Trust-Based Relationship Selling:
A Transformation of the Traditional Selling Process

An Honors Thesis (Honrs 499)

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Abstract

Changes in the business environment over the past twenty years have induced a transformation in professional selling. The traditional transaction-focused selling approach has been altered to incorporate relationships. This article emphasizes the vital role that trust plays in the development of relationships, identifies five trust-builders, explores the new trust-based relationship selling process, and details the benefits of building relationships.

Introduction

The last twenty years have brought a wealth of new ideas and changes to the business world. The vocabularies of most major functional areas have broadened to include terms such as relationship marketing, alliances, total quality, empowerment, reengineering, and many more. Sales is definitely an area that has evolved with market and competitive changes. Professional selling has progressed from the stereotypes of the past to accommodate the buyers of the future.

Unfortunately, the word "sales" has conjured a negative connotation for most of the past five decades. For many buyers and consumers, the word was synonymous with manipulation, aggressiveness, and deceit. Actors such as Al Pacino, Jack Lemmon, and countless others have reinforced the opinion by portraying salesmen that are slick, fast-talking manipulators. The good news is that the "get an order any way you can" philosophy of the hard sell has been discarded to make room for relationship selling (Jolson 1997).

Relationship Selling

Relationship selling can be defined as "a multi-stage process that emphasizes personalization and empathy as key ingredients in identifying prospects, developing them as customers, and keeping them satisfied" (Jolson 1997). Also known as partnering, relationship selling focuses on building trust. Most potential sales situations involve conditions in which trust is crucial. Interpersonal trust is defined as "a reliance upon information received from another person about uncertain environmental states and their accompanying outcomes in a risky situation (Hawes, Mast and Swan 1989). Selling situations undoubtedly have uncertainties and risk involved. This is why it is important for the buyer to trust the salesperson and the company that he or she represents. Naturally, the transaction will have a written contract and the buyer has means to fight for recompense. However, trust is the binding force that provides the buyer with high expectations that a satisfying exchange will occur (Hawes, Mast and Swan 1989).
Building Trust

Effective exchanges occur when buyers and sellers trust each other. However, the *perception* of trust is what guides decisions. The level of trust that a buyer perceives, and not the amount the salesperson believes they deserve, is what is important. Buyers are more likely to make purchases from sales representatives where lower levels of risk are found (Barnhouse 1987). It is definitely to the salesperson’s benefit to establish a relationship, because gaining trust lowers the risk perceived by the buyer.

Earning trust is typically the responsibility of the salesperson. Understanding what factors contribute to the formulation of trust is vital to obtaining it. Doyle and Roth developed desirable traits in five areas that promote the building of trust in the buyer/seller dyad. The five areas include customer-orientation, competence, dependability, candor and likability. Demonstrating these characteristics to buyers reduces their uncertainty and vulnerability. In light of this, buyers will continue to purchase from a firm that they trust because it is to their benefit. Figure 1 illustrates the five trust builders.

*Customer Orientation*

The first trust-builder reflects a desire to serve the customer. Listening to the buyer’s needs and determining how your organization can solve their problem is vital to building trust. Pushing a product that the buyer does not need is not wise because the one time sale is no longer the main objective. A buyer will soon realize that their needs have not been met and will not repeat their purchase.

*Figure 1*

The Five Trust-Builders

- **Customer Orientation (Intent)**
  - You understand the buyer’s needs and place them on par with your own (and your organization’s)
  - You give fair and balanced presentations (pros and cons) and clear statements of benefits.
  - You advise rather than “sell” (You won’t push a product that the buyer doesn’t need).

- **Competence (Ability)**
  - You display technical command of products and applications (i.e. you are accurate, complete, and objective).
  - You have the skill, knowledge, time and resources to do what you promise and what the buyer wants.
  - Your words and actions are consistent with a professional “image”.

- **Dependability (Actions)**
  - Your actions fulfill your prior (verbal) promises.
  - Your actions fit a pattern of prior dependable actions you have established.
  - You refuse to promise what you can’t deliver.

- **Candor (Words)**
  - Your presentations are balanced and fair (e.g. product limitations as well as advantages are discussed).
  - What you say agrees with what the buyer knows to be true.
  - The proof you use to support your words is credible.
  - Subsequent events prove your statements to be true.

- **Likability**
  - You make efficient use of the buyer’s time.
  - You are courteous and polite.
  - You and the buyer share and talk about areas of commonality, including goals and interests. This extends to non-business topics.

The importance of giving a balanced presentation has increased with the sophistication of buyers. Presenting both pros and cons and then emphasizing the benefits of your product is the best way to acknowledge the intelligence of the buyer. The seller is not trying to fool the buyer by ignoring the possible negatives of the product. Each of these aspects emphasizes an orientation towards the customer and signifies the importance of realizing the buyer’s needs.

**Competence**

The salesperson of today has to be competent to interact with more knowledgeable buyers. The abundance and ease of access of information has increased the knowledge of consumers. This makes it even more significant that sellers understand their company’s products. Sellers should be experts on their products, mastering both the product and its applications. A salesperson must have the ability to meet the buyer’s needs. Competence builds trust by demonstrating that the seller has the ability to accurately and objectively handle the problems that the buyer may encounter.

**Dependability**

Dependability refers to how well an individual follows through on what they promise. Promises are easy to verbalize. The importance lies in whether actions are actually taken to complete the promise. Following through on a buyer’s request is important. However, establishing a pattern of doing so is what earns trust. Not every demand a buyer makes is feasible. Being dependable means only promising what can be delivered and then actually following through.

**Candor**

The quality and accuracy of the words used by salespeople is important to the building of trust. Statements made to a buyer have to be credible and not contrary to what the buyer knows to be true. Trust can be gained when future events prove that statements made are in fact true. The choices of words in a presentation also contribute to candor. A salesperson can gain favor by painting a clear picture of the product, including its advantages and limitations. Candor is essential to building customer relationships.

**Likability**

The final trust-builder is likability. There are many qualities that can make a salesperson is ‘likable’. Buyers appreciate salespeople who are natural, humble, honest, and genuine (Plank and Reid 1996). Common courtesies such as being polite are important to the building of trust. Buyers are busy individuals with many tasks to accomplish. Making good use of their time is essential to likability because it shows that you respect their time and understand that it is limited.

It is reasonable to assume that it would be harder for a buyer to trust someone they do not like. The buyer will be reluctant to give the seller enough time to demonstrate trust-building characteristics if he or she is not initially likable.

“You must sell yourself before you can sell your product” is a popular saying.
among sales managers. Small talk is encouraged to explore areas of commonality, but remarks that show insincerity should be avoided (Jolson 1997). Although likability seems like a simple characteristic to obtain, it should not be mistaken as less important.

The advantages that accompany the development of trust are vast for both the buyer and the seller. Salespeople should behave in ways that facilitate trust. The trust-builders mentioned above are avenues to gain trust in a relationship. It is important to mention again the role of perceptions. Each of these activities can be completed by the salesperson. However, the importance lies in whether or not your actions are recognized by the buyer.

The Selling Process

Relationship selling is a multi-stage process. Unfortunately, most treatments of relationship selling focus on the duration, rather than the creation. Instead of paring relationship selling as a polar opposite to traditional selling, it should be a transformation of the traditional selling process. Relationships should be enhanced across all steps in the selling process. “The relationship strategy must encompass every aspect of selling from the first contact with a prospect to servicing the sale once the prospect becomes an established customer” (Manning and Reece 1995).

The functions of selling include prospecting, contacting, probing for needs, stimulating desire, closing and retaining the customer and the sale (Jolson & Comer 1992). An alternative process is a seven-step approach including prospecting, pre-approach, approach, presentation, handling objections, making the close, and the follow-up. There are many variations of this model, but they all encompass the same general theme. All of these models of the selling process are focused on the traditional, transaction based method of sales. The strong movement towards relationship selling has prompted the formation of a new process incorporating the basis of trust. Figure 2 illustrates the transformation from a traditional, transaction-focused selling approach to the new trust-based relationship selling process.

The New Process

The new sales process consists of three steps, initiating the relationship, developing the relationship and enhancing the relationship. Methods of enhancing the buyer-seller relationship are included in each step of the new process. The trust-based relationship selling process has an increased customer-orientation. It is a transformation of the traditional process, which focused on using the customer to the benefit the selling firm. The new selling process is an adaptation stimulated by changing market conditions and which takes into account emerging buyer preferences and needs.

Initiating the relationship

Making contact is the first step in the traditional selling process. In the old sales process, prospecting is simplified into merely finding someone that is willing to listen. The new sales process requires the seller to make contact as well; however, the preparation is very
Figure 2
Comparing the Traditional Task-Focused Selling and the Trust-Based Relationship Selling Processes

<table>
<thead>
<tr>
<th>Traditional Transaction-Focused Selling ¹</th>
<th>Trust-Based Relationship Selling ²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Making Contact</strong></td>
<td><strong>Initiating the Relationship</strong></td>
</tr>
<tr>
<td>- Finding someone willing to listen</td>
<td>- Strategic prospecting and qualifying</td>
</tr>
<tr>
<td>- Strategic prospecting and qualifying</td>
<td>- Gathering and studying pre-call information</td>
</tr>
<tr>
<td>- Gathering and studying pre-call info</td>
<td>- Determining other buying influences</td>
</tr>
<tr>
<td>- Determining other buying influences</td>
<td>- Planning the initial sales call</td>
</tr>
<tr>
<td>- Ingratiation and rapport building</td>
<td>- Approaching and initiating contact</td>
</tr>
<tr>
<td><strong>Pitching the Product</strong></td>
<td>- Assessing the situation and discovering needs</td>
</tr>
<tr>
<td>- Making small talk</td>
<td>- Demonstrating understanding of customer needs</td>
</tr>
<tr>
<td>- Relating the importance of salesperson-selling firm</td>
<td>- Illustrating the value of fulfilling needs</td>
</tr>
<tr>
<td>- Ingratiation and rapport building</td>
<td><strong>Developing the Relationship</strong></td>
</tr>
<tr>
<td>- Delivering standardized pitch purposefully designed to:</td>
<td>- Selecting the appropriate offering</td>
</tr>
<tr>
<td>- Get the prospect’s attention</td>
<td>- Planning the proposal and presentation</td>
</tr>
<tr>
<td>- Push prospect’s hot button to create interest, build desire</td>
<td>- Customizing the presentation</td>
</tr>
<tr>
<td>- Press prospect to take action</td>
<td>- Linking solutions to needs (F-A-B)</td>
</tr>
<tr>
<td>- Ingratiation and rapport building</td>
<td>- Anticipating and negotiating concerns and resistance</td>
</tr>
<tr>
<td>- Demonstrating understanding of customer needs</td>
<td>- Summarizing solutions to confirm benefits</td>
</tr>
<tr>
<td>- Illustrating the value of fulfilling needs</td>
<td>- Securing commitment</td>
</tr>
<tr>
<td>- Delivering standardized pitch purposefully designed to:</td>
<td><strong>Enhancing the Relationship</strong></td>
</tr>
<tr>
<td>- Get the prospect’s attention</td>
<td>- Following-up to assess customer satisfaction</td>
</tr>
<tr>
<td>- Push prospect’s hot button to create interest, build desire</td>
<td>- Taking action to assure customer satisfaction</td>
</tr>
<tr>
<td>- Press prospect to take action</td>
<td>- Maintaining open, two-way communication</td>
</tr>
<tr>
<td>- Ingratiation and rapport building</td>
<td>- Encouraging critical encounters</td>
</tr>
<tr>
<td>- Demonstrating understanding of customer needs</td>
<td>- Expanding collaborative involvement</td>
</tr>
<tr>
<td>- Illustrating the value of fulfilling needs</td>
<td>- Working to add value and enhance mutual opportunities</td>
</tr>
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</table>

different. The relationship selling approach realizes that not every person willing to listen is a qualified prospect. Initiating the relationship requires strategic prospecting to determine whether prospects are qualified to become potential customers of the firm. It is not beneficial to target buyers that do not have a need for the seller’s product or are not able to make purchases.

The first step in the new sales process also requires gathering information about the prospect and individualizing the planned presentation. The first step focuses on determining needs and striving to fulfill those needs. Customer-orientation can be realized due to the value placed on the fulfillment of needs. The new process contains a customer-orientation and the desire to initiate a relationship, rather than just getting the sale.

**Developing the relationship**

The second step in the trust-based relationship selling process includes presenting a solution to the buyer’s problem. This step focuses on satisfying the buyer’s needs instead of just getting the buyer to purchase the product. Again, the focus is on the buyer and not the seller. The seller utilizing the new sales process will work to determine the buyer’s needs and present an offering that is appropriate to the situation. The presentation is customized to the buyer and offers solutions instead of standardization.

Pitching the product in the traditional selling process also includes the presentation; however, it pales in comparison to the depth and precision of the new process. The traditional approach includes actions to impress the buyer and to get the buyer to make a purchase. The presentation focuses on the seller’s firm and is not tailored to the needs of the buyer. This approach does not signify the desire to satisfy the buyer, but rather to say whatever it takes to get the sale. The traditional process focuses on the present without regard to future contacts with the buyer. The goal of the relationship selling approach is to work on building trust to secure a relationship, rather than a one-time sale.

**Enhancing the relationship**

The final step of the new process is to service the account after the sale. The relationship has been developed, but it needs to be maintained and improved. Ensuring customer satisfaction is important to continuing the relationship. The selling firm has to continuously work to add value to the partnership. Maintaining open two-way communication is critical to assess the on-going demands of the relationship. Since the sale has already been made, enhancing the relationship involves taking actions to secure future business.

The traditional selling process also involves a follow-up to the sale; however, it is not concerned with adding value for the buyer. The follow-up in the traditional sales process is merely re-establishing the selling firm in the hopes of making another sale. Again, the focus is on the sale and not on building a relationship. The term “follow-up” takes on two very different meanings when comparing the two processes.
The argument that the new selling process is not a polar opposite of the traditional process is substantiated by the comparison of the processes. In each step, the general actions are the same; however, the means to achieve the actions are different. Thus, the new selling process is a transformation of the traditional transaction-focused selling approach. The objective behind each approach is different, making the activities supporting the processes different.

Ultimately, the trust-based relationship selling approach places value on relationships throughout each step in the process. The guiding force behind each activity is the desire to fulfill the needs of the buyer, in the hope of gaining trust. The traditional selling process is simply too outdated and simplistic to remain competitive.

**Relationship Benefits**

The new sales process emphasizes the importance of the relationship between the buyer and the seller. In order to be important, relationships must accrue benefits for the firms in the partnership. As stated earlier, relationships are mutually beneficial. Several reasons make it advantageous for both the buyer and seller to develop a relationship.

**Benefits to the seller**

Relationship building in sales is an asymmetrical process. The burden rests on the seller (Berry 1995). Naturally, firms would not work to develop relationships if they would not receive some benefit.

Intensifying competition has increased the importance of retaining customers. Large firms that can cut prices dominate many industries. They may have achieved experience curve advantages and economies of scale which have lowered their costs. Because many markets have few sustainable competitive differentials, price is a major purchasing factor (Dodge and Fullerton 1997). Relationships can protect firms from being undercut by low cost/low price leaders. Buyers may be willing to pay more for the service that accompanies the product if the buyer values the relationship. Therefore, a well-developed buyer-seller relationship might become the selling firm's differential advantage.

Profitability for the selling firm is definitely an advantage to building and maintaining relationships. Reichold and Sasser reported research findings from an analysis of more than 100 companies in 2 dozen industries. They found that reducing the customer defection rate by 5% could improve profits from 25% to 85%. It is an accepted principle that it costs more to acquire new customers than to retain current ones (Berry 1995). Overall, loyal customers generate more revenue and cost less to maintain.

Relationships provide an alternative to price competition and have a direct impact on the firm's financial performance. These benefits, as well as those that go along with an established customer base, make relationships attractive for salespeople.
Benefits to the buyer

It is also to the buyer’s advantage to form relationships with their suppliers. Many buyers desire to have relationships with firms when products are personally important, variable in quality or complex (Berry 1995). A relationship reduces the variability of the product and service, which in turn reduces the buyer’s vulnerability. Once a relationship is developed, the buyer enjoys the continuity of the seller’s product and service. The risk for the buyer diminishes when trust is established.

Buyers also receive one-on-one attention, which fundamentally appeals to people (Barlow 1992). Relationship development makes the buyer feel important. It also fulfills the buyer’s needs and makes his/her job easier. Repeat purchases require less effort for the buyer and the seller becomes more knowledgeable about the buyer’s wants and needs. Ultimately, relationships facilitate the customization of the service and the product to the specifications of the customer (Berry 1995). Risk is reduced and buyers benefit.

Closing

Initiating, developing, and enhancing relationships is very important. However, salespeople must achieve a balance between the need to develop relationships and the need to close. The salesperson who is only concerned with building relationships will make a lot of friends, but few sales. The salesperson who is too preoccupied with just closing the sale will not achieve customer loyalty and repeat business (Gschwandtner and Gschwandtner 1996).

It is important to realize that relationships are vital to a company’s long term success, but making sales is imperative for a firm to continue operating.

Many compensation plans make it difficult for salespeople to focus on the nurturing of relationships. Frequently, salespeople are only rewarded for getting the sale. Many sales managers use money as the major motivator for their sales representatives. Unfortunately, this does not stress an importance on building relationships. The monetary reward, along with the adrenaline rush associated with closing, make it hard for salespeople to focus on techniques necessary for building long-term relationships (Gschwandtner and Gschwandtner 1996).

Successful salespeople know when to close and actually do it. A major failure in sales is simply not attempting the close. If the product matches the needs of the buyer and you are confident that your presentation proves it, ask for the order (Snader 1998). The inverse is also true. Making the sale is a top priority, but meeting the needs of the buyer must come first. If the product or service is not right for the buyer, it is not in anyone’s best interest to force the close. Doing so may destroy long term possibilities by only considering your short term needs (Cathcart 1998).

The fear of rejection is imminent for salespeople. However, it is important to take the initiative and try to get the sale when the product or service properly fits the needs of the buyer. If attempted properly, the relationship will not suffer.
Conclusion

The changes that have occurred over the past twenty years have prompted a transformation of the traditional selling process. Relationship selling has become the desired approach because of the benefits to both the buyer and seller. Organizations must find ways to emphasize the importance of building relationships. In turn, sales representatives must work to earn the trust of the buyers they are dealing with.

The advantages of initiating, developing and enhancing relationships are real. The increase in competitive intensity makes it vital for companies to engage in relationships across all functions of selling. Leading sales organizations understand the implications of relationships for the future. Every organization must adapt to the transformation or be left behind.
References


