

EMPIRICAL STUDY REGARDING THE INFLUENCE OF COMMUNICATION ON SALES PERFORMANCE

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ABSTRACT

The communication plays an important role in the process of selling. The questions are why and how? What do we mean when we refer to communication in the selling process? There are specific ways of communication used in this process? How these processes influence the sales performance? The aim of the present study is to answer all of these questions. The objective is translated through determining the changes in product sales using a specific way of verbal and nonverbal communication based on Customer-Oriented Communication Model (COC). The study compares the dynamics and sales structure registered in the situations in which it is used the communication based on COC Model (in the second phase of the study) with the situations in which the communication based on COC Model is not used.

KEYWORDS: *communication, influence, sales performance.*

JEL CLASSIFICATION: *A10*

1. INTRODUCTION

Communication is present in the life of each organization, which includes the process of selling. As posited by relational marketing scholars, communication can be described as the "information shared between exchange partners" (Palmatier et al., 2006). Stoica (2006) talks about *intrapersonal* and *interpersonal communication*, defining this last term as a relationship between people that take place in the exclusive dialogue between two interlocutors. According to Wrench and Punyanunt-Carter (2012), *organizational communication* is "the process through which messaging takes place in order to achieve the common goals of the members of each entity". In scholars' vision there are two other types of communication: verbal and nonverbal communication. *Verbal communication* refers to observations, thoughts, feelings, needs expressed with words. On the other hand, *nonverbal communication* is the expression of what we need, how we feel, what we thought and what we observed through gestures (Wrench & Punyanunt-Carter, 2012). A prominent role in communication plays the use of wordless signals and cues such as facial expression, body posture, or eye contact. Facial expression, body language, and gestures help convey the meaning of verbal messages and underline their tone. Their impact on economic decisions of agents and outcomes of interactions is nontrivial (Brook & Servátka, 2016). A study of McGinley et al. (1975) showed that agents with *open body positions* were evaluated more positively and were more persuasive than agents with *closed body positions*. In addition, the influence of fit between the recipient's orientation and the influence of agent' nonverbal style was investigated by Cesario and Higgins (2008). The authors distinguished between *an eager and a vigilant nonverbal style*. An eager nonverbal style involves

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animated, broad opening movements, hand movements openly projected outward, forward-leaning body positions, fast body movements, and fast speech rate. A vigilant nonverbal style is avoidance-oriented and involves gestures showing precision, motions that represent slowing down, backward-leaning positions, slower body movements, and slower speech (Cesario & Higgins, 2008). According to Fennis et al. (2011) "influence agents such as sales representatives, fundraisers and political candidates might be well advised to pay close attention to the nonverbal delivery style of their persuasive messages".

During the process of selling, when the buyer and the seller interact (*interpersonal communication*), both *verbal communication* as well as *nonverbal communication* are used. The seller wants to achieve a common goal of the members of the entity in which he works (a certain level of profit); therefore the communication process regarding selling is *a multi-level one*. In Webster opinion (1968), thinking of selling as a form of communication leads to some new insights into the selling process and to some clear indications for salesman training and the development of selling strategies.

There are several well-defined influence techniques employing heuristic decision making to induce compliance. One of them is the "*Door-In-The-Face*" technique (Cialdini and Goldstein, 2004), in which the target request is presented as a concession to an unreasonably large initial request, and the "*Disrupt-Then-Reframe*" technique are well-known examples (Davis & Knowles, 1999; Fennis et al., 2004) where an otherwise conventional sales script is interrupted by a subtle, odd element (i.e., the "disruption", for example stating the price of an offer in pennies before stating it in dollars) followed by a persuasive phrase that concludes the script (i.e., the "reframe", e.g., "it's a bargain!"). By adding an extra incentive for compliance these strategies persuade. Offering a discount to a product qualifies as an alpha strategy because it provides an extra reason to buy the product is an example. The importance of information communication by the salesperson as a key contributor to customer's positive experiences was highlighted by the researchers in the industrial selling context. Agnihotri et al. (2009) emphasize the importance of information communication during the sales process, "information communication can provide not only a ground for a winning proposition but also customer satisfaction". The same authors suggested that "a strong basis exists to theoretically link information communication to both customer satisfaction and to responsiveness".

According to Jones et al. (2005) buyers have an increasingly higher level of expectations for the salesperson to be alert and sensitive to the customers' needs.

Interpersonal communication between a salesperson and a customer as an important part of successful sales interactions has been widely discussed (Lee and Dubinsky, 1993). In the COC model are presented the following three main stages in the sales process: (1) the approach, (2) the selling and the (3) contact closure. In all of three main stages are used non-verbal and verbal means of communication. According to Vadi and Suuroja (2006) "whether contact is pleasant or not depends on the seller's appropriate and tidy appearance." Eye contact that instils confidence, kind facial expressions, eye contact that instils confidence and gestures that indicate a willingness to serve will create a good impression of the service and of the shop in general. The same author's highlights that the Verbal means of communication have a greater role to play in making the contact pleasant at the selling stage. It is important to use easily comprehensible vocabulary and to use polite expressions only when is necessary.

The uses of verbal means of communication are different from one stage to another. For example, in the approaches stage the main goal of the seller's body language is to express his/her readiness to provide a service while at the selling stage he seller has to show that he/she is listening to the buyer (mainly by eye contact, movement of the head, back channeling cues, body posture and facial expression).

2. METHODOLOGY

Our study was carried on 100 buyers with age comprised between 17 and 82 years in May 2017 in a shoe shop. Each of the two phase took place for two days in the best period of the week for sales (in weekend). This study is focused on the sales of two specific products: Skyline and Genius. This products were selected due to their similar cracteristics (type, shape, color, composition). The differences between the two products are the manufacturing company and the price. The study has two phases in order to compare the sales structure in this two situations. The Genius product is superior in the matter of price, with a differece of 10 lei. In the first phase of the study were noted the sales of the two products (one or another) without the seller intervention. For the second phase of the study was used the communication based on *Customer-Oriented Communication Model* in the process of selling for the two selected products. Customer-Oriented Communication Model, presented in Table 1, contains the seller's recommended behavior for all three stages of communication.

Table 1. The behavior of sellers based on Customer-Oriented Communication Model

| Stage of communication | Sales people's behavior |
|---|--|
| 1. Approach 1n. Use of non-verbal means of communication 1v. Use of verbal means of communication | - form a connection between the seller's inner speech; - seller's body language is has to express his/her readiness to provide a service; - perceive when it is proper to approach the customer. -the verbal approach to customers' needs to be timely; -are three different approaches: to offer a service (the service approach), ask direct or indirect questions (the question approach) or to present a product (the merchandise approach). |
| 2. Selling 2n. Use of non-verbal means of communication 2v. Use of verbal means of communication 2i. Providing information | - seller has to show that he/she is listening to the buyer (mainly by eye contact, movement of the head, body posture and facial expression). - Attention to the choice of words and the style of speech. -providing relevant information. |
| 3. Contact clousure 3n. Use of non-verbal means of communication 3v. Use of verbal means of communication | - salesperson's body posture should indicate an attitude of readiness to serve like that of the Approach stage. - provide additional information about the commodity or reassure the customer that their choice was good |

Source: adapted from Vadi and Suuroja (2006), pp. 341-342

The sellers were instructed to use open body positions, and to use specific questions in the approach stage. Also, the buyers are asked to adapt their nonverbal communication to the customer's needs. The preliminary questions were: (1) What are your requirements, (2) Looking for a comfortable shoe?

(3) Are you looking for a lower price or you want something of a good quality? In the selling stage, the recommendation was made using verbal communication (2v): In our shop you don't have to revert to quality, neither pay too much, I can show you something that I think is right for you! The selling stage, as well as the approach stage it was used also the nonverbal communication. The substage providing information at the selling stage (2i) it was accomplished through this communication speech:

"Taking into account your requirements and expectations, I think I understand exactly what you are looking for, and in our store there are two products that fit perfectly from my point of view. Most of us spend a lot of time hugging and I think it's very important to feel good. Both pairs are made of natural beef leather and are specially created to give the foot so much comfort. I see that you are aware that although there are apparently similar products. There is a price difference between the two products, given by the company, the genius firm being superior and the difference of only 10 lei should be worth it!"

The verbal means of communication at the contact closure stage was implemented through another communication speech: "You made the right choice!"

The data gathered contains information with regard to the education, age of the customers and level of income. In order to determine the change in the sales structure with the help of the communication based on COC model, the data in the first phase of the study were compared with those in the second phase of the study.

3. RESULTS

The first stage of the study has 35 observations. These observations are translated through 35 customers with age comprised between 22 and 68 years. The second stage of the study has 65 observations (customers with age comprised between 17 and 82 years). The final decisions taken by the buyers from both of the phases of the study, are presented in Figure 1.

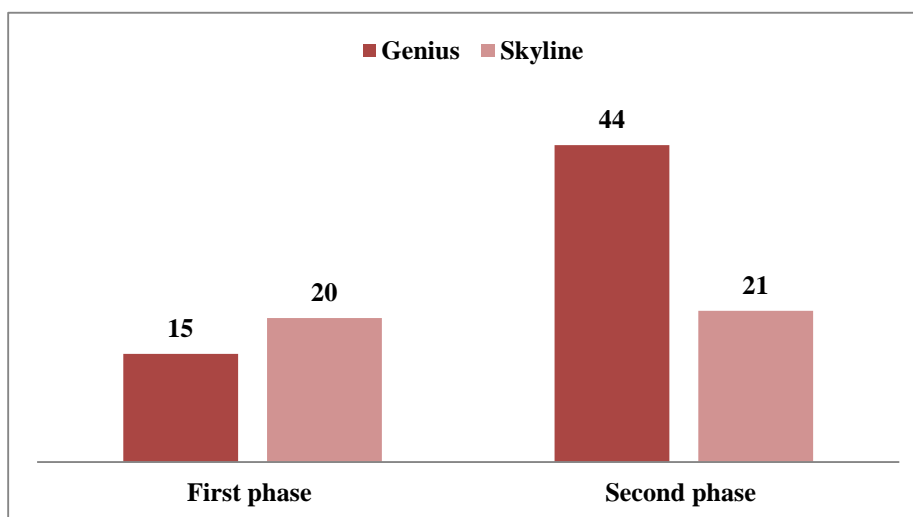


Figure 1. Buyer's purchasing decisions

Source: authors

During the first phase of the study, 57 % of the customers purchased *Skylinne* the same as and 43% customers who purchased *Genius* product. In the second phase of the study, 32 % purchased *Skylinne* and 68 % purchased *Genius* product. The stage in which a specific way of verbal and nonverbal communication based on *Customer-Oriented Communication Model (COC)* was used was that in which it increased percentage of the customers who chose to purchase *Genius* product

(from 57% to 68 %) and has decreased the percentage of the customers who chose to purchase *Skylinne* (from 43%, to 32%).

The results associated with the speech used in the last phase were in favour of a product with a higher value.

The customers with average education, from the initial study purchased 46 % *Skylinne* and 54 % *Genius*. Customers with the average studies in the second phase of the study purchased *Skylinne* in proportion of 32 % and *Genius* in proportion of 68 %. The percentage of the customers with the average studies, which have chosen to purchase *Genius* has increased from 54 %, in the first part of the study, to 68 % in the second part of the study. In other words, a higher percentage of the customers with average studied from both phases of the study choose to buy *Genius* product. In addition, in the second phase of our research this percentage was increased with 16 %.

On the other hand, 18 % of the customers with higher education purchased *Skylinne* and 82 % have purchased *Genius* (in the first phase of study). Referring to the customers with higher education, in the second phase of the study, they purchased in proportion de 37 % *Skylinne* and *Genius* in proportion de 63 %. In conclusion, the percentage of the customers with higher education who bused *Skyline* product have increase from 18 % in the first phase to 31 % in the second phase of the research, whereas the percentage of the customers with higher education who buyed *Skyline* product have decreased from 82% to 69%.

The result from first phase of the study shows that the customers with an income of less than 2000 lei purchased in proportion of 50 % *Skyline* as well as *Genius*. In the second phase of the study, 21 % of the customers with an income of less than 2000 lei purchased *Skyline* and 79 % purchased *Genius*. Thereby here is an increase in the percentage of the customers with an income of less than 2000 lei that purchased *Genius* with 29% and a decrease in the percentage of the customers with an income of less than 2000 lei that purchased *Skyline* (29%).

The customers with an income of more than 2000 lei purchased in proportion of 62% *Skyline* and 32 % purchased *Genius* (in the first phase). In the second phase, the customers with an income of more than 2000 lei purchased in proportion of 55% *Skyline* and 45% purchased *Genius*. The percent of *Genius* customers increased in the second phase of the study with 13 %, while *Skyline* customers decreased with 7%.

4. DISCUSSIONS AND CONCLUSIONS

Our study shows only the changes in the structure of sales when the buyer interacts with a customer and he verbal and non-verbal means of communication based on COC Model. Even if the data collected contain information on education, age and level of consumer incomes, this study does not clarify the following:

1. If there is a link between income levels, the level of studies, and the purchasing decision.
2. Consumers with revenues below 2000 lei who buyed the expensive product were influenced by income level or was determined to choose this product as a consequence of the buyer who used verbal and non-verbal means of communication in all of the three stages?
3. The price difference is sufficiently significant to influence the choice of the product, even in the situation of consumers who has incomes under 2000 lei.
4. Even if the products are similar, they are produced by different companies and the buyer's experience with one or even with both of these firms may influence the final choice of the product, including the results of the study.
5. The seller's intervention is not the only way in which a customer can be determined to buy a particular product. For example, the product also communicates through the way it is packaged. Thus, the reason why a customer chooses a product and not the other one may be the color of the shoe' box or the font used.
6. In the first and in the second phase of the study, customers with higher education decided to purchase in a higher proportion the product with the expensive price. In addition, the buyers with

lower education decided to purchase in a higher proportion the product with the lower price. How can this phenomenon be explained?

These aspects will be clarified in future research.

The main conclusion of this study is that structure differences are recorded in the sales during the second phase of the study. The stage in which *a specific way of verbal and nonverbal communication based on Customer-Oriented Communication Model (COC)* was used was that in which it increased percentage of the customers who chose to purchase *Genius product* (from 57% to 68 %) and has decreased the percentage of the customers who chose to purchase *Skylinne* (from 43%, to 32%). The results associated with the speech used in the last phase were in favour of a product with a higher value.

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