

BEFORE SALES COMES **RAPPORT**

Rapport is a familiar concept, used in everyday conversation to describe interactions with people. Psychologists try to develop rapport with their clients; sales representatives use rapport to deepen their relationship with customers and increase sales; and new acquaintances gauge the presence of rapport to infer the future of their relationships.

Indeed, many people in varying contexts frequently use the concept of rapport. It has been acknowledged that most people can identify when rapport is present in a relationship, yet find it difficult to provide a precise definition (Gremler & Gwinner, 2000).

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 **RESEARCH**

More recently, the concept of rapport has been clearly defined, measured and recognised as important to business relationships. It appears that rapport has significant implications for the conduct of business. Gremler & Gwinner, (2000) established a two-tier model of rapport for business, with a minimum, basic level relating to mutually enjoyable interaction, and a higher level involving a connection with customers.

An enjoyable interaction was centred on a feeling of friendliness, and liking one another, while a personal connection went deeper, representing a bond or affiliation between the parties. Rapport has been demonstrated to have a significant impact on positive organisational outcomes, such as customer satisfaction, advocacy and loyalty. Insight gained from the research conducted by Forethought Research (Forethought) suggests that sales executives working in a business-to-business context have an opportunity to develop rapport with their customers.

The Forethought study dissected the familiar relationship aspect – rapport – and conducted an investigation as to what mediated or influenced its two dimensions, as defined by Gremmler & Gwinner (2000), and distinguished between these two dimensions; enjoyable interaction and personal connection. Benevolence, frequent contact and personal interests predicted the personal connection dimension of rapport, while only benevolence and frequency of contact influenced the enjoyable interaction dimension of rapport. Also, customers perceived significantly lower levels of personal connection than their respective sales executives.

In addition, the two dimensions of rapport were linked to consequential business outcomes. The enjoyable interaction dimension was found to be only predictive of customer satisfaction; to achieve the outcomes of customer advocacy and loyalty, the study found that sales executives must achieve personal connection. This suggests that to truly influence business outcomes and achieve positive recommendations or loyalty, sales executives need to progress from the basic enjoyable interaction to a higher level of rapport, attaining a deeper bond or affiliation with their customers.

This study indicates that rapport has significant implications for conducting a successful relationship. As such, organisations should assess and develop the rapport performance of sales executives working in a business-to-business context, and indeed, review management's ability to influence relationships with clients by rewarding employees based on their relationships, or even selecting sales staff based on their capability of delivering on rapport.

Background

Organisations are facing increasingly competitive markets. A number of factors have contributed to greater competition, including globalisation, deregulation and the application of increased customer intelligence. As such, there is a need for organisations to understand what factors influence their customers' satisfaction, loyalty and advocacy, as well as what stems customer defection, in order to remain both sustainable and profitable.

There are many factors that contribute to customers' satisfaction, loyalty, advocacy and defection. In particular, the importance of personal relationships has received considerable attention, notably in service organisations (e.g. Barnes, 1997; Beatty, Mayer, Coleman, Reynolds & Lee, 1996; Cziepel, 1990; Ennew & Binks, 1996; Price & Arnould, 1999). Consequently, understanding the critical relationship aspects that impact on business outcomes was the focus of the Forethought study into rapport and is key to an organisation's ability to build and maintain effective relationships with their customers.

Forethought has long recognised the importance of rapport in a business relationship. Rapport has been included in surveys for a number of years as a hypothesised driver of satisfaction with either a sales representative or account manager. Over the past few years, rapport has been a significant driver of overall satisfaction within an organisation in 12 out of 13 surveys. Exhibit 1 demonstrates the proportion of importance of rapport on overall satisfaction, across a variety of industries.

Frequently in typical Forethought projects, rapport accounts for between 30% and 40% of the impact of the key contact; indeed, in one instance it was as high as 47%.

Despite this importance, the concept of rapport has traditionally been ill-defined and minimally studied. More recently, the concept of rapport has been given closer attention, with concerted efforts made to clearly define the concept and to measure its direct effect on customer satisfaction and business outcomes. Gremler & Gwinner, (2000) established that service provider employees have an opportunity to develop two different levels of rapport with their customers: the first is a minimum, basic level relating to mutually enjoyable interactions, and the second represents a higher level of rapport, in which employees may connect with their customers. Such a connection was defined as a genuine unspoken affinity, based on a sense of commonality or shared experience.

Industry	Impact of key contact	Impact of rapport
Investment Banking	20%	9%
Retail Banking	8%	3%
Business Banking	12%	6%
Trade Banking	34%	7%
Medium Business Telecommunications	5%	2%
Large Business Telecommunications	12%	4%
Pharmaceutical	4%	1%
Lease Financing	9%	2%
Dealer Finance	11%	3%

Relationships and their Impact on Business Outcomes

Relationships are integral to interactions within business-to-business services industries. In fact, the key feature of a service encounter involves contact with a customer, which provides the ideal platform to develop a relationship (Rosen & Surprenant, 1998). Researchers have long recognised the influence relationships have on outcomes favourable to organisations' everyday business, such as improved customer satisfaction, loyalty and positive word-of-mouth communication (i.e. Crosby, Evan & Cowles, 1990; Cziepel, 1990; Ennew & Binks, 1996; Gremler & Brown, 1996).

Gremmler & Gwinner, (2000) demonstrated that rapport could impact positive organisational outcomes for two business-to-consumer case studies. Even though the general applicability of this finding had not been verified in academic literature, rapport has featured in Forethought surveys since the early 1990s.

Exhibit 1
Impact of personal connection on business outcomes

Study Aim and Hypotheses

The Forethought study aimed to extend the limited empirical research conducted on rapport and business outcomes, by focusing on a business-to-business services industry environment. The study examined whether the Gremler & Gwinner, (2000) model that was assessed in a business-to-consumer services market was generally applicable to a business-to-business services market. Specifically, it examined the effects of rapport on customer satisfaction, loyalty, advocacy and defection. Furthermore, it examined the convergence of rapport data in the customer-supplier dyad.

The study also aimed to more clearly understand the antecedents, or predictors, of rapport, in order to define this familiar concept. Specifically, it examined the mediating effect of:

- rapport,
- trust,
- personal interests,
- frequency of contact,
- and the length of the customer-supplier relationship.

Data was collected from both customers and sales executives using self administered questionnaires. These questionnaires were paired into customer supplier dyads. This multi-source data allowed the differences in the customers and the sales executive's perceptions of their mutual rapport to be compared.

Hypothesis One: Rapport and business outcomes

It was hypothesised that the level of rapport (enjoyable interaction or personal connection) existing between business-to-business customers and their sales executives within services industries would be a significant predictor of customers' satisfaction, loyalty, advocacy and defection. It was expected that greater levels of rapport would result in higher customer satisfaction, an increased likelihood to remain loyal, advocating the organisation and a lower likelihood of defection.

Hypothesis Two: Sales executive and customer convergence

Secondly, it was hypothesised that sales executives would provide comparable ratings of the rapport dimensions – enjoyable interaction and personal connection – as their respective customers.

Hypothesis Three: Predictors of rapport

It was also hypothesised that the notion of trust, personal interests, frequent contact and the length of the customer-supplier relationship would have a direct impact on the strength of the relationship between rapport and satisfaction, advocacy, loyalty and defection.

An enjoyable interaction was satisfactory, but personal connection resulted in loyal customers who advocated.

The salience of each rapport dimension varied according to the business outcome being examined. Greater levels of enjoyable interaction were found to result in higher customer satisfaction, while higher levels of personal connection were found to result in an increased likelihood of customers remaining loyal and advocating supplier organisations.

Personal connection

The personal connection dimension emerged as a strong predictor of advocacy and, to a lesser extent, loyalty. This suggests that there is a relationship between customers connecting with their respective sales executives and their intentions to remain loyal to the organisation or to advocate it, as illustrated in exhibit 2.

No relationship was found to exist between customers developing a strong bond or affiliation with their respective sales executives and their satisfaction with the supplier organisation or service experience. The absence of personal connection as a predictor of satisfaction suggests that a deeper level of rapport between a customer and supplier is not necessary to influence customers' satisfaction with organisations. Alternatively, perhaps customers who are dissatisfied with their supplier organisations could still experience personal connection with their sales executives.

Enjoyable interaction

Enjoyable interaction was found to be a significant predictor in relation to customer satisfaction. That is, a customer's experience of an enjoyable interaction with their sales executive impacted on their overall satisfaction with the organisation as well as their general service experience. This is demonstrated in exhibit 3.

A customer's experience of an enjoyable interaction did not impact on their intentions to either remain loyal or to advocate organisations. An explanation for this finding is that a customer's expectation of a business relationship may go beyond an enjoyable interaction, i.e. business customers expect their sales executives to understand their business and thus anticipate their needs. Consequently, the basis for positive word-of-mouth recommendations or intentions to remain loyal in a business-to-business context appears to relate to the existence of a deeper bond or affiliation with the service provider, rather than a more superficial enjoyable interaction.

Defection

No relationship was found to exist between rapport and customer defection. Consequently, although high levels of rapport (i.e. personal connection or enjoyable interaction) influenced customers to remain loyal to their supplier organisations, to advocate organisations to others and to increase their levels of satisfaction, it did not prevent customers from defecting to other suppliers.

One possible explanation for this finding is that the drivers of defection are not relationship-based, but rather related to other variables, such as the core product offerings (i.e. mobile call quality). So the degree of rapport sales executives have with their customers does lead to increased advocacy and loyalty, other issues, such as inferior mobile phone call quality, might influence customer defection. Even though there has been a lack of empirical research examining the relationship between rapport and defection, Forethought has consistently identified the antecedents of defection in a business-to-business service context as being pricing or service quality issues.

Convergence of customer-supplier rapport ratings

The Forethought study into rapport utilised a matched dyad approach, where customers and their sales executives provided ratings for the same constructs. It found that sales executives provided significantly higher ratings of the personal connection dimension of rapport than their respective customers. This suggests that the sales executives believed that a deeper connection existed with the customer than what the customers believed.

The identification of a 'gap' is a key finding, particularly given that the personal connection dimension significantly impacted customers' intentions to remain loyal and advocate supplier organisations. However, it was also a noteworthy finding because in contrast, customers and sales executives provided comparable ratings of the enjoyable interaction dimension.

This suggests that customers and their respective sales executives perceived similar levels of the enjoyable interaction dimension to exist, but had significantly varied perceptions on the personal connection dimension. Specifically, sales executives perceived that they had significantly greater levels of personal connection with their customers than those customers did.

It appears that a true discrepancy existed, perhaps explained by the different emphasis placed on the relationship by customers and sales executives. Sales executives' entire livelihood is based around maintaining relationships with their customers, as well as increasing sales, whereas for customers, interacting with a sales executive is just a small component of their job. Sales executives may indeed perceive relatively high levels of personal connection with their customers, while customers genuinely perceive relatively lower levels.

Exhibit 2

Impact of personal connection on business outcomes

PERSONAL CONNECTION

LOYALTY

ADVOCACY

Exhibit 3

Antecedents of enjoyable interaction

ENJOYABLE INTERACTION

SATISFACTION

Antecedents of rapport

To date, no prior empirical research had been conducted to examine the antecedents (or mediators) of rapport; however, in the quest to better understand the two theorised dimensions of rapport, the study identified a number of key predictors. Frequent contact and one dimension of trust, measured in the Forethought study as 'benevolence', were found to be significant predictors of both enjoyable interaction and personal connection. Notably, personal interests also predicted personal connection, as is shown in exhibit 4.

This exhibit suggests that benevolence, personal interests and frequent contact facilitated the development of a deeper bond or affiliation (personal connection) with customers, while only benevolence and frequent contact contributed to an enjoyable interaction.

Frequent contact impacted on both enjoyable interaction and personal connection, suggesting that it is easier to develop rapport with someone you have frequent contact with, as opposed to irregular or infrequent contact. However, it could also be argued that without high levels of benevolence, frequent contact might have a negative impact on the development of rapport. For example, if a customer did not particularly trust their sales executive, frequent contact would not necessarily facilitate a positive relationship.

There are benefits for sales executives who develop benevolent relationships with their customers, namely increased satisfaction and a higher likelihood of customers displaying both advocacy and loyalty. This trust dimension was found to be a significant predictor of both enjoyable interaction and personal connection, thus mediating the relationship to both satisfaction and these business outcomes. This suggests that a benevolent relationship, described as a caring, friendly to customers approach by Tickle-Degnen and Rosenthal (1990), will benefit both sales executives and their organisations.

Finally, an explanation for the identified relationship between personal interests and personal connection is that it is typically easier to interact with people who are like us than with people who are very different to us. This is consistent with Sabini (1995), who commented on the influence personal similarity has on the ability to develop relationships. This finding has implications for the recruitment of new sales force members and the assignment of sales executives to service particular customers.

It is interesting to note that the length of time sales executives had been working with customers had no significant impact on either enjoyable interaction or personal connection. This is a key finding that draws attention to the importance of the rapport construct in a sales role. It suggests that even though rapport can be developed at any stage of the relationship, the length of service does not influence rapport, while the frequency of contact does. That length of service was not a predictor of rapport is consistent with qualitative data collected by Forethought. This data found that business-to-business customers did not mind staff turnover and indeed, expected it, yet wanted a professional hand-over so that their information and requirements did not have to be provided again. Only in the absence of a good hand-over did staff turnover affect satisfaction.

Therefore, the data collected in this Forethought survey suggests that a short serving, frequent caller is more effective than a long-serving, infrequent caller. Maintaining frequent contact with customers is critical for sales executives to facilitate and certainly maintain rapport. An important consideration is that the amount of desired contact would be expected to vary according to different service contexts and indeed, individual customers.

Management Implications

Identifying relationship components that are predictive of business outcomes has implications on how service organisations can differentiate their services from competitors. For the recruitment of new sales executives, there is an opportunity for organisations to translate the significant dimensions of rapport into core competencies and subsequently incorporate into the job descriptions, to be used as key selection criteria.

The findings of the Forethought study indicate that personal connection would most likely occur when there is homogeneity between the service provider and the customer, in terms of personal interests. There is an opportunity for organisations to employ sales force members with diverse personal interests, in order to better match sales executives to customers with a variety of personal interests. However, selecting staff based on homogenous personal interests could possibly breach discrimination legislation, and therefore may not be explicitly actionable for management.

For existing members of the sales force, there is an opportunity for organisations to incorporate significant rapport dimensions into the core competencies of their job descriptions, and to develop these skills through training. Organisations could incorporate selective rapport training into their sales force training and development programs (i.e. active listening and advanced communication skills).

There are also a number of implications regarding how the relationship with customers should be managed. Organisations could encourage the development of friendships with customers. Additionally, a social program or social activities could be incorporated into sales executives' relationship management programs (i.e. attending football games, playing golf). However, it is important to note that the social activity must be of interest to the customer. Furthermore, there is an opportunity for organisations to incorporate a contact plan into contract negotiations and service agreements with customers. During contract negotiations, relevant sales executives should discuss the preferred frequency and channel for contact with their customers, and such information should be incorporated into service agreement contracts to be adhered to.

Finally, organisations should measure multi-source data (i.e. both customer and sales executive perceptions of rapport), using this as a training and development tool and incorporating into performance management programs. Measuring convergent data in the customer-supplier dyad serves as an excellent management tool for providing feedback to account management staff regarding the reality of their perceptions, and to evaluate the specific strengths and weaknesses of their interpersonal skills. Such feedback would provide sales executives with information on either the need to improve their self-assessment skills or the need to re-adjust their behaviour and improve their interpersonal skills, in order to meet their customers' expectations. However, from a commercial point of view, customer perceptions should be viewed as the more appropriate predictor of outcomes favourable to an organisation.

Conclusions

These findings indicate that customer satisfaction appears to be a more attainable goal in comparison to advocacy and loyalty. Enjoyable interaction will not guarantee higher level business outcomes, such as customer advocacy and loyalty. Advocating an organisation requires an individual to link one's own credibility with that of another, and the present study indicates that for customers to advocate, sales executives must 'connect' (i.e. achieve a personal connection) with them.

The percentage of variance explained by each of the rapport dimensions in relation to favourable business outcomes was relatively high and certainly suggests that customer-supplier rapport in a business-to-business services context warrants additional attention. However, it should be noted that even though rapport is an important determinant of business outcomes with several management implications, it interacts with other causal factors, and, alone, would not ensure a customer will be satisfied, will advocate or will remain loyal.

The Forethought study has extended the understanding of how relationships influence valuable outcomes for service organisations, and offers specific advice to organisations that could be incorporated into future performance management programs and indeed, customer satisfaction programs.

Exhibit 4

Antecedents of rapport

TRUST: BENEVOLENCE

FREQUENT CONTACT

PERSONAL INTERESTS

PERSONAL CONNECTION

LOYALTY

ADVOCACY

TRUST: BENEVOLENCE

FREQUENT CONTACT

ENJOYABLE INTERACTION

SATISFACTION

Enhancing Rapport Amongst the Sales Team

The relationship identified between rapport, the business outcomes of advocacy and loyalty, and customer satisfaction provide an excellent point of leverage for sales executive recruitment and development. In particular, the finding that personal interests drive personal connection – a predictor of advocacy and loyalty – points to opportunities for enhancing sales executive performance by matching the interests of sales executives and their clients.

Recruitment

Placing an emphasis on sales executives' interests emerges as a technique to be included in recruitment systems, particularly if you have a strong understanding of the interest profile of your key customers. However, a focus on interests should not be at the expense of sales executive skill, experience and other established competencies. In addition, recruiting on the basis of the match between individual sales executives and client contacts does not take into account potential changes to the key contact within client organisations.

An alternative to selecting sales executives on the basis of their interests is to instead focus on their social skill and capacity to demonstrate empathy. Empathy is the ability and preparedness to develop an understanding and appreciation of the interests, preferences and values of others, and is the core of interpersonal interaction and social skill. Indeed, empathy forms the basis of all work-related social competencies (Goleman, 1998). Consequently, even though a sales executive may not have personal interests that are immediately aligned to their client's, by displaying empathy they are more likely to develop a genuine appreciation and understanding of that client's interests.

In terms of recruitment, social skill and empathy can be built into the competency model for sales executive selection. Behavioural or evidenced-based interview questions designed to assess social skill and empathy provide an appropriate and cost-effective selection technique. At a more complex level, selection processes that include assessment centre activities or psychometric appraisal allow for a more thorough measurement of social skill and empathy. Assessment centre activities that require listening and understanding, such as group activities or role-play tasks placing candidates in an interaction situation, enables a demonstration of their social skill. However, it is important that listening and empathy are assessed accurately, and are kept separate from social confidence and presentation ability.

Even though social skill and empathy competencies should precede sales executive interests during recruitment, interests can be used to assist in the process of assigning sales executives to accounts. Once sales executives with demonstrated social skills and empathy have been recruited, using interests to assign them to accounts enhances the potential for a personal connection to develop between the sales executive and their client contact.

Performance Management and Development

Proven competencies involving social skill and empathy can also be included in performance management systems and measured during performance appraisals. Sales executive performance and development in these areas can be measured and tracked, and any training needs identified. This may require the use of multi-source feedback, which includes assessments from clients as to their perceptions of sales executive social skill and empathy. Where possible, it is important to move away from self-report assessments of sales executive interpersonal skills, as they may be either intentionally or unintentionally biased.

With respect to training, listening and communication skills drive empathy and therefore should serve as the focus of programs designed to enhance sales executive rapport-building skills. As empathy is the ability to understand and attend to the interests and preferences of others, it requires sound listening skills. A program focusing on listening as the basis of skill development would therefore be the most effective method for building empathy and developing rapport skills.

The key to enhancing the level of social skill and empathy is to ensure that the constructs are consistent within the competency model for selection, performance management and training.

An augmented competency model may build on established competencies by including key indicators of empathy and social skill, such as listening skills, recognising customer needs, sensitivity to the perspectives of others, willingness to help others, understanding of diversity, open communication, tact and diplomacy, and a focus on win-win solutions. Provided that the areas included in the competency model remain consistent, sales executive performance and development in these areas can be accurately measured and tracked and furthermore, be compared to overall performance and loyalty and advocacy levels.

Sales Executive performance within a role is generally an outcome of the match between their knowledge, skills and abilities, and the requirements of their position. Identifying the part that rapport and personal interests play in achieving loyalty and advocacy supports a focus on increasing the level of rapport-building skills within a sales executive group.

Empathy and social skill enhance an individual's ability to understand and establish interpersonal interests with others when they are not already present. Therefore, the level of empathy and social skills within a group can be enhanced through incorporating an assessment of the key indicators of these skills into the recruitment and development systems.

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