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THE RELATIONSHIP BETWEEN MARKETING EMOTIONAL INTELLIGENCE AND MARKETING EXCHANGE VARIABLES: THE CASE OF IRANINAN SALES PEOPLE

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ABSTRACT

One of the major factors regarding success in different aspects of personal and professional life is Emotional intelligence (EI) which is the aim of the present study. The aim of researchers in this study tried to investigate and evaluate a version of the Emotional Skills based on Bar-on (1997) instrument for salespeople in Iran. Therefore, the present study examines the ways through which sales professionals use their emotions in marketing exchanges to in order to facilitate positive outcomes for their companies, themselves, and their customers. The researchers, furthermore, made their attempt to examine the relationship between emotional intelligence (EI) in marketing exchanges and key marketing exchange variables including customer orientation, manifest influence, and adaptive selling. Also, the researchers made a comparison between insurance agents and real estate agents regarding the various areas of EIME. Finally, the results of the current study indicate a positive relationship between EIME and key marketing exchange variables. In addition, it was found that the two groups of agents were different in four areas of EIME; and they were only similar in one area. The results of the study would be beneficial for sales managers, marketers, and students of marketing management.

Keywords: *Marketing Emotional Intelligence, Customer Orientation, Manifest Influence, Adaptive Selling*

INTRODUCTION

Emotions play major roles in marketing exchanges and relationships. According to Brown *et al.,* (1997) emotions can influence sales professionals' performance and behavior. The term "emotional intelligence" (EI) was first introduced by Peter and John (1990). Later, it was developed, adapted, and modified by various practitioners and scholars, and became the cover topic of an issue of Time magazine (Gibbs, 1995), where it was claimed that "Emotional Intelligence may be the best predictor of success in life, redefining what it means to be smart." The publication of Goldman's influential books, Emotional Intelligence (1995) and Working with Emotional Intelligence (1998), has extended the EI concept to the business world and made it widely popular. This popularity has led researchers to examine its applicability to various aspects of human functioning, particularly in the fields of psychology, education, sociology, and management.

 In this part it is necessary to mention the objectives of the current study. The primary objective is to develop a specified domain of EI in context of marketing exchange. Unfortunately, there are issues which have hindered the development of this stream of inquiry. Prior research has generally utilized a domain-general assessment of EI i.e. MSCEIT (Mayer *et al.,* 2002). Results based on these assessments have offered mixed support for job-related outcomes (Zeidner *et al.,* 2004), which may occur because individuals have high EI in some contexts (e.g., marriage or music), but not in others (e.g., selling). Thus, a general assessment of EI may adequately address broad domains, yet do poorly when predicting performance in specific contexts (Bearden *et al.,* 2001).

The second objective of this research is to develop an abbreviated version of the EI enables it to reveal assessments in a simple, timely, and effective way for EI-related research, and this should facilitate more widespread use of the instrument. The utility of the current version is diminished somewhat by its length, because the questionnaire usually takes 30-40 min to complete. It can be cumbersome to administer and time-consuming to score, resulting in limited research application. According to Hinkin (1995) scales that

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are shorter in length reduce the likelihood of bias caused by respondent fatigue and carelessness. Moreover, scales with fewer items provide respondents with easier access to answers to previous scales, which leads to increased consistency of responses (Harrison *et al.,* 1996; Podsakoff *et al.,* 2003). Min (2010), investigating salespeople' EI in relation to demographic characteristics, suggests that future researchers modify it into a shorter version because it is lengthy to administer.

Background Investigations
It is worthwhile to mention that numerous studies have identified emotional abilities as being strongly associated with success in academic achievement, general life experiences, and a wide range of factors related to people's jobs. These factors include physical and mental health (Dulewicz *et al.,* 2003; Tsaousis & Nikolaou, 2005), work attitude (Carmeli, 2003), resistance to stress (Bar-On *et al.,* 2000; Cha *et al.,* 2009; Ciarrochi *et al.,* 2002; Mikolajczak *et al.,* 2006; Salovey *et al.,* 2002), interpersonal relations (Schutte *et al.,* 2001), employees' creativity (Zhou & George, 2003). EI can be considered as a predictor of success because it reflects how individuals apply knowledge to immediate situations. In a way, to measure EI is to measure one's ability to get along in the world (Bar-On, 1997). An area neglected by marketers, but at the heart of the discipline, is the role of emotions in marketing exchanges and relationships (Bagozzi *et al.,* 1999).

Emotions constitute powerful psychological forces that can strongly influence sales professionals' behavior and performance (Brown *et al.,* 1997), yet our understanding of how emotions are interpreted and employed in marketing exchanges remains surprisingly limited (Bagozzi *et al.,* 1999). Several studies have examined specific emotions in marketing encounters such as fear and anxiety (Verbeke and Bagozzi, 2000), cheerfulness and excitement (Chitturi *et al.,* 2008), gratitude (Palmatier *et al.,* 2009), anger and frustration (Wagner *et al.,* 2009), and shame and guilt (Agrawal and Duhachek, 2010), however, research has not addressed salespeople's abilities to recognize and respond to their own and their customers' emotions and have not considered how these abilities impact important marketing exchange variables. We refer to marketers' ability to use emotions to facilitate interactions with customers as emotional intelligence in marketing exchanges.

Emotional intelligence (EI) is the ability to acquire and apply knowledge from one's emotions, and from the emotions of others, to produce beneficial outcomes. The marketing literature has largely ignored this ability-based conceptualization of EI despite its potential to benefit individuals who have EI and also those they interact with, such as customers, in exchange relationships. For instance, recent research has suggested that a seller's greater emotion recognition during negotiations with a buyer can increase payoffs for sellers and buyers (Elfenbein *et al.,* 2007).

By increasing joint value, sales professionals create greater outcome satisfaction for buyers and increase the likelihood of future business (Martin *et al.,* 2008; Mueller and Curhan, 2006). Additionally, research in a service setting suggests that employees' displays of emotion can impact customers' affective states and satisfaction (Hennig-Thurau *et al.,* 2006). Thus, EI has the potential to improve current sales performance and to enhance long-term customer relationships.

Marketing Exchange Variables
Kidwell (2011) considered two variables as marketing exchanges including customer orientation, and manifest influence. In the current study we added adaptive selling as the third variable.

Customer orientation: Customer orientation requires sales professionals to "engage in behaviors that increase customer satisfaction and avoid behaviors leading to customer dissatisfaction" (Dunlap *et al.,* 1988; Kidwell 2011). Salespeople with high EI are likely to exhibit behaviors consistent with customer orientation because they effectively perceive, use, understand, and manage emotions in marketing exchanges. High-EI sales professionals are likely to assess customers' needs better, offer products that will satisfy them, describe products and services more effectively relative to the customer's current emotional state, and avoid high-pressure selling, which can result from poor social skills (Thomas *et al.,* 2001; Kidwell, 2011). Ramani and Kumar (2008) suggest that a customer orientation reflects ability to use information obtained through successive interactions to achieve profitable customer relationships. To measure customer orientation we used Periatt *et al.'s* (2004) scale.

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Manifest influence: Manifest influence refers to changes in customers' decisions and behaviors because of sales professionals' participation (Kohli and Zaltman, 1988). Salespeople with greater manifest influence are likely to be superior performers (McFarland *et al.,* 2006).we expect high EIME to be more positively related to manifest influence. Without EI, interpersonal skills suffer, and attempts to influence may seem divisive and pushy. Manifest influence. We adapted Kohli and Zaltman's (1988) scale.

Adaptive selling: The practice of adaptive selling is defined as the altering of sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation" (Weitz *et al.,* 1986). Salespeople exhibit a high level of adaptive selling when they use different sales presentations across sales encounters and when they make adjustments during the encounters. In contrast, a low level of adaptive selling is indicated by the use of the same sales presentation in and during all sales encounters (Spiro and Weitz, 1990). We adapted Spiro and Weitz (1990) scale as third variable in marketing exchanges.

MATERIALS AND METHODS
The present study examines relationship between EIME with three important marketing exchange variables: customer orientation, manifest influence and adaptive selling. Besides, we tried to compare the areas marketing emotional intelligence between two groups including insurance agents and real estate agents. First, we predicted the direct effects of EI on marketing exchange variables to develop our hypotheses. Figure 1 shows our conceptual model.
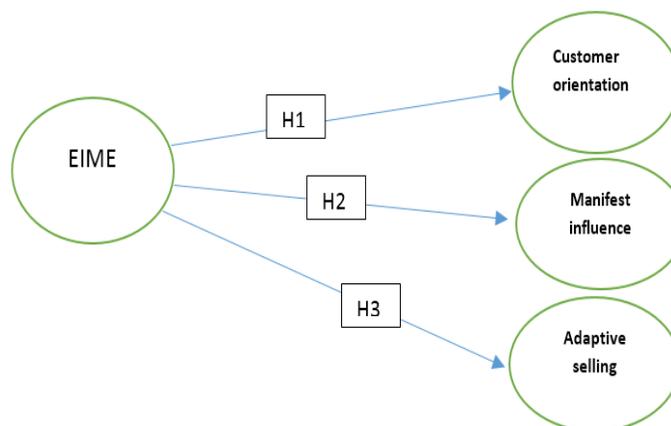

Figure 1: Theoretical model of EI in marketing exchanges

Second, we had five hypotheses in order to compare the above-mentioned groups regarding the areas of marketing emotional intelligence. Here, you can see the hypotheses:
H1: There is difference between insurance agents and real estate agents regarding interpersonal EI.
H2: There is difference between insurance agents and real estate agents regarding intrapersonal EI.
H3: There is difference between insurance agents and real estate agents regarding adaptability EI.
H4: There is difference between insurance agents and real estate agents regarding stress management EI.
H5: There is difference between insurance agents and real estate agents regarding general mood EI.
Design and Subjects
This study is an applicable research and the way of doing it is descriptive & its design is structural equation modeling kind, because its aim is to design a model for emotional intelligence in marketing exchange.
The data collection was accomplished through a survey among agents who were working for some insurance companies as well as real estates. The study is intended to cover the geographical area of Mashhad, Iran. The participants were randomly sampled across various departments of the associations. The stratified sampling technique used for data collection in two specified sectors: insurance and real

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estate agents. Thus, the design of study is cross sectional. Out of 400 questionnaires were distributed, only 330 usable responses were received.

Procedure

We develop a brief version of EI in marketing exchange in two stages. The first stage was to create EIME, and the second stage was to examine the reliability and validity of the shortened version. In the first stage, items were eliminated from the original questionnaire in order to develop the brief version. To eliminate some items of original version of Bar- on (EQ-i) we conduct an expert panel to adopt emotional situations with marketing exchange situations. SPSS 20 employed for exploratory factor analysis (EFA) in order to identify correct items. In the second stage, confirmatory factor analysis (CFA) was performed with LISREL 8.8 to verify the factor structures and then of the revised version.

RESULTS AND DISCUSSION

Structural equation modeling (SEM) was employed to examine the hypothesized relationships in the proposed model. The measurement model was first examined to validate the research constructs. To assess the overall fit of the model, Chi-Squared statistic, root mean square error of approximation (RMSEA), the non-normed fit index (NNFI), and comparative fit index (CFI) were employed (Hu & Bentler, 1998,1999). Generally, RMSEA value at or below 0.08 demonstrates good fit (Brown & Cudeck, 1989). NNFI and CFI values of at least 0.90 indicate an acceptable level of good fit. The measurement model of this study demonstrated overall a high degree of good fit to the data, $\chi2=245.66$, RMSEA=0.078, NNFI=0.91, and CFI=0.95.
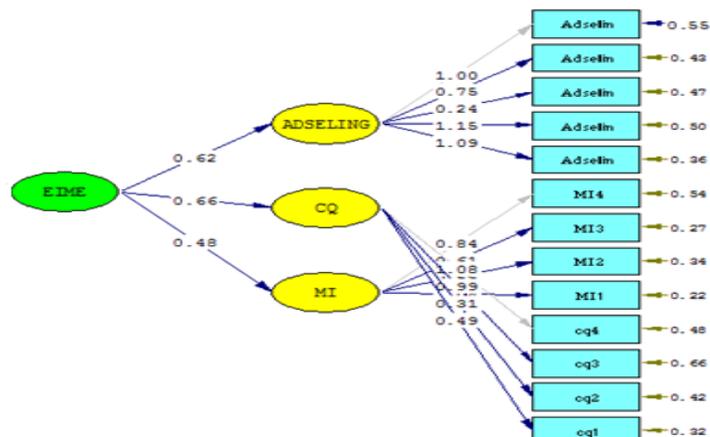

Figure 2: Assessment the Impact of EIME on Marketing Exchange variables In terms of the standard coefficients

Table 1: Results of the Proposed Model

Hypothesized		Standard Coefficient	Path	T-Value	Hypotheses Testing
H1: EIME	customer	0.48		11.22	Supported
orientation					
H2: EIME	Manifest	0.66		7.99	Supported
Influence					
H2: EIME	Adaptive	0.62		10.52	Supported
selling					

Hypothesis-testing results are summarized in Table 1. H1 predicted that salespeople's EIME would positively influence his/her customer orientation. In the model, this prediction received full support (t=11:22; p<0:001); thus, H1 is supported. Next, H2 predicted that EIME had a positive influence on

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manifest influence. As we can observe from the results of Table 1, this prediction also received statistical support (t=7:99; p<0:001); hence, H2 is supported. Similarly, H3 posited that EIME has a positive effect on adaptive selling. In the model, this prediction received full support (t = 10:52; p<0:001); therefore, H3 is supported.

Considering the comparison between insurance agents and real estate agents in different areas of EI, the results indicated that they were different in four areas of EI i.e. interpersonal, intrapersonal, adaptability, and general mood. The only common area of EI was stress management. Table 2 shows the results:

Table 2: Results of Independent Sample Test between 2 groups

Emotional skills	t	df	Sig. (2-tailed)	Mean difference
Intrapersonal	-2.436	328	.015	-.08414
Interpersonal	-4.017	328	.000	-.30371
Adaptability	-6.315	328	.000	-.59350
Stress management	.756	328	.450	.05769
General mood	-4.728	328	.000	-.44761

Conclusion
This study examined the effect of EIME on customer orientation, manifest influence and adaptive selling. In addition, this study found that EIME had significant impact on the marketing variable exchanges in Salespeople's in Iran. The results of the current study demonstrated that EIME of salespeople helps to understand customers effectively while using and controlling emotions would induce voluntary and positive behaviors. In particular this research provides evidence that high-EIME sales professionals influence sales revenue and retain more customers, a finding that has potential implications for maintaining customer relationships over time.

High-EIME salespeople are more likely to perceive how the customer feels in various situations, know which emotions are useful in various settings, understand how basic emotions might evolve given a customers' current emotional state, and manage emotions to reduce frustration and anxiety or elevate moods through positive emotion .Thus, EIME can be important to effective customer relationship management and can substantially affect the firm's bottom line. In contrast, this suggests that without EIME, sales professionals trying to use a customer orientation may not recognize which emotions will reduce tension, fail to understand how negative emotions will lead to anger and frustration, and be unable to manage customers' emotions by helping them relax.

It is also interesting to mention that the results of the present study would be important for sales managers to consider the various areas of EIME in different job opportunity. In other words, in order to be successful in marketing, salespeople should be aware of their EI. This study, therefore, has implications for marketing managers, salespeople and marketers.

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