactic but rather a combination of influence tactics to influence buyers.

The difference between the two industries, was that while in the retail industry, salespersons use different combinations of influence tactics according to the different buyer cluster they encounter i.e. they sell adaptively; relationship banking salespersons/relationship executives do not vary the use of these combinations of influence tactics with different buyer clusters, which is consistent with the findings in hypothesis 1-3. In other words salespersons/relationship executives in relationship banking do not appear to sell adaptively.



Reasons for the salespersons/relationship executives not selling adaptively would appear to be explained by the differences in the relationships encountered in the two industries. Banks have realised that given the great expense of acquiring new business, rapid commoditisation of banking, and increasing competition in the banking industry, that customer relationships are extremely important.

The key difference between the industries is therefore the orientation of the relationship. In relationship banking by establishing long term oriented relationships characterised by commitment and trust, banks gain access to buyer's business information which places them in an extremely competitive position when it comes to selling a host of different products to these buyers over the duration of the relationship. Through a committed relationship banks are able to maximise profits through almost guaranteed business in the long term and avoid the high costs associated with selling to buyers on a transaction by transaction basis, which is typical of the retail industry.

Buyers in turn also benefit, by taking comfort that the salesperson/relationship executive will provide recommendations that will be in the best interest of the buyer, as well as gaining preferential access to various products, expertise and pricing which otherwise would not be available to buyers in a short term exchange. There is therefore clearly a mutual interdependence between the two parties and both achieve more in a relationship, than could otherwise be achieved through a short term exchange. The relationship also makes it very difficult, costly and time consuming for the buyer to buy products from another bank.

Provided good relationships are maintained and both parties are committed to the relationship, it is in the buyer's best interest to buy new products or changes to existing products and services solely from his existing salesperson/relationship executive. This therefore makes the use of any short term influence tactics such as those proposed by the McFarland *et al* (2006) SIT framework, with the exception of recommendations, unnecessary at the point of sale in relationship banking. Recommendations in the case of relationship banking would therefore not be used selectively with different buyers, but rather be provided as a routine part of the relationship provided in relationship banking to all its customers.

By comparison, given the short term orientation of the exchange in the retail industry, the salesperson does not have the luxury of a relationship with the buyer, making access to information difficult and exposing him to much more competition than in relationship banking. Buyer interaction may be limited to a single visit in the case of a new buyer or repeat visits by an existing buyer; however in both instances buyers are not committed and can choose to make purchases with other retailers.

As the retailer is not guaranteed continuous business from the buyer, emphasis falls on maximising profitability in the short term, more specifically in the individual transaction at hand. Given the potentially limited opportunity, the salesperson has to interact and convince the buyer; the salesperson needs to employ influence tactics to create manifest influence as quickly as possible to close the sale. To ensure he is successful it is imperative that he identify what the buyer's orientation is so that the correct influence tactics can be used to create manifest influence in the shortest possible time period.

#### 6.1.4. Conclusion

The influence tactics proposed by the McFarland *et al* (2006) SIT framework were found to be highly used in relationship banking, however with the exception of recommendations, these were not found to result in manifest influence with the proposed buyer orientations in the McFarland *et al* (2006) SIT framework. While recommendations were found to create manifest influence, they do so across all buyers indicating a main effect. Influence tactics, with the exception of recommendations, appear to be better suited to short term exchanges, where the salesperson has limited interaction, commitment and information on the buyer and where influence tactics are required in order to create manifest influence in the shortest possible time period at the point of sale. In relationship banking however, the quality of the relationship would appear to be the most important factor in guaranteeing the continuance of the relationship for the mutual benefit of both salesperson/relationship executive and buyer and allowing the bank to achieve maximum profitability in the long term.

In conclusion therefore this research study was unable to achieve its objective of validating the SIT framework proposed by McFarland *et al* (2006) in a specified sector of the South African banking industry. Use of the SIT framework in relationship banking is therefore not recommended as the use of influence tactics with specific buyer orientations were not found to create manifest influence. Interestingly, given the fact that relationship banking has a long term relationship orientation, the use of certain influence tactics such as legalistic pleas, promises, ingratiation and inspirational appeals may even be harmful to relationships in relationship banking, if used at the point of sale.

## 6.2. Replication with extension

By performing a replication with extension of the McFarland *et al* (2006) study, the first objective of this research study was achieved, namely to contribute to the growing call for more replication research in the field of marketing. Replications with extension serve the function of assessing whether outcomes can be generalised beyond the original context. They help determine the scope and limits of the findings and ensure the integrity of a discipline's empirical results (Hubbard and Armstrong, 1994). This research study was not able to validate the McFarland *et al* (2006) SIT framework in the context of relationship banking in the South African banking industry, but in doing so achieved a key objective of replication with extension research, namely to limit the McFarland *et al* (2006) findings to the industry in which the research was conducted.



## CHAPTER 7: Conclusion

### 7.1. Introduction

In an attempt to address the research problem, this research study looks at the field of adaptive selling, which suggests that rather than using the same tactics, salespersons should adapt their influence tactics to suit the buyer in order to improve sales effectiveness (Spiro and Weitz,1990). McFarland *et al* (2006) propose a SIT framework which they tested in an agricultural retail industry, and find support for the usage of specific influence tactics with different buyer orientations in creating manifest influence. This research study addresses the call by McFarland *et al* (2006) for their study to be replicated in a different industry so as to expand the generalisability of the empirical results.

This research study found that although salespersons/relationship executives were found to use the influence tactics prescribed by theory, they were not found to create manifest influence when used with the different buyer orientations prescribed by McFarland *et al* (2006). In fact influence tactics with the exception of recommendations were not found to create manifest in general within the context of relationship banking in the South African banking industry, refer **Appendix 12: Regression coefficients – buyer orientations**. This research study therefore is unable to validate the McFarland *et al* (2006) SIT framework in the context of the South African banking industry.

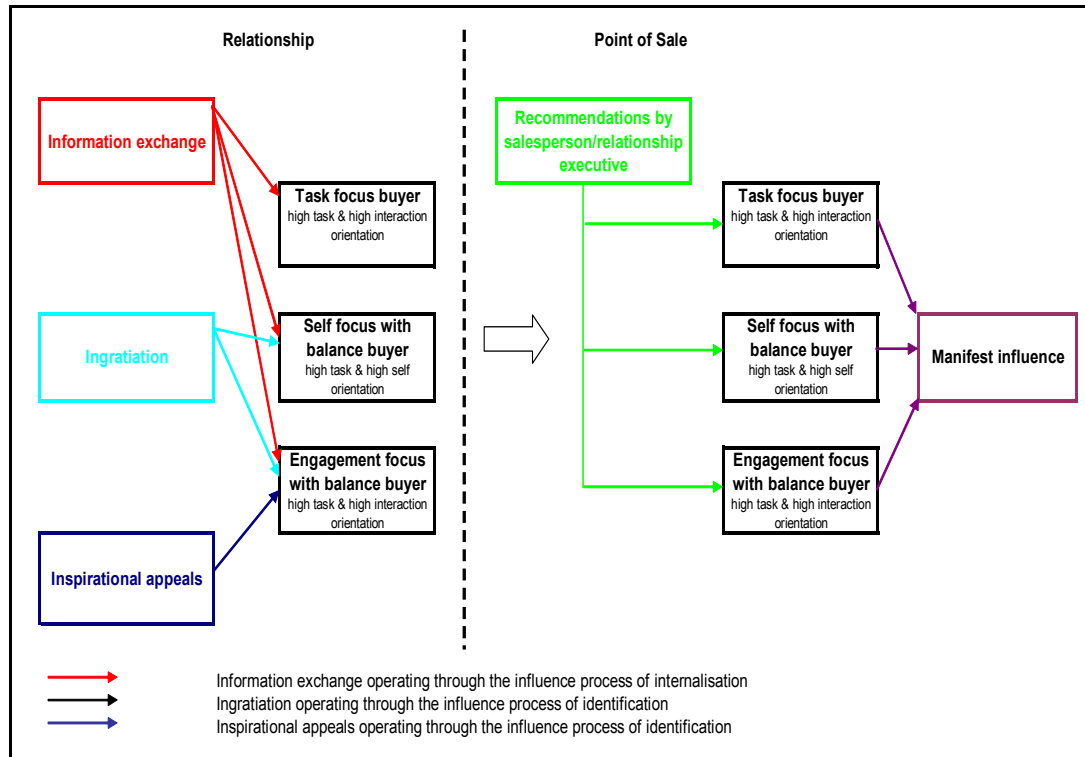
The differences in findings between this research study conducted in the banking industry and that of McFarland *et al* (2006) conducted in the retail industry, are ascribed to the different marketing approaches followed in the two industries. In the specified sector of the South African banking industry a relationship marketing approach to sales is adopted, otherwise known as relationship banking. In this instance a dedicated salesperson/relationship executive is assigned to each business customer. The relationship is characterised by a long term orientation characterised by trust and commitment. In the case of McFarland *et al* (2006) a more transactional approach to marketing is followed in the agricultural retail industry, where relationships are characterised by short term exchanges.

## **7.2. Recommendations**

Despite the results achieved in this research study and given that adaptive selling is widely recognised in sales literature, this research study proposes that adapting influence tactics to different buyer orientations in creating manifest influence, is still possible in a relationship banking context. This statement is based on a proposal that the use of influence tactics in a long term oriented relationship such as relationship banking should not only be considered at the point of sale stage, but also during the course of the relationship. The focus is therefore on enhancing the quality of the relationship with the buyer through the use of specific influence tactics with different buyer types during the course of the relationship. In doing so it is expected that recommendation quality would be improved and recommendations better received by the different buyer types leading to increased manifest influence at the point of sale.

This research study therefore proposes a “Relationship SIT framework”, aimed at improving sales effectiveness in the context of relationship banking. The basis of the proposal is set out in **Figure 9: Relationship SIT framework**.

**Figure 9: Relationship SIT framework**



The three buyer clusters identified in this research study confirm that buyers align along multiple orientations, with differing levels of the orientations as proposed by Sheth (1976) i.e. task, self and interaction orientation. This research study framed the three buyer clusters, Task focus buyers, Self focus with balance buyers and Engagement focus with balance buyers.

All three clusters show a high incidence of task orientation, while Task focus buyers and Engagement focus with balance buyers both show a high incidence of interaction orientation. Self focus with balance buyers show a high self orientation but a low interaction orientation.

Influence tactics promises and legalistic pleas, were excluded from the model, as they were considered to be coercive “hard sell” influence tactics, which were not found to be highly used in relationship banking, possibly because they were not in keeping with the characteristics of a long term oriented relationship characterised by trust and commitment.

Influence tactic, information exchange, was included in the model at the relationship stage, but not at the point of sale stage. The logic behind this approach is that through the use of information exchange, access can be gained to the buyer’s business information, which can be used to establish the buyer’s needs in advance and help identify new cross-sell opportunities. While information exchange is not proposed to have a direct impact on manifest influence, it is proposed that it will enhance the quality of the relationship between the buyer and the salesperson/relationship executive and improve the quality and acceptance of recommendations at the point of sale, leading to increased manifest influence.

Given the high incidence of task orientation in all three buyer clusters, it is proposed that information exchange should be used with all three buyer clusters during the course of the relationship.



Influence tactic, ingratiation, was included in this model at the relationship stage, but not at the point of sale stage. The logic behind this is that given the characteristics of ingratiation i.e. praising a customer for his achievements and expressing attitude similarity, ingratiation is likely to appeal to the emotions of the buyer. While ingratiation is not proposed to have a direct impact on manifest influence, it is proposed that it should enhance the quality of the relationship between the two parties, by establishing rapport. This in turn should improve the quality of recommendations as well as make the buyers more receptive to recommendations at the point of sale stage, resulting in increased manifest influence. It is proposed that ingratiation be used with Self focus with balance buyers, who have a high self orientation, and Engagement focus with balance buyers, who have a high interaction orientation. (This is consistent with the motivation provided in the McFarland *et al* (2006) SIT framework).

Influence tactic, inspirational appeals, was included in the model at the relationship stage, but not at the point of sale stage, for similar reasons to that of ingratiation. The logic behind this, is given the characteristics of inspirational appeals i.e. appealing to buyer's values, ideals and aspirations, inspirational appeals are likely to appeal to the emotions of the buyer and enhance the quality of the relationship between the two parties, through establishing rapport.

While ingratiation does not directly result in increased manifest influence, the improvement in the quality of the relationship and recommendations should make buyers more receptive to recommendations at the point of sale, resulting in increased manifest influence.

It is proposed that inspirational appeals be used with Engagement focus with balance buyers, who have a high interaction orientation. (This is consistent with the motivation provided in the McFarland *et al* (2006) SIT framework).

Finally, recommendations were included in this model because of its universal appeal across all buyer orientations in creating manifest influence at the point of sale, as reported in the findings of this research study.

In conclusion, the proposed Relationship SIT framework focuses on improving the quality of the relationship between the salesperson/relationship executive and the buyer through the use of influence tactics both during the course of the relationship and at the point of sale stage, in order to create manifest influence. By using the influence tactics proposed in the framework during the course of the relationship, instead of only at the point of sale, these influence tactics are less likely to be perceived as short term “hard sell” tactics, but rather as relationship enhancing activities, by the buyer.

The original research problem was that of unsatisfactory sales effectiveness by salespersons due to poor protocols in the demanding South African market, specifically the South African banking industry. Following this research study, it was found that McFarland *et al* (2006) SIT framework could not be generalised to the South African banking industry, in order to address this research problem. McFarland *et al* (2006) SIT framework did however provide a valuable starting point in identifying the influence tactics and buyer orientations found in a personal selling context, which were used to develop the proposed Relationship SIT framework for relationship banking in the South African banking industry.

This framework now needs to be tested before it can be used to potentially address the research problem of this research study.

### **7.3. Contributions to theory**

McFarland *et al* (2006) conducted research in the agricultural retail industry and found the use of specific influence tactics to be positively related to different buyer orientations in creating manifest influence. The McFarland *et al* (2006) findings were, however, limited to the retail industry and in order to expand the generalisability of their empirical findings, call for their research to be replicated in different industries.

The literature on replication studies, calls for more replication research in general, especially in the field of marketing, citing growing concern over the acceptance of “single shot” research studies in the field of marketing being used in decision making processes (Hubbard and Armstrong, 1994), (Evanschitzky *et al*, 2007).

This research study makes several contributions to theory:

Firstly it contributes to influence strategy literature by confirming certain influence tactics identified in channel relationship literature and those proposed by the McFarland *et al* (2006) SIT framework, as being relevant in a personal selling context. At the same time influence tactics that were not found to be relevant in a personal selling context of this research study, were identified e.g. threats. These findings provide researchers with a context specific set of influence tactics for examining sales influence processes.

Secondly this research study extends the work of Sheth (1976), Williams and Spiro (1985) and more recently, McFarland *et al* (2006) by helping to identify three distinct buyer clusters in the banking industry, confirming that buyers align along multiple buyer orientations.

Thirdly this research study contributes to sales literature and the field of relationship marketing, by introducing a new Relationship SIT framework that proposes the use of certain influence tactics when dealing with different buyer clusters, both during the relationship and at the point of sale, in order to achieve manifest influence.

Fourthly this research contributes to the growing call for more replication research in the field of marketing, through its replication with extension of the McFarland *et al* (2006) SIT framework. The findings of this research study provides researchers in the field of adaptive selling with new literature on which to base further studies on influence tactic strategy.

#### **7.4. Managerial implications**

The following advice can be provided to managers based on the findings of this research paper. In relationship banking managers should caution against the use of seller influence tactics such as information exchange, promises, legalistic pleas, ingratiation and inspirational appeals, at the point of sale.

Firstly because they do not result in manifest influence, and secondly; because they are likely to be perceived as short term “hard sell” tactics, that are not appropriate in relationship banking. Where managers find short term “hard sell” tactics such as those mentioned above being used in relationship banking, it may be indicative of a lack of training or poor quality relationships with customers. The use of short term influence tactics at the point of sale in relationship banking could well be an example of the poor sales protocols that result in poor sales performance, cited in the research problem of this research study.

#### **7.5. Directions for future research**

Although this research study was conducted geographically throughout South Africa, it was nonetheless conducted in a single industry. It would therefore be interesting to see whether similar findings are achieved in other industries, specifically where salespersons operate in a relationship marketing environment. Finally, researchers are encouraged to test the proposed Relationship SIT framework in the South African banking industry, as the validation of this framework could prove extremely valuable in improving sales effectiveness in the demanding South African banking industry. Any validation studies should naturally be followed up with appropriate replication study to confirm the findings.

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## APPENDICES

## Appendix 1: Interview guide – Personal interviews

- a) The interviews were semi structured and questions were asked where the respondent was asked to provide his / her opinion.
- b) To improve the quality of responses the customers were advised that the contents of the interview were confidential and that there where no wrong or right answers merely their opinions.
- c) A brief background to the topic of adaptive selling, influence tactics and buyer orientations was provided. (Specific influence tactics identified in literature were not disclosed at this stage).
- d) The customer was asked what influence tactics they had seen used in personal selling. The aim of not disclosing the influence tactics at this stage was to see if any, previously unrecognised influence tactics in personal selling could be identified.
- e) The customer was taken through 8 of the previously identified influence tactics from literature sources and asked whether they believed that each of these influence tactics were relevant in a personal selling context.
- f) Finally the customer was taken through each of the scale items for each specific influence tactic to see whether the statements were easily understood, whether the customer felt the statements had face validity and whether they felt additional statements should be included or existing statements modified.

## Appendix 2: Discussion guide – Focus group

- a) A brief background to the topic of adaptive selling, influence tactics and buyer orientations was provided. (Specific influence tactics identified in literature were not disclosed at this stage).
- b) Each individual was asked which influence tactics he / she had observed being used in a personal selling context. This allowed for a range of views to be obtained from the group, as well as to determine how different each participants view was relative to their peers.
- c) A general description of each specific influence tactic from literature was then introduced and participants were asked to consider whether they thought these influence tactics were relevant in the personal selling context. A general discussion was encouraged around each influence tactic to solicit a variety of views. When no new views were introduced on a specific influence tactic, the moderator asked each participant to provide a “Yes” or “No” response as to whether they thought the specific influence tactic in question was relevant to a personal selling context. This process was repeated for each of the individual influence tactics.
- d) Each individual was provided with a set of scale items used by McFarland *et al* (2006) as well as the scale items omitted by McFarland *et al* (2006) from the channel relationship and buyer orientation literature. Participants were asked to read through the questions relating to a specific influence tactic or buyer orientation.

The individuals were then asked to provide their opinions as to whether the statements had face validity, were easily understood and whether further statements should be added or existing statements amended. The process was repeated for each influence tactic and buyer orientation. The moderator's aim was to achieve general consensus not total agreement on each scale item.



## Appendix 3: Buyer questionnaire - page 1

### Improve your use of influence tactics in personal selling

#### 1. THE USE OF SALES INFLUENCE TACTICS BY SALESPERSONS IN PERSONAL SELLING

YOUR RESPONSES TO THIS QUESTIONNAIRE ARE 100% CONFIDENTIAL, YOUR NAME AND THAT OF YOUR RELATIONSHIP EXECUTIVE (BUSINESS BANKER) IS REQUIRED FOR MATCHING PURPOSES ONLY.

YOUR RESPONSES WILL NOT BE VIEWED BY ANY 3RD PARTY OR PERSON WORKING FOR ABSA BANK.

\* 1. YOUR FULL NAME:

\* 2. YOUR ABSA RELATIONSHIP EXECUTIVE (BUSINESS BANKERS) FULL NAME:

Next >>



## Appendix 3: Buyer questionnaire - page 2

Think about the last time you negotiated with your Relationship Executive (Business Banker) for any type of new banking facility or an increase in an existing banking facility and answer all of the following questions.

\*There are no wrong or right answers.

\*Please select the option on the scale for each question that best describes the way you feel about the statement.

\*Please answer all questions.

### 1. Your relationship executive presented information related to your various funding options.

Never                      Rarely                      Sometimes                      Often                      Very Often

### 2. Your relationship executive asked about your long term financing goals.

Never                      Rarely                      Sometimes                      Often                      Very Often

### 3. Your relationship executive talked about the possible applications of his / her products or services to your business

Never                      Rarely                      Sometimes                      Often                      Very Often

### 4. Your relationship executive made it clear that by following his / her recommendations, your business would benefit



Never Rarely Sometimes Often Very Often

**5. Your relationship executive provided a clear picture of the positive impact on your business a recommended course of action would have**

Never Rarely Sometimes Often Very Often

**6. Your relationship executive made it explicit, when making a suggestion, that it was intended for the good of your business**

Never Rarely Sometimes Often Very Often

**7. Your relationship executive offered to give special attention to your company if you would give him or her new business**

Never Rarely Sometimes Often Very Often

**8. Your relationship executive made promises to give something back to your business for complying with his / her request (e.g. reduced pricing, bigger facility)**

Never Rarely Sometimes Often Very Often



**9. Your relationship executive offered to provide incentives to your business for agreeing to his or her financing recommendations.**

Never                      Rarely                      Sometimes                      Often                      Very Often

**10. Your relationship executive made you feel good about yourself before making his or her sales pitch**

Never                      Rarely                      Sometimes                      Often                      Very Often

**11. Your relationship executive complimented you on your business achievements.**

Never                      Rarely                      Sometimes                      Often                      Very Often

**12. Your relationship executive discussed share interests and / or hobbies prior to discussing business issues**

Never                      Rarely                      Sometimes                      Often                      Very Often

**13. Your relationship executive tried to get you excited about what he or she was selling**

Never                      Rarely                      Sometimes                      Often                      Very Often





**14. Your relationship executive described the use of his or her products and services with enthusiasm and conviction**

Never                      Rarely                      Sometimes                      Often                      Very Often

**15. Your relationship executive appealed to your values and ideals when asking for your business**

Never                      Rarely                      Sometimes                      Often                      Very Often

**16. Your relationship executive "reminded you" of your obligations stipulated in your contract with the bank.**

Never                      Rarely                      Sometimes                      Often                      Very Often

**17. Your relationship executive made onesided interpretations of the terms and conditions of your contract with the bank in order to gain your co operation**

Never                      Rarely                      Sometimes                      Often                      Very Often

**18. Your relationship executive made a point to refer to your contract with the bank when attempting to influence your actions**



Never                      Rarely                      Sometimes                      Often                      Very Often

**19. To what extent did your relationship executives involvement influence your choices?**

Hardly ever                      Sometimes                      Often                      Very often                      All the time

**20. How much impact did your relationship executive have on your financing decisions?**

Hardly ever                      Sometimes                      Often                      Very often                      All the time

**21. To what extent did you go along with your relationship executives suggestions?**

Hardly ever                      Sometimes                      Often                      Very often                      All the time

**22. How much weight did you give your relationship executives statements in making your financing decisions ?**

Hardly ever                      Sometimes                      Often                      Very often                      All the time

**23. To what extent did your decisions reflect your relationship executives influence?**



Hardly ever

Sometimes

Often

Very often

All the time

Please check that you have completed all questions before selecting "Done". If after selecting "Done" you remain in this page, it is probably because you have missed a question that will now be highlighted in RED. Simply complete the highlighted questions and select "Done" again. If after selecting "Done" you are transferred to a "Thank You" screen, your questionnaire has been successfully submitted.

<< Prev

Done >>

#### Appendix 4: Salesperson questionnaire - page 1

##### 1. THE USE OF SALES INFLUENCE TACTICS BY SALESPERSONS IN PERSONAL SELLING



YOUR RESPONSES TO THIS QUESTIONNAIRE ARE 100% CONFIDENTIAL, YOUR NAME AND THAT OF YOUR CUSTOMER ARE REQUIRED FOR MATCHING PURPOSES ONLY.

YOUR RESPONSES WILL NOT BE VIEWED BY ANY 3RD PARTY OR PERSON WORKING FOR ABSA BANK.

\* **1. YOUR FULL NAME:**

\* **2. CUSTOMER NAME PROVIDED TO YOU BY THE RESEARCHER (EXCEL FILE):**

Next >>

#### **Appendix 4: Salesperson questionnaire - page 2**

With the customer on page one of this survey in mind, think about the last when you were negotiating a new banking facility or an increase in an existing banking facility for this customer and answer all of the following questions.

\* There are no wrong or right answers.

\* Please select the option on the scale for each question.



\* Please select the option on the scale for each question that best describes the way you feel about the statement.

\* Please answer all questions.

**1. This customer likes to focus on the task at hand**

Strongly disagree      Disagree      Uncertain      Agree      Strongly agree

**2. This customer likes to make our sales interactions as efficient as possible.**

Strongly disagree      Disagree      Uncertain      Agree      Strongly agree

**3. This customer is highly goal oriented**

Strongly disagree      Disagree      Uncertain      Agree      Strongly agree

**4. This customer is more interested in him / herself than what i have to say**

Strongly disagree      Disagree      Uncertain      Agree      Strongly agree

**5. This customer tries to impress me with him / herself**



Strongly disagree

Disagree

Uncertain

Agree

Strongly agree

**6. This customer is more focused on talking about him / herself than my products**

Strongly disagree

Disagree

Uncertain

Agree

Strongly agree

**7. This customer likes to socialise during sales interactions**

Strongly disagree

Disagree

Uncertain

Agree

Strongly agree

**8. This customer is interested in me as a person, not just a relationship executive**

Strongly disagree

Disagree

Uncertain

Agree

Strongly agree

Please check that you have completed all questions before selecting "Done". If after selecting "Done" you remain in this page, it is probably because you have missed a question that will now be highlighted in RED. Simply complete the highlighted questions and select "Done" again. If after selecting "Done" you are transferred to a "Thank You" screen, your questionnaire has been successfully submitted.

<< Prev

Done >>



## Appendix 5: Scale items

<u>Scale Items</u>	
<u>Buyer reporting on Specific Salesperson</u>	
<u>Source</u>	<u>Salesperson Influence Tactics Scale Items</u>
Adapted by McFarland et al (2006) from Venkatesh, Kohli & Zaltman (1995)	<p><b><u>Information Exchange</u></b> The salesperson.....</p> <ol style="list-style-type: none"> <li>1. Presented information related to your various purchase options.</li> <li>2. Asked about your long-term purchasing goals.</li> <li>3. Talked about the possible applications of his or her products or services.</li> </ol>
Adapted by McFarland et al (2006) from Venkatesh, Kohli &	<p><b><u>Recommendations</u></b> The salesperson.....</p> <ol style="list-style-type: none"> <li>1. Made it clear that by following his or her recommendations, your business would benefit.</li> <li>2. Provided a clear picture of the positive impact on your business a recommended course of action would have.</li> <li>3. Made it explicit, when making a suggestion, that it was intended for the good of your firm.</li> </ol>
Adapted by McFarland et al (2006) from Venkatesh, Kohli & Zaltman (1995)	<p><b><u>Promises</u></b> The salesperson.....</p> <ol style="list-style-type: none"> <li>1. Offered to give special attention to your company if you would give him or her new business.</li> <li>2. Made promises to give something back to complying with his or her request (e.g. discounts, quicker delivery).</li> <li>3. Offered to provide incentives to your business for agreeing to his or her purchase request(s).</li> </ol>
Adapted by McFarland et al (2006) from Schriesheim & Hinkin (1990)	<p><b><u>Ingratiation</u></b> The salesperson.....</p> <ol style="list-style-type: none"> <li>1. Made you feel good about yourself before making his or her sales pitch.</li> <li>2. Complimented and praised your achievements.</li> <li>3. Discussed shared interests and/or hobbies prior to discussing sales issues.</li> </ol>
Adapted by McFarland et al (2006) from Yuki & Tracey (1992)	<p><b><u>Inspirational Appeals</u></b> The salesperson.....</p> <ol style="list-style-type: none"> <li>1. Tried to get you excited about what he or she was selling.</li> <li>3. Described the use of his or her products or services with enthusiasm and conviction.</li> <li>4. Appealed to your values and ideals when asking for your business.</li> </ol>
Adapted from from Venkatesh, Kohli & Zaltman (1995)	<p><b><u>Legalistic pleas</u></b> The salesperson.....</p> <ol style="list-style-type: none"> <li>1. "Reminded us" of our obligations stipulated in our contract with the bank.</li> <li>2. Made biased interpretations of terms and agreement in contract to gain our co operation in following his or her's views.</li> <li>3. Made a point to refer to our contract with the bank when attempting to influence our actions.</li> </ol>
<u>Source</u>	<u>Outcome Variable Scale Items</u>
Adapted by McFarland et al (2006) from Kohli & Zaltman (1995)	<p><b><u>Manifest Influence</u></b></p> <ol style="list-style-type: none"> <li>1. To what extent did the salesperson's involvement influence your choices ?</li> <li>2. How much impact did the salesperson have on your purchase decisions?</li> <li>3. To what extent did you go along with the salespersons suggestions?</li> <li>4. How much weight did you give the salespersons statements in making your purchase decisions?</li> <li>5. To what extent did your decisions reflect the salespersons influence?</li> </ol>
<u>Salesperson reporting on identified buyer orientations</u>	
<u>Source</u>	<u>Buying Orientation Scales</u>
Adapted by McFarland et al (2006) from Williams & Spiro (1985)	<p><b><u>Buyer Task Orientation</u></b></p> <ol style="list-style-type: none"> <li>1. This customer likes to focus on the task at hand.</li> <li>2. This customer likes to make our sales interactions as efficient as possible.</li> <li>3. This customer is highly goal orientated.</li> </ol>
Adapted by McFarland et al (2006) from Williams & Spiro (1985)	<p><b><u>Buyer Self Orientation</u></b></p> <ol style="list-style-type: none"> <li>1. This customer is more interested in him/herself than what I have to say.</li> <li>2. This customer tries to impress me with him/herself.</li> <li>3. This customer is more focused on talking about him/herself than my products.</li> </ol>
Adapted by McFarland et al (2006) from Williams & Spiro (1985)	<p><b><u>Buyer Interaction Orientation</u></b></p> <ol style="list-style-type: none"> <li>1. This customer likes to socialise during sales interactions.</li> <li>2. This customer is interested in me as a person, not just a salesperson.</li> </ol>



## Appendix 6: Covering email to buyer internet survey

**Re: THE USE OF SALES INFLUENCE TACTICS BY SALESPERSONS IN PERSONAL SELLING**

Dear Sir

My name is Brenton Booth and I am a senior manager at Absa Corporate & Business Bank, who is currently completing a masters thesis at the Gordon Institute of Business Science "GIBS".

My topic is the "The use of influence tactics by salespersons in personal selling."

My study is a professional academic study and NOT an Absa Bank research study, so your responses are entirely confidential and will not be shared with any person working for Absa Bank or any other third party.

### THE BENEFIT TO YOU BY PARTICIPATING IN THIS RESEARCH STUDY

- the findings of the research will be used to improve the overall quality of the sales interaction between you and your Absa Relationship Executive (Business Banker).
- you will receive a summary of the key findings of my research, which you can use to improve your use of influence tactics in the sales process with your customers.
- you will assist me in completion of my masters thesis and masters degree.

To participate in this research study, I require approximately 8 minutes of your valuable time to complete a online questionnaire --- **please click on the link highlighted below.**

[http://www.surveymonkey.com/s.aspx?sm=kjsTzok\\_2f4IsqsUiY\\_2fjqJ6Q\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=kjsTzok_2f4IsqsUiY_2fjqJ6Q_3d_3d)

Should you require any queries or require assistance in the completion of the questionnaire, please don't hesitate to contact me on the contact details provided

Thank you for your time and participation,

Regards

Brenton David Booth  
Head: Marketing & Sales  
Absa Debtor Finance (Pty) Ltd  
011 242 5604 (w)  
082 822 3262 (mobile)



## Appendix 7: Covering email to salesperson internet survey

**Re: THE USE OF SALES INFLUENCE TACTICS BY SALESPERSONS IN PERSONAL SELLING**

Hi Everyone

My name is Brenton Booth and I am a manager at Absa Corporate & Business Bank, who is currently completing a masters thesis at the Gordon Institute of Business Science "GIBS".

My topic is the "The use of influence tactics by salespersons in personal selling."

You would have received notification a while ago from Wim Erasmus to assist me with my study (see attachment) where you were asked for three clients names and contact details from your portfolio. Some of your customers have replied and as a result i need your assistance.

My study is a professional academic study and NOT an Absa Bank research study, so your responses are entirely confidential and will not be shared with any person working for Absa Bank or any other third party.

### THE BENEFIT TO YOU BY PARTICIPATING IN THIS RESEARCH STUDY

- you will receive a summary of the key findings of my research, which you can use to improve your sales influence tactics in the acquisition of new customers.
- you will assist me in completion of my masters thesis and masters degree.

To participate in this research study, I require approximately 4 minutes of your valuable time to complete a VERY SHORT online questionnaire.

Step 1 - open attached excel file " your customer" and see for which customer you are required to complete the questionnaire.

Step 2 - If you have more then one customer on the attached excel spreadsheet for which you need to complete a questionnaire, when you have completed the first questionnaire just click on this link again and it will take you back to the survey page.

Step 3 - **Please click on this highlighted link to start -**

[http://www.surveymonkey.com/s.aspx?sm=tA9T\\_2bldXeLBMM1w\\_2bdYJuFA\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=tA9T_2bldXeLBMM1w_2bdYJuFA_3d_3d)

Should you have any queries or require assistance in the completion of the questionnaire, please don't hesitate to contact me on the contact details provided

Thank you for your time and participation,

Regards

Brenton David Booth  
Head: Marketing & Sales  
Absa Debtor Finance (Pty) Ltd  
011 242 5604 (w)  
082 822 3262 (mobile)



## Appendix 8: Frequency table & descriptive statistics (Comparison)

	This study Mean	McFarland Mean	This study Std Dev	McFarland Std Dev
1. Buyer task orientation	4.30	4.00	0.70	0.72
2. Buyer interaction orientation	3.20	3.52	0.90	0.90
3. Buyer self orientation	1.90	1.90	0.70	0.88
4. Information exchange	3.30	3.74	1.00	1.05
5. Recommendations	3.00	3.31	1.10	1.19
6. Legalistic pleas	2.00		1.00	
7. Threats		1.18		0.59
8. Promises	1.60	1.55	0.90	0.81
9. Ingratiation	2.70	3.31	0.80	1.03
10. Inspirational appeals	2.80	3.56	1.00	1.04
11. Manifest influence.	2.50	3.40	1.10	0.98



**Appendix 9: Factor loadings**

Constructs	Indicators: Customer_1 to 8 **	Loadings
<b>F01. Buyer Task Orientation</b>	01. focus on task	0.74
	02. interactions efficient	0.67
	03. goal oriented	0.92
<b>F02. Buyer Interaction Orientation</b>	07. likes to socialize	0.27 *
	08. personal interest	0.77 *
<b>F03. Buyer Self Orientation</b>	04. interested in self	0.92
	05. tries to impress	0.58
	06. talking about self	0.8

Constructs	Indicators: Rel Exec_1 to 23 **	Loadings
<b>F04. Information Exchange</b>	01. info re purchase options	0.88
	02. asked about purchasing goals	0.82
	03. applications of products	0.95
<b>F05. Recommendations</b>	04. business would benefit	0.91
	05. positive impact on business	0.9
	06. for the good of your firm	0.81
<b>F06. Legalistic pleas</b>	16. obligations in contract	0.51
	17. biased interpretations	0.8
	18. refer to contract	0.91
<b>F07. Promises</b>	07. special attention	0.76
	08. give something back	0.91
	09. provide incentives	0.86
<b>F08. Ingratiation</b>	10. feel good about yourself	0.67
	11. praised achievements	0.65
	12. discussed shared interests	0.44
<b>F09. Inspirational appeals</b>	13. get you excited	0.84
	14. enthusiasm & conviction	0.78
	15. appealed to values & ideals	0.78
<b>F10. Manifest influence</b>	19. influence choices	0.87
	20. impact on decisions	0.9
	21. go along with suggestions	0.84
	22. weight given to statements	0.9
	23. decisions reflect influence	0.88

\* not significantly different from zero

\*\* scale items have been abbreviated for purpose of summary

## Appendix 10: Composite reliability and variance extracted

<b>This research study</b>	<b>Composite</b>	<b>Variance</b>
	<b>Reliability</b>	<b>Extracted</b>
1.Buyer task orientation	0.82	0.61
2.Buyer interaction orientation	0.44 *	0.33 *
3.Buyer self orientation	0.82	0.61
4.Information exchange	0.92	0.79
5.Recommendations	0.91	0.77
6.Legalistic pleas	0.82	0.61
7.Threats		
8.Promises	0.88	0.72
9.Ingratiation	0.61 *	0.35 *
10.Inspirational appeals	0.84	0.64
11.Manifest influence	0.94	0.77

<b>McFarland et al (2006)</b>	<b>Composite</b>	<b>Variance</b>
	<b>Reliability</b>	<b>Extracted</b>
1.Buyer task orientation	0.87	0.68
2.Buyer interaction orientation	0.68	0.52
3.Buyer self orientation	0.89	0.72
4.Information exchange	0.87	0.69
5.Recommendations	0.90	0.75
6.Legalistic pleas		
7.Threats	0.97	0.88
8.Promises	0.83	0.62
9.Ingratiation	0.77	0.53
10.Inspirational appeals	0.81	0.58
11.Manifest influence	0.92	0.70

Recommended cut off criteria of 0.70 for composite reliabilities and cut off criteria of 0.50 for variance extracted

### Appendix 11: Correlation between factors (Comparison)

<b>This research study</b>										
Measure	1	2	3	4	5	6	7	8	9	10
1. Buyer task orientation										
2. Buyer interaction orientation	0.16									
3. Buyer self orientation	-0.23	-0.34**								
4. Information exchange	-0.02	0.28*	-0.17							
5. Recommendations	0.00	0.18	-0.02	0.86*						
6. Legalistic pleas	0.06	0.02	0.05	0.12	0.18					
7. Promises	0.01	-0.03	-0.12	0.17	0.22	0.36**				
8. Ingratiation	0.12	0.25	-0.13	0.46*	0.46*	0.27*	0.43**			
9. Inspirational appeals	0.10	0.21	-0.14	0.69*	0.74*	0.18	0.24	0.65**		
10. Manifest influence	0.09	0.31*	-0.02	0.73*	0.78*	0.26*	0.20	0.53**	0.68**	

Correlations marked with a \*\* are significant at the 0.01 level (2-tailed).

Correlations marked with \* are significant at the 0.05 level (2-tailed)

### **McFarland et al (2006) study**

Measure	1	2	3	4	5	6	7	8	9	10
1. Buyer task orientation										
2. Buyer interaction orientation	0.31*									
3. Buyer self orientation	-0.39	-0.20								
4. Information exchange	0.13	0.17*	-0.15							
5. Recommendations	0.04	0.15*	-0.07	0.70*						
6. Threats	-0.26	-0.24	0.20*	-0.21	-0.16					
7. Promises	-0.32	-0.19	0.27*	0.02	0.12	0.40*				
8. Ingratiation	-0.04	0.18*	0.05	0.53*	0.51*	-0.06	0.22*			
9. Inspirational appeals	0.03	0.26*	-0.05	0.49*	0.58*	-0.13	0.16*	0.66*		
10. Manifest influence	-0.10	0.10	0.00	0.54*	0.53*	-0.04	0.20*	0.47*	0.42*	

Correlations marked with a \* are significant at 0.05 level

## Appendix 12: Regression coefficients – buyer orientations

This research study - (Dependent Variable: Manifest Influence)

Moderator variable	Independent variables	Hypothesis	Moderator Level		Adjusted R <sup>2</sup>	Chow tes
			High	Low		
<b>Buyer Task Orientation</b>	F04 Information Exchange	H <sub>1a</sub>			0.93	F <sub>(28,26)</sub> = 1.50
	F05 Recommendations	H <sub>1b</sub>	0.71***	0.81***		
	F06 Legalistic pleas					
	F07 Promises		0.27	-0.2		
	F08 Ingratiation			0.35		
	F09 Inspirational appeals					
	F04 Information Exchange				0.92	F <sub>(22,32)</sub> = 1.78
	F05 Recommendations		0.97***	0.70***		
	F06 Legalistic pleas	H <sub>2a</sub>				
F07 Promises	H <sub>2b</sub>					
F08 Ingratiation	H <sub>2c</sub>					
F09 Inspirational appeals						
<b>Buyer Interaction Orientation</b>	F04 Information Exchange				0.92	F <sub>(26,28)</sub> = 0.57
	F05 Recommendations		0.96***	0.97***		
	F06 Legalistic pleas					
	F07 Promises					
	F08 Ingratiation	H <sub>3a</sub>				
	F09 Inspirational appeals	H <sub>3b</sub>				

\*\*\* Significant at the 0.001 level. All other coefficients shown are significant at the 0.10 level. Coefficients not shown are not significantly different from zero.  
1. None of the Chow tests is significant.

**Appendix 13: Regression coefficients – buyer orientations (McFarland et al, 2006)**

**McFarland et al (2006) regression (Dependent Variable: Manifest Influence)**

Moderator variable	Independent variables	Hypothesis	Moderator Level			Adjusted R <sup>2</sup>	Chow test
			High	Low			
<b>Buyer Task Orientation</b>	F04 Information Exchange	H <sub>1a</sub>	0.44*	0.78***	0.44	F <sub>(6,189)</sub> = 2.93**	
	F05 Recommendations	H <sub>1b</sub>	0.54**	-			
	F06 Threats		-0.39*	-			
	F07 Promises		-	0.17*			
	F08 Ingratiation		-	0.34*			
	F09 Inspirational appeals		-	-			
	F04 Information Exchange		-	0.75***	0.47		
	F05 Recommendations		0.51**	0.50**			
	F06 Threats	H <sub>2a</sub>	-	-0.30*			
<b>Buyer Self Orientation</b>	F07 Promises	H <sub>2b</sub>	0.21*	-			
	F08 Ingratiation	H <sub>2c</sub>	0.74***	-			
	F09 Inspirational appeals		-	-			
<b>Buyer Interaction Orientation</b>	F04 Information Exchange		-	1.05***	0.46	F <sub>(6,188)</sub> = 2.68*	
	F05 Recommendations		-	-			
	F06 Threats		-	-			
	F07 Promises		-	-			
	F08 Ingratiation	H <sub>3a</sub>	0.46**	-			
	F09 Inspirational appeals	H <sub>3b</sub>	0.39*	-0.43*			

\* p<.05., \*\*p<.01, \*\*\*p<.001

Dash indicates coefficient is not significant at the .05 level

**Appendix 14: Buyer orientation cluster means (McFarland *et al*, 2006)**

	Buyer Orientation Clusters a)			ANOVA Results b)	
	Engagement focus with balance buyers	Self focus with balance buyers	Task focus buyers	F-statistic	p-Value
F04 Information Exchange	<b>4.0</b>	3.5	<b>3.8</b>	3.40	<0.05
F05 Recommendations	3.5	3.2	3.4	0.89	n.s.
F06 Threats	1.0	<b>1.3</b>	1.2	4.32	<0.05
F07 Promise	1.2	<b>1.8</b>	1.5	7.44	<0.001
F08 Ingratiation	<b>3.6</b>	3.2	3.1	3.28	<0.05
F09 Inspirational Appeals	<b>3.8</b>	3.4	3.4	3.42	<0.05
Number of observations	63	67	59		

a) Mean values in bold are significantly higher than the other mean values along the same row, based on the Helmert comparison procedure ( $p < 0.05$ )

b) Results from a one-way ANOVA with the clusters as the grouping variable.

Notes: “n.s.” abbreviation indicates that the ANOVA is not significant at the 0.05 level.