

## SELLING AUTOMOBILES AT RETAIL: IS EMPATHY IMPORTANT?

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*The purpose of this research paper is to examine the relationship between perceived empathy of the salesperson by an automobile client/potential client, and that same person's overall evaluation of the effectiveness of that salesperson in their encounter(s). The study is conducted using post buyer-seller meetings in automobile agencies using a formal intercept procedure and a structured questionnaire. The study demonstrates that there is a strong relationship between the perception that a consumer has of the empathetic behavior that the salesperson exhibited and their overall evaluations of that salesperson. The results were extremely strong. The study also suggests that trust is not the root cause of performance/effectiveness as has been suggested by many, but that empathy impacts both trust and perceived effectiveness. Finally the research also suggests that initial business dealings between buyer and seller are driven by empathy, but that once relationships are established trust becomes more important.*

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### INTRODUCTION

The retail automobile industry sells between 10 and 18 million new vehicles per year in the United States. In the United States, nearly all of those sales are from one of 22,000 dealerships (Sawyer 2000) and involve a salesperson selling to one customer at a time. It is an incredibly competitive business with retail gross margins on new vehicle sales typically in the 5-8 percent range in the U.S. and somewhat higher in other parts of the world. With salespeople in the U.S. traditionally earning 15-25 percent of that margin, there have been numerous attempts to eliminate the salesperson from the selling process. In addition, a large volume of used cars are sold through dealerships, many of whom are the same dealers who sell new cars. There are also used car dealers who specialize in selling only pre-owned cars.

Typically the salesperson and the customer are working together through a complex transaction in both new vehicle purchases as well as in used vehicles. Other than housing, for many

people this is the largest purchase decision they make in terms of sheer purchase cost, the average new car costing about \$28,000 in the United States (Knightly 2006).

The purposes of this paper are several. A number of constructs, notably, trust, and empathy, have been examined in the sales area, one at a time. This paper develops and tests a model of the relationships of these constructs on perceptions of salesperson effectiveness by a buyer. The context for this research is in the retail automotive business. What follows is an extensive review of the literature on the two constructs, and a review of research that has examined combinations of the constructs. From that research a testable model is proposed, hypotheses generated and tested and conclusions for both managers and future research drawn.

### LITERATURE REVIEW

Sales performance on the part of individual salespeople is a broad topic. Many constructs have been proposed and tested which have purported to impact on performance. Much of this research can be subsumed under a model developed by Walker Churchill and Ford (1977), which those authors developed from the

industrial and organizational psychology literature on work performance. Weitz (1981) introduced the concept of adaptive selling, which was further enhanced by Plank and Reid (1994) who expanded the notion of sales performance research to explicitly include salesperson behaviors. Thus the research paradigm on what contributes to sales performance has evolved over time to be more process oriented (Spiro, Perreault and Reynolds 1976).

In the process of actually selling, salespeople impact the significant other(s) as personal selling is mainly an interpersonal process involving two or more people at a time. During this process, salespeople will impact the significant other who is likely to form perceptions about the salesperson, product/service, and company the salesperson works for. While there are literally dozens of possible perceptions a person may form, interpersonal behavior literature from a wide variety of disciplines provides two primary constructs that have been examined in detail over the years, empathy, and trust. Each has a long history of research, both conceptual and empirical and each has been applied to personal selling.

There is, however little research that examines the interrelationships of the two variables. That research that has been done has taken many paths with very different theoretical and operational definitions of the constructs in evidence. Each construct will be examined in turn.

The research is different in several respects from previous research and theory which has argued for the primacy of trust as the driver of performance in relationship marketing (Morgan and Hunt 1994). Instead, we argue that it is empathy as perceived by the consumer that drives both perceived trust and perceived performance.

## Empathy

Empathy as a concept has an interesting history. Over the years the term has had many definitions. As Eisenberg and Strayer (1987) note: "Some people take the term empathy to refer to a cognitive process analogous to cognitive role taking (e.g., Deutsch and Madle 1975); others take it to mean a primarily affective process (having some cognitive components) (e.g., Feshbach 1978; Hoffman 1984); still others, primarily clinicians, view empathy as a process that serves a communicatory and/or information-gathering function in therapy (e.g., Goldstein & Michaels 1985)." While the primary difference in the use of the term empathy stems from taking an affective versus cognitive approach, still others have viewed empathy as a personality trait (Wispe 1987). Other researchers have also treated empathy from a process perspective (e.g., Reik 1949; Rogers 1957).

Wispe (1987) notes that the term, empathy is derived from a German concept of aesthetics "Einfuhling". This expression was first adopted in the early 20th century experimental psychology and was used by many personality theorists in the 1930's. It was revitalized by Carl Rogers and Associates in the 1950's and briefly considered by conditioning theorists in the 1960's. In recent years the construct has been utilized by a host of discipline specific researchers who have applied the concept to their specific context.

How we theoretically define empathy is an important issue since it provides the basis for operational measures as well. Eisenberg and Strayer (1987) argue that there now appears to be substantial cross disciplinary agreement with empathy being defined as the act of feeling another's emotional experience; thus affect is the central core of empathy. The emotional view can be traced to Titchener's (1909) original translation of "Einfuhlung" into empathy. Other theorists have viewed empathy as encompassing the cognitive act of understanding other people at the intellectual level (Hogan 1969).

The original meaning of empathy (Titchener 1909) was as a primarily affective construct. A modern view of empathy as a cognitive concept was formulated by Dymond (1949), Kerr and Speroff (1954), and Hogan (1969). They suggested that empathy was the formation of a deep cognitive understanding of other persons' feelings. This view suggested that empathy was purely a cognitive issue and could be understood in purely cognitive terms. Stotland (1969) revived the notion of empathy as a primarily affective concept that is the ability to experience another person's emotions vicariously.

Mehrabian and Epstein (1972) developed a measure of emotional empathy, a self-report questionnaire. As noted above Eisenberg and Strayer (1987) also argue that empathy is purely affective. They distinguish empathy from other processes such as personal distress which is a self-oriented egoistic response to another's problem and the ability to project cognitive concern from the empathizer to the object of empathy.

Davis (1983) was the first to argue that empathy had both cognitive and affective components. His measure development consisted of four 7-item subscales of empathy, two which measured cognitive components and two which measured affective components. Other alternative conceptualizations of empathy are to view it as a process or a state or trait. As a process empathy can be examined in terms of the overall psychological and behavioral relationship of the empathetic individual to the empathy object. Empathy viewed as a process dates to at least the early work of Lipps (1903). Several authors have attempted to describe or structure the process of empathy. Reik (1949), views empathy as having four stages, whereas in the counseling psychology literature Barrett-Lennard (1981) has developed a five phase emphatic cycle model. Both process models have been used in many empirical studies, wholly or in part, across a variety of disciplines.

In the sales literature the most often taken perspective is that of a trait personality

construct following the work of Greenberg and Mayer (1964) which is then linked to performance. Such a view is useful and has been recently updated by Comer, Drollinger and Ding (1999). These authors note that as a trait, this is modified by the situation and impacts on the process, thus are in agreement with Plank and Reid (1994) who take the approach that process, in their case behaviors, need to be considered in performance studies and that, in effect, personality traits have no direct relationship to sales performance. Dawson, Soper and Pettijohn (1992), also took a similar view when they correlated consumer perceptions of salesperson empathy using a counseling-psychotherapy scale to sales performance ratings from actual sales data.

To test the impact of empathy on sales performance in a business-to-consumer context we define empathy broadly as:

The perception on the part of a buyer that a significant other demonstrates that they both feel and think about that buyer's situation.

This conceptualization comes from Plank, Reid and Minton (1996) who developed a measure containing both affective and cognitive indicators. However, given the high correlation between the factors, a single factor model was evident.

### **Trust**

Similar to both empathy and conflict, trust has been defined and operationalized in variety of ways, within and across disciplines. Given the broad examination in the sales literature, that area will be the primary focus of the concepts literature review.

According to Dwyer and Lagace (1986), definitions of trust can be conceptualized in one of three ways. The first views trust as a personality trait or generalized expectancy (e.g., Rotter 1967). The second treats it as a predisposition toward another or belief that another will behave in a matter beneficial to the other party (e.g., Driscoll 1978). The third

views it from the standpoint of risking behaviors (e.g., Schurr and Ozanne 1985), which reflects a willingness on the part of the buyer to accept the possibility of vulnerability on his/her part in the transaction.

Numerous authors (e.g., Schurr and Ozanne 1985; Swan, Trawick, Rink and Roberts 1988) have examined some aspect of trust within the buyer/seller dyad. This research has generally suggested a linkage between a set of trust earning components, trust and success in sales. Research in trust building in sales has offered sets of components for trust building. Swan, Trawick and Silva (1987) for example, suggested that being dependable/reliable, honest/candid, competent, customer-oriented, and likable/friendly were all likely to lead to trust of the salesperson by the buyer. This logically suggests that some behaviors that salespeople execute lead to trust on the part of the buyer.

Sales research also indicates that sellers who develop a trusting perception on the part of their buyers are more likely to be successful than those who do not. It is widely accepted that trust and the development of a trusting perception in selling contexts is considered a necessary ingredient to long term selling success (e.g., Hawes 1994). Also, when queried, organization buyers rank trustworthiness as one of the most important characteristics a seller can have (Hayes and Hartley 1989).

The sales literature is fairly consistent on the definition of trust. For the most part, interpersonal trust relates to a belief on the part of the trusting person that obligations are fulfilled. The Swan and Nolan (1985) definition reflects this. Specifically, they define trust as the situation where “the industrial buyer believes and feels that he can rely on what the salesperson says or promises to do in a situation where the buyer is dependent upon the salesperson’s honesty and reliability (Swan and Nolan 1985, p. 40).” As defined, this definition reflects Dwyer and Lagace’s (1986) notion of trust as a predisposition rather than personality

or risking behaviors. To date, however, in the sales literature trust has been viewed from a global perspective as an overall impression of the salesperson. However, the notion of global versus situation-specific trust is one that needs to be considered. As noted by Butler (1991), there is a tremendous amount of literature that supports the importance of specific measures of trust performing much better in prediction and explanation.

In the buyer-seller literature, the object of trust has been limited. Specifically, research has concentrated purely on interpersonal trust, or trust of another person. However, when a buyer does business with a seller, trust of the salesperson is only one category of obligation; s/he also needs to consider the obligations or expected functions associated with the product/service itself and the company that stands behind the product/service. Trust is conceptually defined, in this study, as follows (Plank, Reid and Pullins 1999):

Trust is a global belief on the part of the buyer that the salesperson, product and company will fulfill their obligations as understood by the buyer.

As noted above, trust can also be viewed as being related to multiple objects. However, given that empathy, from a perceptual perspective is defined as from the salesperson, this study will utilize only the salesperson component of trust, which is defined as follows: “Salesperson trust is the belief that the salesperson will fulfill his/her obligations as understood by the buyer.”

Thus, this dimension of trust is also conceptualized as the fulfillment of obligations or functions.

### **Linkages of Empathy and Trust**

Trust and empathy have been examined fairly extensively in a number of contexts. Not surprisingly, the theoretical and operational definitions vary greatly across studies. DeRuyter and Wentzels (2000) found that trust

and empathy were empirically discrete concepts but correlated. Northouse (1977) demonstrated the relationship of trust and empathic ability in a business setting. Schneider (1984) demonstrated the relationship of trust and empathy in a counselor setting. Semmes (1991) demonstrated the relationship between trust and empathy in health care settings, as did Redfern, Dancey and Dryden (1993). In sum, this literature generally supports the notion that empathy and trust are positively related. What it also suggests is that empathy drives trust.

### Sales Performance/Effectiveness

The notion of sales performance is not as obvious as it might first seem. Walker, Churchill and Ford (1979) first differentiated performance from effectiveness. They define performance as the evaluation of behaviors in terms of contributions to the goals of the organization. What many people define as sales performance such as meeting or exceeding quotas, achieving a certain level of sales, and the like is what they refer to as effectiveness which are summary measures or indices for outcomes for which the individual is at least partly responsible. The literature on behavior based versus outcome based sales force control systems has its roots in this dilemma (e.g., Anderson and Oliver 1987).

There are literally dozens of effectiveness measures, but the behaviorally based measures are much less developed. Churchill, Ford and Walker (1994) note the potential advantages of developing behaviorally anchored rating scales

(BARS) and while there is an extensive academic literature on these, e.g., Rarick and Baxter (1986) actually usage has been minimal with Bush et al. (1990) being an example from a retailing context.

There are other ways of examining performance by designing it into the actual research design. For example, Reid and Plank (1997) defined it by having half their sample evaluate a salesperson who got an order in a choice situation and half who did not. This is clearly a narrow definition of performance, being successful in just one sales transaction, but is another way of measuring performance and has the element of disguise as each respondent only saw one evaluation situation, either successful or unsuccessful.

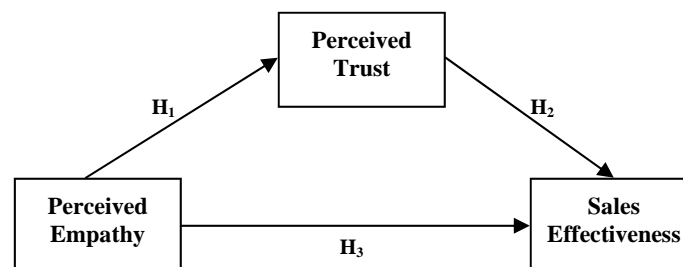
Finally one can use non BARS scales to examine performance; in fact one scale that has been extensively used in studies is by Behrman and Perreault (1982). This scale has multiple items and was designed to be used by sales managers to evaluate the performance of their salespeople. It is, however, not a suitable measure for consumer evaluations.

### THE THEORETICAL MODEL AND HYPOTHESES

Figure 1 represents a testable theoretical model derived from the research that has been reviewed above.

As can be seen from the model we are positing three basic hypotheses. All three are stated below.

**FIGURE 1.**  
**Theoretical Model Linking Empathy, Trust and Sales Effectiveness**



- H<sub>1</sub>:** The greater the level of perceived empathy by the salesperson on the part of the buyer, the greater the level of perceived trust.
- H<sub>2</sub>:** The higher the level of perceived trust of the salesperson on the part of the buyer, the more likely that salesperson will be perceived as effective
- H<sub>3</sub>:** The higher the level of perceived empathy of the salesperson on the part of the buyer, the more likely that salesperson will be perceived as effective.

The research indicated from the literature review generally supports these hypotheses, but in most cases either the context or the theoretical or operational definitions of the constructs are different. The theory clearly suggests that trust is the preeminent variable and that empathy will be an antecedent to trust or otherwise impact on trust. However, we are also positing that empathy has a directly relationship to perceived effectiveness, that is empathy works both through trust and by itself (H3). Again the strength of the findings in other contexts suggests such a role for empathy. Recall that most studies of empathy and sales have treated empathy as a personality construct and related it directly to performance (e.g., Greenberg and Mayer 1964). Given the general strength of these findings it stands to reason that perceived empathetic behaviors, as measured here, will have a strong correlation to trust and directly to sales effectiveness.

#### **MEASUREMENT AND RESEARCH DESIGN**

Empathy will be measured using a scale developed by Plank, Reid and Minton (1996). An 8-item scale, producing a single factor measurement model, used in a similar context has demonstrated good reliability and validity and has both affective and cognitive indicators in a one factor model. While this construct and measure were developed for B-to-B applications, there is no reason to believe it can not also work for B-to-C applications.

Trust will be measured using five items from the scale developed by Plank, Reid and Pullins (1999). This scale has also shown validity and reliability in its initial use.

Sales effectiveness is measured by two items. The respondent was simply asked to evaluate the salesperson as a quality salesperson on a 1-5 agree-disagree scale using two closely related questions. This is a weak measure, but given the research design and the fact that no existing scales were suitable it was constructed for this study. We argue that it is better than hard data as it links perceptions by individuals directly to perceptions of performance by individuals, whereas hard data is not directly linked but must be an inferred linkage from sample to overall data.

With the exception of the last item all of these measures have been developed for and used in business-to-business contexts. This is the first time they have been used in a consumer buyer-seller context. All questions were pre-tested for meaning and understanding prior to being used in the study with a small group of five adults who were in the market for automobiles and who had previous experience in purchasing a car. There were no indications of any problems of meaning by this group.

#### **STUDY**

The target sample for this research was new vehicle shoppers, which included both actual buyers and people "just looking." The study was conducted over a two-week period in Genesee County, Michigan USA at five of the largest automobile dealers, with their permission and encouragement. This short-time interval would seek to minimize the extraneous effects of day of the week, advertising, economic news and other uncontrollable factors.

The survey administrators asked everyone possible (those customers who had spoken to a salesperson and were ready to leave) to participate in the study. There were 321 surveys completed and usable, four incomplete

or spoiled, and 11 customers who declined to participate. This calculates to a 95 percent usable response rate. Missing data amounted to less than ½ of one percent of the total data collected.

The pay structure of the survey administrators was structured to encourage non-selectivity of the respondents and probably influenced the high response rate. The administrators were paid an hourly rate and a commission for each survey completed.

The customer was approached after they had finished with the salesperson, either on their way out the door or before speaking to the finance manager to discuss payment. It was the intention of this study to contact the customer only after they had completed their encounter with a salesperson. The customer, at this point, may have been at any point in the buying process, from a preliminary information gathering stage to delivery of a vehicle.

Survey administrators asked that the “buyer” complete the questionnaire. Of the 321 respondents, 60 percent were men. Age of the customers was well distributed, ranging from 18 to over 65, which would be expected in a representative sample. The sample showed that the respondents were experienced buyers with over 70 percent having bought new vehicles previously. Customers demonstrated a strong propensity for doing business with a familiar salesperson with 53 percent of the respondents having previously purchased from the salesperson. Customers also showed a predilection for repeated transactions at the same dealership with 70 percent saying that they had purchased at least one other vehicle from the dealership indicating a marketing relationship. Follow up with dealer sales managers in each of the dealerships indicated this high percentage of past customers in the prospect mix is not unusual for their businesses or industry.

The structure of the administration of this study had several important aspects. First, it sought responses in a timely manner, usually within

minutes of the sales encounter, thus reducing recall bias. Second, the study was conducted over a short period of time, reducing the influence of special sales incentives, economic news and other uncontrollable and difficult to identify variables. Third, the high response rate of 95 percent strengthens the statistical findings of this study.

## FINDINGS

The first step in reporting the findings is measure validation. Below we examine each of the three measures separately for the whole sample to determine basic reliability and validity of the measures.

### Measurement Validation Empathy

The eight items measuring empathy were modeled with the framework of SAS, Proc Calis, following Plank, Reid and Minton (1996). The single factor confirmatory factor analysis found an acceptable fit was found for a five-item measure. Items 1-3, 5 and 8 loaded. The AGFI was .939, the CFI .990, there were two residuals over 2.58 (three standard deviations) and the NNFI was .979. Again, this is a solid but slightly noisy fit as evidenced by the residuals. The coefficient alpha was .931 and the entire range of responses was used, but this scale was not normally distributed.

### Trust

The five items to measure perception of the trust of the salesperson were taken from Plank, Pullins, and Reid (1999). A preliminary coefficient alpha evaluation provided an alpha of .875 with a mean item intercorrelation of .584. The five-item model was subjected to a confirmatory factor analysis using Proc Calis is SAS. This initial model has a reasonable fit with an AGFI of .929, CFI .980, NNFI .961 with two residuals over 2.58. The entire range of responses was used, but the variable is not normally distributed, being skewed to the high side as would be expected given the sample.

### Performance

Since performance was a two item measure, only coefficient alpha was appropriate for measure validation. The alpha coefficient was .924, high for a two-item measure and based on an inter-item correlation of .858.

### Hypotheses Testing

In order to test the three hypotheses suggested above, we utilized regression analysis. We first examined the multivariate normality of the variable set and individual values for kurtosis and skewness. While the data was not multivariate normal, the individual skewness data for trust, empathy, and performance (using summed scales) ranged from (-1.119 to + .891) and kurtosis (-.050 to + .572) indicating moderate deviations from normality.

We then ran several regressions. We first ran the entire data (N=308 who answered the question on doing business before) set regressing first salesperson trust and empathy against performance (Table 1 A) and then empathy against salesperson trust (Table 1 B). We then split the sample into two groups, the group that had done business with the salesperson before (N=165 Table 1 C & D) and the group that had not (N=143 Table 1 E & F). Table 1 provides the results of the analyses.

The results are very interesting. For the full sample (Table 1 A & B), empathy is the more important driver, but trust is also large. Empathy is very strongly predictive of trust. Thus all three hypotheses are supported in general. However, separating those who have done business before with the salesperson and those who have not presents a very different picture. For those that have not bought before (Table 1 C & D), empathy is the large driver, but trust is not significant statistically ( $P < .06$ ). Empathy still drives trust, but it is not quite as large a coefficient (.817 versus .862). However, a very different picture is shown for those respondents who have done business with the salesperson before (Table 1 E & F). Again, empathy drives trust very strongly, but trust has

a stronger direct effect on sales effectiveness than does empathy. Both are statistically significant, but trust is much stronger.

## DISCUSSION AND MANAGERIAL IMPLICATIONS

The findings are instructive. It appears that empathy is the real driver of perceived sales effectiveness, both through trust and by itself. However, the measurement issues may cloud this assertion, but the findings are strong.

From a managerial perspective it appears that being empathetic to the customer is so critical, that hiring and training processes should be directed around the ability of the salesperson to be empathetic and practice empathetic behaviors in sales interactions. The results suggest that in early meetings between a buyer and seller, creating the perception of empathy is what will drive any future meetings. The managerially related advice from a multitude of settings suggests that good questioning, strong non verbal affinity, and a concentrated general effort to be perceived as empathetic to the needs and wants of the significant other is what drives perceptions of empathy.

Moreover, in conditions where the customer has bought from the salesperson before, a different picture is presented. Here it appears that empathy is not the most critical direct driver. It is interesting to ask why this might be so, *ex post facto*.

Both empathy and trust perceptions are built over time. It has been suggested by both this research and other research over time that empathy drives trust. This suggests that once the perception by a consumer of a significant other is built up, that consumer begins to trust the seller and trust becomes the dominant factor. That is what this research suggests, although given the nature of the research it is not conclusive, only suggestive.

Given these findings, longer term business is more dependent on the trust perceptions which are usually based as defined here as essentially



**TABLE 1**  
**Hypotheses Tests**

<b>A. Regression Analysis Full Data Set Sales Performance by Empathy and Trust</b>						
<b>ANOVA</b>						
<b>Model</b>	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Significance</b>	<b>R2 Adjusted</b>
Regression	151.76	2	75.88	132.93	.000	.486
Residual	158.11	277	.57			
Total	309.87	279				
<b>Construct</b>	<b>Beta</b>	<b>T</b>	<b>Significance</b>			
Constant	---	.38	.704			
SPTrust	.322	3.80	.000			
Empathy	.40	4.75	.000			
<b>B. Regression Analysis Full Data Set Trust by Empathy</b>						
<b>ANOVA</b>						
<b>Model</b>	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Significance</b>	<b>R2 Adjusted</b>
Regression	3019.15	1	3019.15	830.93	.000	.742
Residual	1042.85	287	3.63			
Total	4062.00	288				
<b>Construct</b>	<b>Beta</b>	<b>T</b>	<b>Significance</b>			
Constant	---	5.38	.000			
Empathy	.862	28.83	.000			
<b>C. Regression Analysis No Purchase History Sales Performance by Empathy and Trust</b>						
<b>ANOVA</b>						
<b>Model</b>	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Significance</b>	<b>R2 Adjusted</b>
Regression	72.31	2	36.16	53.63	.000	.447
Residual	86.29	128	.57			
Total	158.60	130				
<b>Construct</b>	<b>Beta</b>	<b>T</b>	<b>Significance</b>			
Constant	---	.27	.789			
SPTrust	.212	1.90	.060			
Empathy	.491	4.38	.000			
<b>D. Regression Analysis No Purchase History Trust by Empathy</b>						
<b>ANOVA</b>						
<b>Model</b>	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Significance</b>	<b>R2 Adjusted</b>
Regression	1164.01	1	1164.01	264.52	.000	.665
Residual	580.86	132	4.40			
Total	4062.00	288				
<b>Construct</b>	<b>Beta</b>	<b>T</b>	<b>Significance</b>			
Constant	---	4.43	.00			
Empathy	.817	16.26	.000			
<i>(continued on next page)</i>						

TABLE 1 (continued)

E. Regression Analysis Purchase History Sales Performance by Empathy and Trust						
ANOVA						
Model	Sum of Squares	Df	Mean Square	F	Significance	R2 Adjusted
Regression	60.20	2	30.10	65.17	.000	.466
Residual	66.97	145	.46			
Total	127.17	147				
Construct	Beta	T	Significance			
Constant	---	.95	.342			
SPTrust	.447	3.41	.001			
Empathy	.260	1.98	.049			
F. Regression Analysis Purchase History Trust by Empathy						
ANOVA						
Model	Sum of Squares	Df	Mean Square	F	Significance	R2 Adjusted
Regression	3019.15	1	3019.15	830.93	.000	.742
Residual	1042.85	287	3.63			
Total	4062.00	288				
Construct	Beta	T	Significance			
Constant	---	5.38	.000			
Empathy	.862	28.83	.000			

doing what you say you are going to do for the customer. Over time, continued high performance on the part of the salesperson in providing for the continuing wants and needs of the ongoing customer should drive continuing business.

In the business-to-business literature on trust, it has been suggested that customers not only trust the salesperson, but the company and the product. We would also expect that to be so in business-to-consumer situations. It is also true that the industrial salesperson can't control their entire destiny, and the same is true for the automotive salesperson. They also have to depend on service encounters, parts encounters, perceptions of advertising messages seen by the consumer and a host of other possible interactions the customer may have with the automotive dealership, directly and indirectly. Again, this was not directly tested in this research, but there is no reason to believe it might be otherwise.

#### LIMITATIONS AND FUTURE RESEARCH

The usual limitations to survey research apply here. We are asking for perceptions which are difficult to measure, the research is not causal, but associative, so our findings show relationships, but not cause and effect.

An additional issue, which is not always discussed in these kinds of studies, is the notion of common method bias or variance. Common method variance is the idea that since all measures were collected from a single source and that multiple sources and methods were not used in the data collection, the result is due to the use of a common method or respondent bias and does not represent real differences (Cote and Buckley 1987). This issue has recently been reviewed in detail by Podsakoff et al. (2003).

There are several ways to deal with this issue, both procedural and statistical. We followed some advice from McLaughlin (1999) and Lindell and Whitney (2001) to minimize

potential method effects in the design of the instrument. In addition, method effects seem to be most prevalent in self-report studies (Organ and Ryan 1995) but in this study the buyers rated the salespeople, not themselves, which has been shown to minimize method effects. Finally work by Paglis and Williams (1996) as reported in Kline, Sulsky and Rever-Moriyama (2000) found that common method variance would have to be on the order of 18-20 percent between observed relationships before it would be a plausible alternative to the more parsimonious explanation that the two variables are indeed correlated. Given the findings and the great disparity of the two variables it does not appear that common method variance could have an impact on the findings, except for the magnitude.

Future research avenues are many. This particular research context was automotive, but obviously other consumer products and services such as real estate, financial services, and in-store retailing can be examined from the perspective of what drives customer purchases ultimately. Also this research was done in a US setting, but there are significantly different ways these kinds of transactions may be done in other geographic regions, driven by a number of possible differences in the context such as culture. We suspect empathy will be important in almost all contexts mentioned above and across most cultures, but may be even more important in some cultures.

An important issue that is missing, not only from this research, but from most research of this type, is the significant other in the dyad. For example, some consumers may be easy to empathize with and others much less so. Some customers may let you get close to them emotionally and others may be much more difficult. Some customers may really tell you what they want, others not. This may vary by both culture and context.

### CONCLUSION

Like most research this paper seems to have generated more questions than it may have

answered. It appears that in this context the main driver of perceived sales effectiveness could be empathy as opposed to trust, at least in terms of the correlations reported with those variables. The context is interesting from several perspectives, not just the sale of automobiles from a dealer, but the fact that so many of the people who responded to the study had some sort of previous relationship with the dealer. Given the high response rate and the timing of the study and how it was done, it does appear that this kind of relationship is not unusual and follow up with several dealer sales managers suggested indicated that this was not unusual.

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