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AN INTEGRATIVE MODEL OF THE PERSONAL SELLING PROCESS

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and
David L. Kurtz

Personal selling, as contrasted with the generalized approach of advertising, provides the opportunity to make tailor-made presentations to individual customers. To exploit this unique advantage, company after company has specialized and restructured its sales force around industry-membership for its customers and/or specific product usage patterns. While specialization has produced increased sales and customer satisfaction, the costs of personal selling have remained high, and in many cases, have accelerated. In this regard, *Sales and Marketing Management* (1989) reports a median cost per call in 1988 of \$172 for consumer products, \$218 for industrial products, and \$201 for services. The respective increases from 1986 are 45 percent, 22 percent, and 24 percent.

Past research has failed to generate an answer to this problem. The interactive research paradigms (Avila & Fern, 1986; Holbrook & O'Shaughnessy, 1976; Reeves & Barksdale, 1984; Weitz, Sujan, & Sujan, 1986) have focused on the significant variables of sales performance defined in terms of the sales presentation. While important contributions have been forthcoming, use of the models has failed to establish coherent research programs in the area of personal selling that encompass the entire process and not just the sales presentation. Obviously the success or failure of a salesperson does not hinge solely on interaction with the buyer, as research to date would suggest. Personal selling is an integrative process with customer analysis impacting preparation and presentation, preparation impacting presentation, and presentation impacting the building of future sales. This calls for a reconceptualization of the subject and a development of an integrative research paradigm.

It is also obvious that by defining the personal selling process as an interaction, the roles of both seller and buyer are obscured. To date, the vast bulk of attention has centered on consumer behavior. Early theory-based research virtually ignored the behavior of the party selling to the customer (Lutz, 1978). More recent research has focused on interactions between sales behaviors and aspects of the sales situation with the salesperson matching up sales situations with appropriate selling strategies (Sujan, Weitz, & Sujan, 1988).

Marketing mix decisions made at upper echelons of the firm form the competitive stance of the firm in the marketplace. As part of this process, the objectives set forth for marketing are used in planning promotional strategy and in turn sales strategy. Direction of the sales activities manifests itself for the salesperson in the sales plan drawn up for each customer (Kurtz, Dodge, & Klompaker, 1988). The emphasis on interaction with the customer in the role of buyer ignores the goal-directed or purposeful role a salesperson has as part of the company's marketing and promotional mixes.

It also shifts attention away from preparation that promotes selling efficiency and effectiveness to reaction on the part of the salesperson.

In line with this conceptualization of the salesperson and the increasing concern for selling effectiveness, the proposed model presents a logical explanatory structuring of possible seller-buyer situations in a salesperson-customer relationship. The principal assertion of the proposed model is that selling efficacy results from application of appropriate selling strategies or more appropriate selling tactics over a series of seller-buyer situations aimed at development and continuance of a salesperson-customer relationship.

Personal Selling as Exchange

The basis of marketing is the exchange relationship (Alderson, 1965; Bagozzi, 1974, 1975, 1978, 1979; Hunt, 1976, 1983; Kotler, 1972). The personal selling process is frequently cited in the marketing literature as a restrictive exchange involving two-party reciprocal relationships. The tendency is to think of sellers as belonging to one category and buyers in quite a different and separate category. In actuality, however, the two parties, seller and buyer, are mutually interdependent with competition forcing the consumer orientation of selling efforts (Howard 1983).

Ekeh (1974), described two characteristics of restrictive exchange that are salient to the salesperson-customer relationship. One is the effort to maintain equality in the relationship. The other is the attempt to balance activities and exchange items. Both of these characteristics are evident in the salesperson-customer relationship. The salesperson recognizes the need to satisfy needs and wants if the customer is to become a repeat customer. The customer, on the other side of the exchange, values the salesperson as a key source of information, a provider of assistance in recognizing needs and wants, as well as a potential supplier of products and services that can satisfy defined needs and wants. Without balance in the exchange relationship, one of the parties will in all probability break off the arrangement and initiate a new exchange.

The quid pro quo mentality embodied in exchange is seen in the salesperson seeking to sell (exchange) a product or service only if the price is greater than the costs of manufacturing and marketing. On the other side of the relationship, the customer will buy (exchange) a product or service only if the perceived value is greater than the price paid.

One difficulty in applying the exchange paradigm to marketing, and especially the salesperson-customer relationship, is the idea of equilibrium in each personal selling situation. Obviously, in any one sales situation there will be areas of both agreement and disagreement. As an example, agreement may be reached on product specifications, but not price; or agreement may be reached on product and price, but not order quantity or the timing of delivery. If we view this exchange at either of these points, there is an imbalance, and the relationship is not mutually beneficial. To continue the salesperson-customer relationship, adjustments must be made to obtain equilibrium, as the alternative is a break off in negotiations and no further sales situations

and no salesperson-customer relationship. These adjustments to resolve differences and attain equilibrium are the essence of selling and the application of skills by the salesperson. Success for the salesperson can be defined as attaining equilibrium in each succeeding sales situation so as to further the salesperson-customer relationship within the parameters of company policy and obtain continued sales. Thus, the salesperson-customer relationship as represented by a sequence of sales situations is not linear but rather dynamic.

Another difficulty in using the concept of exchange is that it is more than the mere transfer of a product or service for money (Bagozzi, 1975). Its occurrence is determined in part by endogenous and exogenous variables affecting the behavior of both parties and in turn shaping the outcome of the exchange. The roles of seller and buyer respectively are elements of a social influence process with the underlying endogenous and exogenous variables influencing the subjective probabilities of outcomes (Bagozzi, 1974), of sale situations, and ultimately the salesperson-customer relationship. For example, the sale of PC's to a school system will hinge on school board authorization that is in turn dependent on passage of a school levy proposal.

Personal Selling as a Transactional Exchange

This article argues that personal selling situations — as represented by the salesperson-customer relationship — are transactional exchanges as distinguished from social interactions. Meacham (1974) proposes that exchanges, such as the ones that occur between a seller and a buyer, are transactions and as such can be described as primary activities with the parties to the transaction being derived or secondary. The salesperson and the customer enter into the exchange relationship by taking on the roles of seller and buyer respectively. It is not, therefore, a social exchange with shared values and norms, but rather a purposive exchange. The salesperson enters into the relationship with a goal, likewise the customer. The customer in the role of buyer has certain needs/wants that may be ill-defined. The salesperson in the role of seller wants to be the supplier of these needs/wants defined in terms of goals within the parameters set forth by company policy. It is these goals that make either the salesperson or customer set up the relationship and take on the role of seller or buyer. Interactions, on the other hand, are derived activities with the parties involved being primary and independent of each other. The emphasis shifts from roles of seller and buyer each with their respective goals to matching up individuals who are involved in a selling (buying) situation.

Viewing the salesperson-customer relationship as a transaction model, rather than an interaction, clearly underlines the primacy of the set of relations in exchange and the derived nature of the two parties. The two parties in the roles of the seller and buyer are continually changing derivations of an ongoing activity or transaction as opposed to static elements acting upon each other (Meacham, 1974). Consistent with this, the salesperson and customer in a selling situation are interrelated through a set of exchange relationships between seller and buyer. These exchange relationships can be

identified as goals of either party for entering into the exchange transaction that in turn generate the roles of seller and buyer.

The boundary between the two parties, seller and buyer, is continually redrawn as a function of the development of the exchange over time with successive selling situations (Kitchener, 1985). Affecting the boundary will be varying degrees of product and supplier familiarity, competencies in influence and buying techniques, and shifts in relative power. Thus, balance is not present in each selling situation, but sought through successive selling situations. Otherwise, the salesperson-customer relationship is broken off.

Seller and Buyer Goals

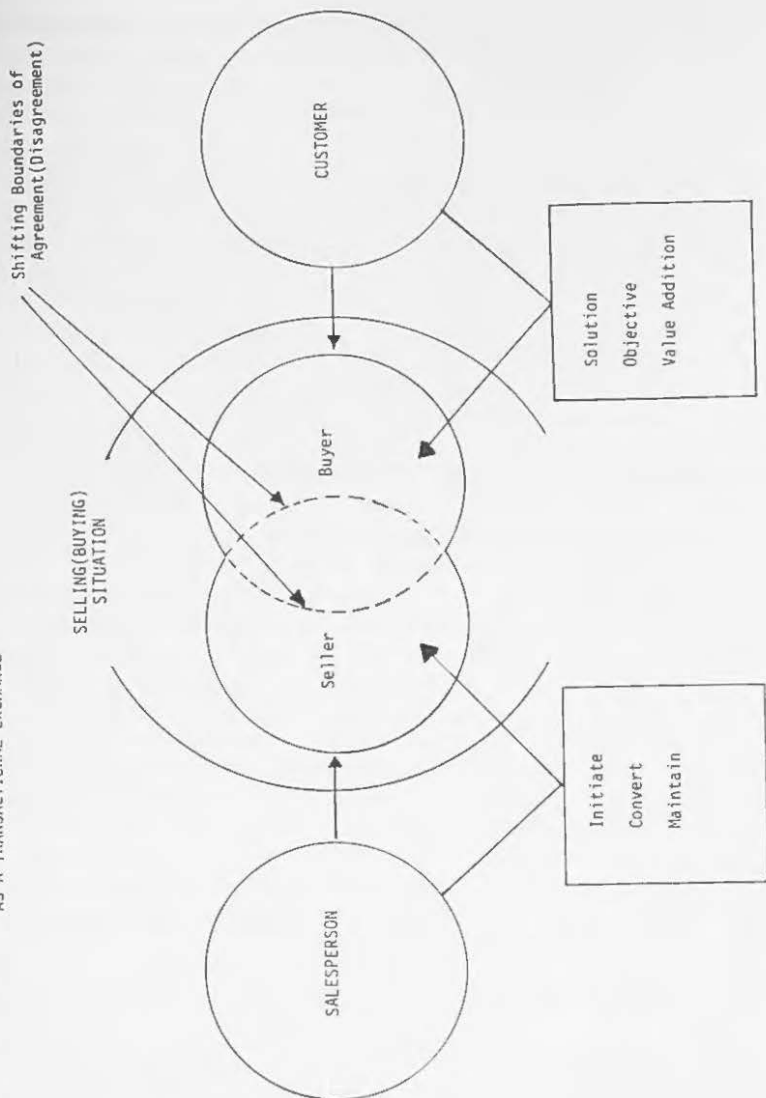
Exchanges between a salesperson and a customer occur under the impetus of two broad classifications of goals or outcomes that form the relationships of exchange. This is illustrated in Figure 1.

From the standpoint of the salesperson in the role of seller, the relationships of exchange can be categorized into three broad areas — initiation, capture, and maintenance. From the standpoint of the customer as a buyer, the three general exchange relationships are solution of an existing or anticipated problem, attainment of a purchasing objective, and enhancement or adding value.

Both the salesperson and the customer become parties to an exchange transaction and take on the roles of seller and buyer to fulfill these goals or outcomes. The exchange relationships determine the appropriate seller and buyer roles for salesperson and customer in each sales situation. This differs from the traditional conceptualization of the salesperson-customer relationship as directive behavior to provide a mutually beneficial solution to a problem. For example, a potential customer may be unaware of a solution to a problem or may solve the problem in question with a different type of product (steel instead of plastic). In an initial or first-sale situation, the salesperson has the selling job of defining and creating cognizance of this problem or introducing a different solution to the problem in the form of his/her product. The salesperson must also establish the basis for a continuance of the salesperson-customer relationship. Typically, this is achieved by making comparisons between product or service types (e.g. cellular phone versus answering service) or between product type and unfulfilled need or want (e.g. cellular phone versus no attempt to maintain communications link when away from office).

A salesperson, in attempting to convert a customer, must demonstrate a differential advantage to displace a competitor's brand of product or service as well as establish the basis for a salesperson-customer relationship. The selective differential may be the physical, complementary, and symbolic features of the product itself, the salesperson's company as a supply source, and/or the salesperson himself or herself. In customer maintenance, the salesperson attempts to keep selling to an existing customer through reinforcement of the salesperson-customer relationship. The outcome is continuation of the salesperson-customer relationship in terms of repurchase.

FIGURE 1 THE SALESPERSON-CUSTOMER RELATIONSHIP
AS A TRANSACTIONAL EXCHANGE



The customer enters into an exchange transaction seeking outcomes that bring satisfaction of needs or wants. One outcome is the solution to an existing or anticipated problem. For example, a customer needs a material that will resist corrosion. Another outcome is the attainment of an objective. Examples of possible objectives include a reduction in the weight of a product, faster delivery in smaller quantities, and reduction in costs of direct materials used in a product produced by the customer's firm. A third outcome for the customer is enhancement or adding value. Paint, wallpaper, furniture, and accessories are among the items purchased to enhance a home. Compo-

ment parts are purchased by OEM's to enhance finished products, making them more functional and more saleable.

Application

An application of the model to the personal selling process is illustrated in Figure 2. The specific personal selling tasks are inherent in each of the nine possible selling situations. Selling performance results from the application of effort to the specific personal selling tasks as mediated by differences in the matchup of goals for the salesperson and customer that determine seller and buyer roles, respectively. In other words, the amount of personal selling effort applied to a selling task depends upon which of the nine selling situations the salesperson is confronted with and not the particular customer.

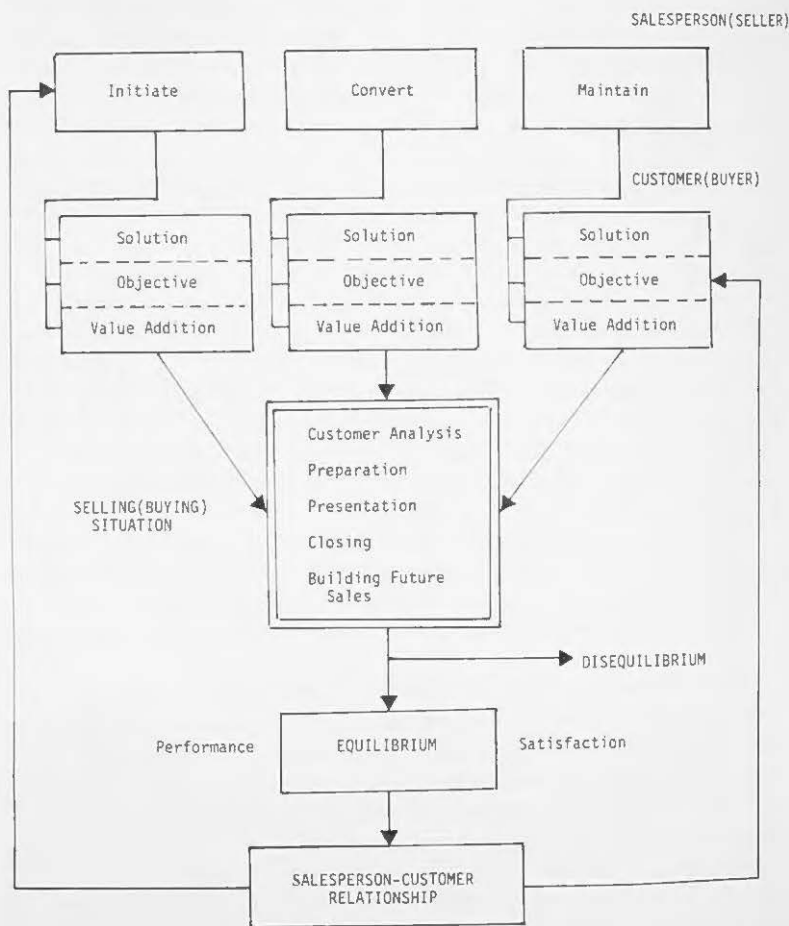


FIGURE 2 MODEL OF SALESPERSON-CUSTOMER RELATIONSHIP

Logically, the mix of selling tasks will vary with each selling situation. In making an initial sale, customer analysis will undoubtedly be stressed, particularly when the customer's goal as a buyer is to find a solution to a problem. When the salesperson is attempting to convert business, preparation, presentation, and closing all have increased relative importance, with closing being perhaps the most important when the customer's goal is cost reduction in purchasing. Customer maintenance is almost synonymous with building future sales, but the salesperson needs to be concerned with customer analysis as the needs and wants of a customer as well as the customer's position in the market are undergoing continuous change.

Implications and Conclusions

In addition to developing and illustrating a personal selling paradigm, the authors have proposed a new approach to the identification and structuring of selling situations. The integration of selling situation and personal selling tasks is required to accommodate the various problems and opportunities that are faced by practitioners.

Selling effectiveness is a product of the salesperson's use of the personal selling process in the defined selling situations. Whether a salesperson is effective depends upon: (1) his or her abilities to fit the personal selling process to a seller-buyer relationship defined in terms of exchange relationships (customer analysis); and (2) his or her competence in the other identified tasks as spelled out in the personal selling process.

The two input constraints (personal selling tasks and fit of the personal selling task to selling situation) suggest various measurements of selling effectiveness other than the output-oriented generation of sales volume. For example, continued practice and/or training in a personal selling task such as presentation or closing can be evaluated by sales management. Focusing on input constructs can also help to uncover potential adverse long-term effects that are masked by positive short-term effects (Weitz, Sujan & Sujan, 1986). For example, a salesperson may rely heavily on personality and reactive ability to obtain sales and not put forth any effort to develop competence in personal selling tasks. As a consequence, first-time sales are forthcoming, but no sustaining relationships are forthcoming and no repeat sales.

Further, categorization of selling situations permits comparable evaluations of selling effectiveness. Instead of evaluating performance across selling situations, sales management can control what heretofore has been a noncontrollable variable, namely the selling situation, and focus on performance in the personal selling process and the fit of the tasks in the selling process to a particular selling situation. In turn, this will shift the emphasis in sales performance from adaptability and the traits that facilitate the functioning of salespeople in different selling situations to the more realistically defined tasks of selling. This will provide an opportunity to evaluate the impact of experience, learning, and training on selling effectiveness. This will strengthen professionalism of selling and at the same time remove some

implicit restrictions that seemingly limited sales candidates to those possessing a certain type of sales personality.

The proposed model also suggests a new direction for research on personal selling. Research on the relationship has focused on the relevant characteristics of salespeople and customers as they interact in selling situations. It has tended to neglect the conceptualization of the relationship as a transactional exchange rather than an interaction. More research attention needs to be directed toward the selling process as a task-oriented activity and the selling situation as a transaction rather than an interaction. The proposed new direction challenges traditional conceptualization of personal selling and the role of the salesperson in hopes of meeting the need for greater selling efficacy in the future. Hopefully the rationale put forth here will encourage further development refinement.

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