

## A STUDY TO CONSIDER HOW SALESPEOPLE BELIEVE THEY CAN BUILD A LONG TERM SERVICE RELATIONSHIP WITH THEIR CUSTOMERS

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### ABSTRACT

Organisations have to invest in the relationship with their customers before transactions can take place that generate revenue. This is particularly true in service relationships and presents a challenge for salespeople – how to create the right sort of trusting connection that can lead to a beneficial exchange relationship. Art specialists can be considered to be the sales personnel of fine arts auction houses (Thornton, 2008). Their roles include providing expert information, offering advice, acting as a seller and intermediary, relationship cultivation and being the main point of contact for customers. This study will consider how to build and maintain long-term service relationships from the salesperson's perspective. Six fine arts auction houses have participated in the study (from 6 countries including the US). They are leading businesses in their own markets, have an international customer base and maintain offices in different cities within their territory. Exploratory semi-structured interviews were conducted with 18 specialists from these auction houses (i.e. three per organisation). The data was analyzed using qualitative content analysis.

Trust is commonly acknowledged to be one of the key variables in establishing customer relationships (Swan, Bowers and Richardson, 1999). The vast majority of specialists deem mutual trust to be not only important, but essential, for their connection to and dealings with their customers. When discussing the elements of trustworthiness, most respondents identified 'competence' first. Competence does not only denote a specific set of skills, but also technical and market knowledge (Selnes, 1998). The second aspect of a specialist's perceived trustworthiness can be categorised as 'honesty'. According to the specialists, honesty means delivering on promises, transparent processes, providing reliable provenance information, guidance and advice. A third antecedent identified may be labelled 'benevolence' and comprises a trustee's perceived benign attitude towards the trustor, i.e. the willingness to do them good without extrinsic rewards (Sirdeshmukh, Singh and Sabol, 2002). Trust evolves in situations marked by vulnerability and uncertainty in which an individual's state of incomplete knowledge about another actor's behaviour requires them to trust that person (Rousseau, Sitkin, Burt and Camerer, 1998). Thus, customers have to be convinced that the specialist has their best interests at heart and cares for their success in the auction sale. The evidence suggested that 'similarity' or a feeling of fit is important for a salesperson's perceived trustworthiness. Similarity is described as familiar or shared attitudes demonstrated by the actors, which allows them to predict and understand the other's intentions and/or behaviour (Johnson and Grayson, 2005). Mayer *et al.* (1995) point out that although the characteristics of trust are intertwined, the degree to which they are present in a trustee and observed by a trustor can vary. When analysing the data related to a specialist's trustworthiness, it became apparent that competence has the highest priority for customers, followed by honesty, benevolence and similarity.

It was found that trust in the other party, time and repeated interactions were the most common themes that emerged from the analysis. Taking time to build the relationship can be linked to the series of individual transactions, or 'acts' that build into episodes and finally sequences as outlined by Holmlund (2008). Nevertheless, Raval and Grönroos (1996) identified customers usually evaluate the relationship as a whole rather than the individual offerings or exchange episodes. One issue highlighted by several respondents is the fragility of trust, as it can also be damaged or destroyed within a few moments. Asked how trust affects their interaction with a customer, the large majority of specialists explained that the latter shares information about the object, their motives, expectations and preferences more readily in a trusting relationship, leading to the development of greater customer value.

Salespeople have to be aware that trust develops over time and across all interrelated stages of their interaction. It is not sufficient for the latter to display the identified antecedents only during the initial encounters and then rely on this trustworthy impression for the remainder of their connection. This research shows that sustained interpersonal trust impacts positively on building long-term relationships, and is developed over the course of the intertwined interaction levels of acts episodes and sequences. The wealth of experience, information and understanding regarding the customer's motives and preferences incrementally increases strengthening the relationship, resulting in greater relationship quality.

References available upon request.