

Impact of Salesperson Behaviour on Customers Equity in Super Market

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Abstract: *The main objective of the study is to examine the impact of adaptive selling and ethical orientation behavior on customer equity. The present study is descriptive and analytical research design in nature. The study based on questionnaire survey to collect primary data of super market within Kathmandu valley with 200 respondents using judgmental sampling technique. Correlation, and regression have been adopted to analyze and interpret the collected data. The study has found that adaptive selling and ethical orientation behavior have positive relationship with customer equity. Moreover, Ethical oriented behavior has most impact on customer equity building in super market.*

Key words: Adaptive Selling, Customers Equity, Ethical Orientation, Super Market.

I. BACKGROUND OF THE STUDY

Customer equity refers the aggregate of discounted life time values of all present and future customers of company (Blattberg & Deighton, 1996), Rust, Lemon & Zeithaml (2004). Customer equity is the total of the discounted lifetime values of all its customers (Rust, Zeithaml & Lemon, 2001). Blattberg and Deighton (1996) deliberated to be the first to coin the term customer equity. Swan and Oliver's (1991) effort on interpersonal equity and buyer equity perceptions with automobile and also exhibited salespeople was one of the first to use a customer equity approach in marketing and sales settings.

Rust et al. (2004) defined customer equity as the total of the discounted life values of whole customers. Rust et al. (2001) recognize three main factors to customer equity: value equity, brand equity and retention equity. Companies habitually endeavor to have more customers and rise profits by cultivating customer equity. They work the job by refining consumer service, educating the value of the brand, cultivating goodwill, civilizing brand popularity such as by advertisements and improving the trust of the customer towards the brand. Kuster and Canales (2011) show that salesperson is one of the most

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important tools to a firm's survival by quality of their role between the firm and their customers. There are four approaches to exist for measuring customer value. They are deliberated here: customer equity management, customer value analysis, loyalty monitoring, and customer satisfaction in a selling environment, salesperson practice effectiveness entices considerable research attention because of its importance to accomplishing superior salesperson performance (Paparoidamis & Guenzi, 2009).

The salesperson's role has emerged over different eras of marketing and replicates numerous developments in marketing and organizations (Weitz & Bradford, 1999). Moreover, salesperson acts a major role in the development of long-term buyer-seller relationships. An effective salesperson behavior creates superior result that progresses better sales organization performance Baldauf et al. (2001).

In this case salesperson is the bridge between the stores and customers. They are key communicator for the customers. Recently, Nepal has started the trend of super markets. Nowadays people like to visit the super markets in order to purchase their necessity because of availability of all goods and services under one roof. In this case salesperson is the bridge between the markets and customers. They are the key communicator for the customers. So, salesperson personality disposition toward the customers is the major determinants for the consumer buying process. In this respect, this research will identify major issues and its consequences in the Nepalese market so that the proper information can be underlined.

The objectives of this study is to examine an impact of adaptive selling and ethical orientation on customer's equity in Nepalese super market.

The consequent sections of the paper are in the next order. Section II presents the brief review of previous studies regarding sales person behavior on customer equity. This part also comprises expansion of hypothesis. Likewise, Section III shapes the methodology employed in the study. Section IV boons the results and discussion, and finally, Section V encompasses conclusion and implications of the research.

II. REVIEW OF LITERATURE

Theoretical Support

Social exchange theory was developed by sociologist George Homans, suggests that social behavior is the consequence of an exchange process. According to the theory people consider the potential benefits and risks of social relationship. This theory offers a theoretical foundation for relationship development and behavioral dependence. Trust is considered as an essential ingredient in successful buyer-seller relationship. In this regards, this theory advocates that the kinds of relationship come across in buyer-seller exchanges to develop warm relation, trust and loyalty. Further this implies the contribution to establish customer equity. The customer equity can be demarcated as the value of the potential future returns created by a company's customers in the whole lifetime of the company. The high customer equity will value a higher price as compared to a company with low customer equity at the marketplace.

Adaptive Selling Behavior and Customer Equity

Adaptive selling behavior is the exercise of shifting the selling approach during the sales presentation to meet customers' needs, solving customers' problems, handling objections and working on new opportunities that may ascend (Spiro & Weitz, 1990; Weitz, Sujan & Sujan, 1986). Adoptive selling is a selling strategy in which a product or service is presented different way according to the type of salesperson opinion and viewing. The existing research in adoptive selling can be classified into two brooks: (1) Examining different antecedents and outcomes of adaptive selling and measurement of adaptive selling (Park & Holloway, 2003). The quality of the association between sales manager and salesperson is found to positively influence on the actual practice of adaptive selling behavior by the salesperson (Del Vecchio, 1998), perceptual incongruities in managerial control have no impact on adoptive selling behavior.

Interaction involvement is positively related with adaptive selling of the salesperson and it also investigated to arbitrate between communication apprehension and adaptive selling (Boorum, Goolsby & Ramsey, 1998). Sujan and Sujan (1986) depicted that motivation to exercise adaptive selling is a vital antecedent for the practice of adoptive selling behaviors and it is the way to develop customer equity.

Roman and Martin (2014) showed that perceived adaptive selling significantly upsurges satisfaction with the salesperson, satisfaction with the supplier and loyalty to the supplier while controlling for length of the buyer–seller relationship. Guenzi et al. (2016) discovered that adaptive selling is negatively related to trust. As stated the above situation is weakened in sales contexts characterized by high purchase enduring buyer–seller relationships. Kim et al. (2019) reveled that adaptive selling is an important variable affecting the consumer's shopping value. Sutantio et al. (2020), showed that adaptive selling and customer preference had a significant impact on customer satisfaction and it had the highest influence on customer satisfaction and customer trust.

Ethical orientation and customer equity

Ethical orientation means that playing in ways that in line with what society and people usually assume square measure smart values. It involves indicating respect for main ethical principle which symbolize honesty, fairness, equality, dignity, diversity and individual rights. Unethical selling behavior embrace activities, such as lying or exaggerating about the benefits of a product, lying about the competition, selling products that customers do not need, giving answers when the answer is not really known, and executing scheming effect tactics or high-pressure selling techniques (Lagace, Dahlstrom & Gassenheimer, 1991; Robertson & Anderson, 1993; Roman, 2003; Roman & Munuera, 2005; Roman & Ruiz, 2005).

Some of the salesperson's unethical behaviors are overplaying about a product's uses, lying about approachability, lying about rivals, selling products in pressure to the customer, answering enough information to answer towards customers and using impacting tactics or high-pressure selling techniques (Roman & Ruiz, 2005).

Lagace, Dahlstrom and Gassenheimer (1991) recommended that the type of unethical rehearsal is completely situation and task specific. Higher customer trust and higher levels of commitment with the salesperson are also related as the results of perceived ethical behavior (Roman & Ruiz, 2005). The ethical and unethical behaviors are founded on the fact that how much an activity is correct or wrong, good or bad, fair or unfair (Chen & Mau, 2009).

Thus, the salesperson's ethical behavior can play a major roles to establish and develop long-term warm relations with customers (Chen and Mau, 2009). Ethical behavior is extensively renowned societal norms – fair play, honesty, complete disclosure and so on and positive impact on customer equity development (Robertson & Anderson, 1993).

Ethical sales behavior has been positively and strongly related with customer trust and satisfaction with the basic service, customer trust in the company and customer loyalty towards the company (Roman, 2003). Ethical behavior has a strong positive relationship with customer satisfaction loyalty with the salesperson (Roman, 2003; Roman & Ruiz, 2005). Román (2003), explored that a salesperson's ethical behavior drives to higher customer satisfaction, trust and loyalty to the customers of bank that the salesperson represents.

Since salesperson commonly work in environments with no supervision, they are tried to make money for the company, they are assessed based on the short-term objectives; thus, they are under ethical pressure more than others (Futrell, 2006).

Hazrati et al. (2012), salesperson's ethical behavior positively impact on the customer's trust and commitment and indirectly stimulates on the customer's commitment because of leading to the customer's satisfaction and trust by the salesperson's ethical behavior which ultimately drives to the customer's commitment. Further, it concluded that ethical behavior is the most influencing behavior of selling on customer equity building.

Tuan (2015), showed that there is only indirect impact of ethical sales behavior on customer satisfaction and loyalty through customer trust and customer commitment. After looking at the demographics, age and sales experience, it is found to interrelate with gender and education to impact the practice of adoptive selling (Levy & Sharma, 1994).

Conceptual Framework

Based on the literature review, the customer equity is affected by several variables. Adaptive selling, and ethical orientated behavioral have been taken as independent variables and customer equity as depended variable of the study. The relationship of these variables is abridged as below:

Adaptive Selling: It is a selling strategy in which a product or service is presented differently according to the types and characteristics of salespersons' opinion and viewing.

Ethical Orientation: It refers that playing in ways that in line with what society and people generally undertake square measure smart values. It involves indicating respect for main ethical principle which symbolize honesty, fairness, equality, dignity, diversity and individual rights.

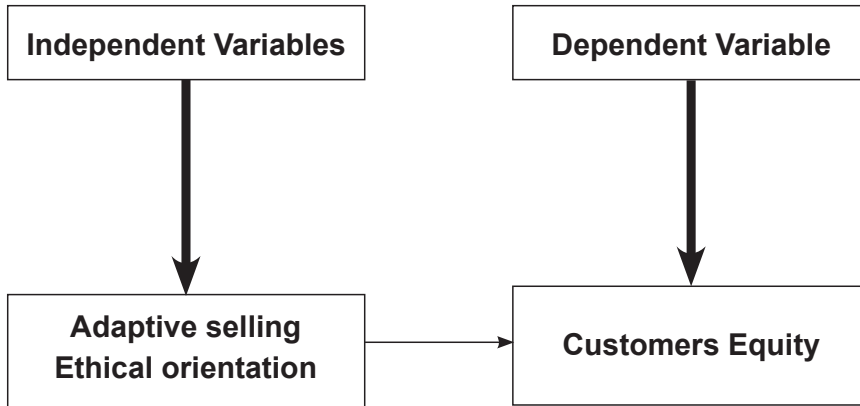


Figure 2.1: Conceptual Framework

Customer Equity: It is the value of the potential future returns created by a company's customers in the whole lifetime of the company. It refers to a consequence of customer relationship management. It can be defined the entire of discounted lifetime values of all of the firm's customers. In general, the more loyal a customer, the more is the customer equity.

III. RESEARCH METHODOLOGY

This study is designed in descriptive and analytical. Population was targeted to salespersons of super market and 250 respondents were selected adopting judgmental sampling technique to have accurate information for the study. The study is based on primary data through the Questionnaire survey in order to gather the information and data. The questionnaire has been developed in 5 points Likert Scale encompassing strongly disagree, to strongly agree. For this, 23 questions (close ended) was distributed among the respondents. Pilot test had been conducted obtaining responses of 40 salespersons of super markets. There are total 16 outlets of Bhatbateni super market in Nepal and among them 9 outlets are inside Kathmandu valley (www.bbsm.com.np). The population size for this research includes all the salespersons employed in different Bhatbateni supermarket in Bouddha, Maharajgunja, Koteshowr and Lalitpur outlet

In this survey 250 questionnaires were distributed. Out of them, 213 questionnaires has been returned, of which 200 were completed, reflecting a response rate of 80 percent. The questionnaires have been entered in spread sheet of SPSS 26 version. Correlation and regression had been applied to analyze and interpret the collected data to find out the result.

Reliability Analysis

First of all, Cronbach's Alpha analysis was observed for reliability and validity of each question in the data set (Gliem & Gliem, 2003).

The constructs comprising of variables such as adoptive selling, ethical orientation and customers equity had been distinctly verified to make confident for reliable of items. The reliability of the items indicates that the scale has well in following table.

Table 1
Reliability results of study variables

S.N.	Variables	Cronbach's Alpha
1	Adaptive selling	0.826
2	Ethical behavior	0.881
3	Customer Equity	0.893

Source: Field survey, 2020

Table 1 displays that Cronbach's Alpha of adoptive selling has 0.826, ethical behavior has 0.881 and customer equity has 0.893. On the table, Cronbach's Alpha of the all variables are greater than 0.750. That shows the consistency of all the items engaged in the study. And the study used the following regression model:

$$CE = \beta_0 + \beta_1 AS + \beta_2 EB + U$$

Where,

CE: Customer Equity

β_0 : Constant

AS: Adaptive Selling

EB: Ethical Behavior

From the previous studies these had found.

S.No.	Variables	Relationship	Sources
1	CE and AS	+ ve	Sujan and Sujan (1986), Sutantio, at. el.(2020), Kim at.el. (2019)
2	CE and EO	+ ve	Robertson & Anderson (1993), Hazrati et al. (2012), Tuan (2015)

IV. RESULT AND DISCUSSION

The objective of the study is to assess the relationship of adaptive selling and ethical behavior on customers' equity.

Correlation Analysis

Person's correlation has been adopted to measure the relationship between dependent variable and independent variables. In this study customer equity has been

reserved as the dependent variable, adaptive selling and ethical oriented behavior as independent variables.

Table 2
Correlation coefficients

Variables	Adaptive Selling	Ethical Behavior	Customer Equity
Adaptive Selling	1		
Ethical Behavior	0.466**	1	
Customer Equity	0.539**	0.614**	1

Source: Field survey, 2020

Table 2 shows the relation of customer equity with adaptive selling and ethical behavior. The correlation between customer equity with adoptive selling is 0.539 and customer equity with ethical behavior is 0.614. Similarly, correlation between adoptive selling with ethical behavior is 0.466. It is clear that there is positive relationship among both of the independent variables with customer equity and there is clearly seen the highest correlation between customers equity and ethical behavior.

Regression Result

Regression analysis has been applied to investigate the impact of adaptive selling and ethical behavior with customer equity. The result of the study has been offered in the table. The table showed that the value of R square is 0.442 and f value is 81.48 with the p value 0.000 which is less than alpha ($0.000 < 0.05$). These values specified that the model is significant, and adaptive selling and ethical behavior are able to describe variance in customer equity significantly. It showed the justification of 44.20% of validity in customer equity.

Table 3
Regression with model summary

	Coefficient	Sig
(Constant)	1.0265	0.000
Adoptive Selling	0.252	0.000
Ethical Behavior	0.421	0.000
R2	0.442	
F value	81.48	
p value	0.000i	

Source: Field Survey, 2020

Table 3 shows that adaptive selling and ethical behavior are statistically significant at 5% level of significance. Therefore, Adoptive selling has positive association and impact on customer equity. Likewise, ethical behavior has also positive association and significant impact on customer equity.

This study found that adaptive selling has positive relationship with customer equity, this finding is similar with the study of Sujana and Sujana (1986) which displayed that

motivation to exercise adaptive selling is a vital antecedent to the practice of adaptive selling behaviors and it is the way to develop customer equity.

It is line with Sutantio et al. (2020) showed that adaptive selling and customer preference had a significant impact on customer satisfaction and it had the highest influence on customer satisfaction and customer trust.

The finding is not consistence with Guenzi et al. (2016) revealed that adaptive selling is negatively related to trust, and that the above situation is weakened in sales contexts characterized by high purchase enduring buyer–seller relationships

Finally, this study also investigated that ethical behavior has positive relation with customer equity. This finding is also similar to (Robertson & Anderson, 1993) that proved ethical behavior is extensively renowned societal norms – fair play, honesty, complete disclosure and so on and positive impact on customer equity development.

It is also line with Hazrati et al. (2012) that the study found salesperson’s ethical behavior impacts positively on the customer’s trust and commitment and indirectly stimulates on the customer’s commitment because of leading to the customer’s satisfaction and trust by the salesperson’s ethical behavior which drives towards the customer’s commitment. Further, it also concluded that ethical behavior is the most influencing behavior of selling on customer equity building.

It is also consistence with Tuan (2015) showed that there is only indirect impact of ethical sales behavior on customer satisfaction and loyalty through customer trust and customer commitment.

Summary of hypothesis testing

Hypothesis statement	Decision
H1: Adaptive selling has positive and significant impact on customer equity.	Accepted
H2: Ethical behavior has positive and significant impact on customer equity	Accepted

V. CONCLUSION AND IMPLICATIONS

Conclusion

From the above results, it can be concluded that the organization must train the sales persons conducting training, workshop and seminar to make them capable and skillful providing required knowledge regarding company, product, customers, policy and so on. Besides, the sales persons can behave and adopt appropriate selling techniques as per the customer’s nature and types. Similarly, sales persons can also communicate information ethically to build up the customer equity. At result, company can build up the warm relation with customers and retain them making the loyal customers. It also assists to increase customers trust and company’s image.

Customer equity is key instrument that plays major role in marketing system for

organizations' enhancement. Organization' profitability can be maximized through the customer equity. In recent markets, the success of business organization depends on management of the customer as an asset considering adaptive selling and ethical behavior. As stated above findings, it can be seen that sales persons can increase sales establishing warm relationship with customer.

Implications

From a managerial perspective, business organization should invest human resources development. It needs to consider for improving knowledge, skills and competency of salespersons in building customer trust conducting seminar, training and workshop because salesperson is the direct contact between the business institutions and the customer. Salesperson is the key factor in between business organization and customers so they should be the first priority for the organization to invest resources. Salesperson needs to increase customer value establishing warm relationship with customers for making them trustful and loyal applying adaptive selling and ethical oriented behavior to create and influence overall customer equity for the business organization. This customer value in turn will create and influence overall customer equity for the business institutions.

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Funding

The author received no funding or financial support in carrying out the research.

Conflict of Interest

The author declared having no conflict of interest in the research work.
