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I am submitting herewith a dissertation written by Leslie Marie Fine entitled "Understanding the Relationship in the Buyer/Seller Dyad." I have examined the final copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, with a major in Business Administration.

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We have read this dissertation
and recommend its acceptance:

Accepted for the Council:

Associate Vice Chancellor
and Dean of the Graduate School

UNDERSTANDING THE RELATIONSHIP IN THE BUYER/SELLER DYAD

A Dissertation

Presented for the

Doctor of Philosophy

Degree

The University of Tennessee, Knoxville

Leslie M. Fine

August 1991

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DEDICATION

Dedicated to my parents

Leonard and Joan Fine

For their boundless love and unwavering support.

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ABSTRACT

This study, which is based on the Dyadic Relationship Development (DRD) Model, examines the early stages (awareness and exploration/expansion) of the buyer/seller relationship. Specifically, the dissertation explores: 1) the relationship between the individual variable of self-monitoring (Snyder 1974, Lennox & Wolfe 1984) and inference generation and use, 2) the effect of buyer/seller similarity on inference generation, 3) the effect of self-monitoring on communication compatibility and communication satisfaction and 4) the relationship between communication satisfaction and judgments of the outcomes of the buyer/seller interaction.

These issues were explored by surveying customers and salespeople of a financial institution before and after an initial interaction. Each subject responded to items measuring self-monitoring, similarity, communication compatibility, communication satisfaction and judgments of outcomes on a paper-and-pencil survey administered in the branches of the financial institution during business hours.

Results of hypothesis tests indicate that self-monitoring is not associated with inference generation or use, but that low self-monitors are more confident in their judgments when they use inferences. Similarity has no

apparent effect on inference generation. Communication compatibility is not significantly related to communication satisfaction for high self-monitors (as predicted) or for low self-monitors (contrary to predictions). Finally, communication satisfaction is strongly related to judgments of outcomes.

Additional analyses were conducted to explore issues and relationships besides those suggested by the hypotheses. Based on the tests of the hypotheses and the additional analyses, it is concluded that role partners (customer or salesperson) might generate and use inferences to accomplish their specific tasks efficiently. Additionally, it can be concluded that similarity and communication compatibility are inadequately conceptualized. Finally, self-monitoring is though to affect the processes involved in buyer/seller relationships, rather than the outcomes. It is also concluded that to fully understand the effect of self-monitoring, the influence of the partner's level of self-monitoring on the subject's perceptions must be assessed. The dissertation includes a discussion of the study limitations and opportunities for further research.

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CHAPTER I

INTRODUCTION

Introduction And Objectives

One of the first things a student of marketing learns about the promotions mix is that personal selling is the most expensive way to communicate information about products and service to prospective buyers on a per-prospect basis. When that prospective buyer is a new customer of a salesperson or of an organization, s/he may require a greater level of personal selling effort than an existing customer. Survey results published in an issue of Sales and Marketing Management (January 1990) show that the typical firm's cost of making a sale to a new client is, on the average, $956 more than the cost of making a sale to an existing client. Thus, gaining new business through personal selling can be a significant expense for an organization. It is in an organization's best interests to sell as effectively and efficiently as possible to a new customer, both to reduce the selling cost and to convert that customer to an established, committed client. It is clear that obtaining new customers and maintaining the organization's association with clients through its salesperson/client

relationships can have a direct impact on a firm's bottom line.

Given the importance of new business relationships for the survival of many organizations, and the relatively high cost of using personal selling to establish these relationships, an understanding of how these new buyer/seller relationships develop should represent an important focus in the marketing literature. Although researchers in marketing have examined the process of buyer/seller relationship development conceptually (e.g. Weitz 1981, Dwyer, Schurr & Oh 1987), little empirical research exists on the initiation of these relationships or the processes which occur at the early stages of relationship development. It is apparent that investigating the initiation and early stages of relationship development between selling entities and their new customers will greatly contribute to both the applied and academic marketing arenas.

In order to provide a framework with which to examine relationship development, the existing literature on buyer/seller interactions was integrated and synthesized into a model of "Dyadic Relationship Development" (DRD) (See Figure 1). See Chapter 2 for a review of relevant literature and a detailed description of the proposed model.

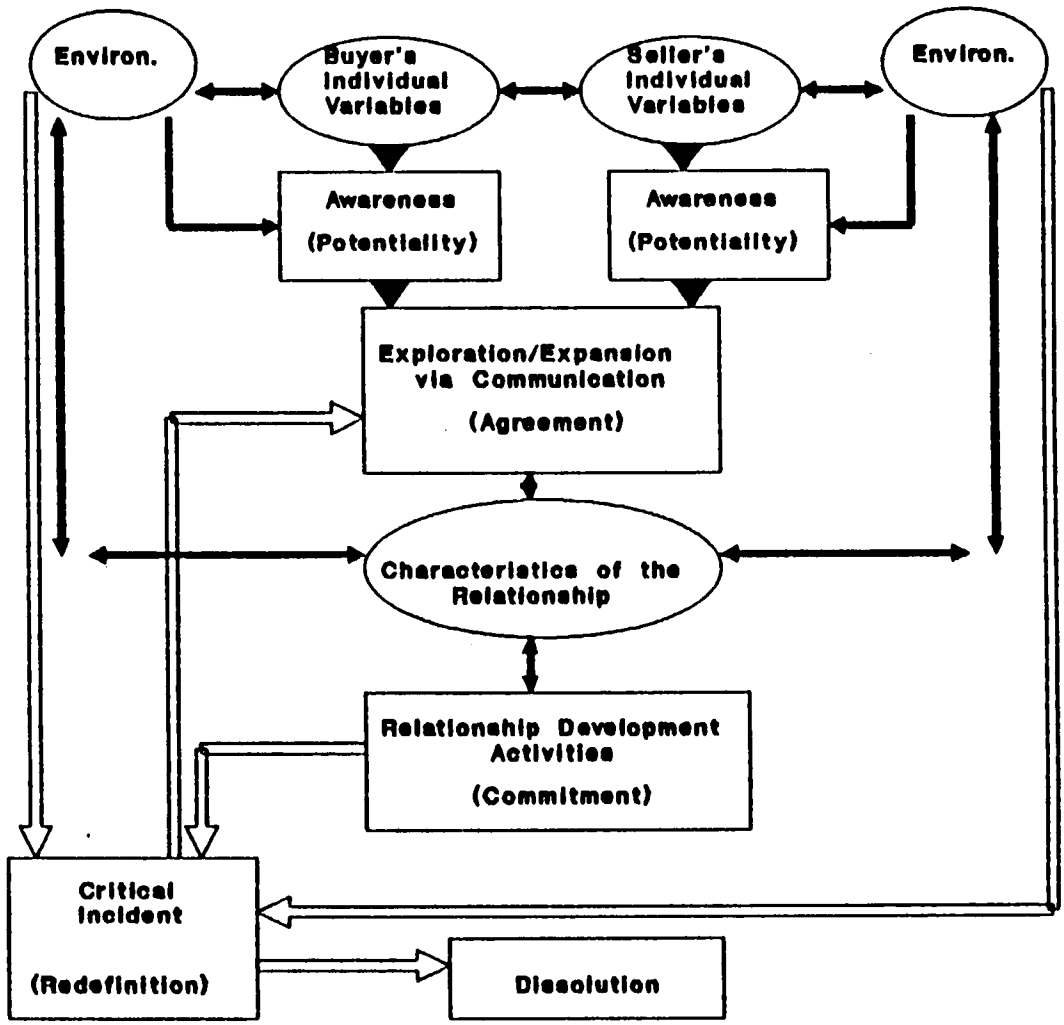


Figure 1: Dyadic Relationship Development Model (DRD)

Additionally, the proposed model addresses a number of gaps which were perceived to exist in the literature.

The DRD model depicts relationship development as a series of processes which can be affected by a number of external factors relevant to both parties in the dyad. Specifically, the dyad progresses through the following stages: 1) awareness, 2) exploration/expansion, 3) relationship development activities and 4) redefinition or dissolution. As the relationship moves through the stages, it develops characteristics which serve to influence the patterns of behaviors during subsequent interactions. These characteristics may also affect how the partners perceive their respective environments. At the early stage of the relationship development process, the individual characteristics of the buyer and seller may have a potent influence on the evaluations of the other person as a potential exchange partner. In addition, the environment (which includes the primary task environment, secondary task environment and macro environment) can exert influence on both the processes of relationship development and the characteristics of the relationship. The environment or the activities of the dyad partners can also trigger a critical incident which causes the parties to re-evaluate the nature of the relationship.

Inherent in the proposed DRD model is a cognitive process of evaluation which allows the dyad partners to decide whether or not to continue their affiliation. By defining a relationship as a pattern of interdependence, social scientists have emphasized that members of a dyad employ cognitive operations to guide their choices of action (Hinde 1979). Interdependence occurs because each partner recognizes his or her ability to influence the behavior of the other by determining the other's costs and benefits. The continuation of this interdependence, and by definition, this relationship, depends on the evaluations of both parties (at each stage of the relationship) of the costs and benefits which may accrue from the relationship (Thibaut & Kelley 1959). The underlying assumption of this dissertation is that parties evaluate the costs of maintaining the relationship against the rewards to be obtained from the relationship, relative to some absolute expected standard of acceptability. If the evaluation is favorable, the relationship is continued.

In summary, effort directed toward establishing new buyer/seller relationships are both important and relatively costly to a selling organization. There is a need for empirical research on the early stages of the development of these relationships. As noted above, the DRD model was designed to reflect specific aspects of the relationship

development process. The aspects which will serve as the focus of this research include the individual characteristics of dyad members, and how these characteristics affect the thought processes and satisfaction with dyadic communication, and subsequently, the evaluation of the dyadic relationship itself.

Background

After reviewing the literature on interpersonal relationships in selling, Enis and Chonko (1978) stated that the empirical studies, while important, were not comprehensive. They suggested that most studies were concerned with a few interpersonal traits or exogenous variables, and did not fully specify the nature of the personal interaction. Although it may be difficult to be extremely comprehensive in one study, a series of studies could achieve the level of comprehensiveness which may be presently lacking in the literature. By starting the research at the point at which the relationship actually begins, the process of buyer/seller interactions can be understood more thoroughly. This section will first briefly describe the two early phases of the buyer/seller relationship (the awareness and exploration/expansion stages). This will be followed by a discussion of two individual variables (self-monitoring and similarity) which

are expected to affect the processes which occur during these early stages.

Awareness Stage

When buyers and sellers become aware of one another during the awareness stage, each acts as a stimulus for the other. They each receive new information that must be "reconciled" with the information already stored in memory. This process occurs through inference generation and use. At first, buyers and sellers do not have complete information about one another, or "hard data" about the other's performance. They may seek to construct missing information from information that is accessible from memory. In other words, as people become aware of one another, they process cues from the task environment, and in doing so, may develop beliefs about other aspects of the task stimuli not represented by environmental cues. This process is known as inferential belief formation (Olson 1978). Dyad members attempt to mentally position the partner in existing memory structures. By doing so, each partner obtains descriptive information about the other that can guide subsequent behavior (Cantor 1981).

Communication During the Exploration/Expansion Stage:

Prior to the actual transaction of business and the initiation of the tasks that accompany commerce, talk may be the primary activity of buyers and sellers. The importance

of communication in the buyer/seller dyad was described by Sheth (1976), who proposed that each dyad member brings to the interaction a certain communication content and style (pattern of communication). Sheth identified three communication styles: task oriented, interaction oriented, and self oriented. He proposed that when the communication styles of dyad partners are compatible, dyadic communication is efficient. Williams and Spiro (1985) investigated communication style use in buyer/seller dyads in a field study and found that compatibility of communication styles did actually influence the dyad partner's perceptions of the buyer/seller interaction. The proposed DRD model posits that perceptions of communication will affect the evaluations of the costs and benefits of the relationship relative to the dyad member's expected standard.

Individual Variable: Self-Monitoring

There are a host of individual variables which participants bring to the buyer/seller relationship, and which may exert influence on that relationship. The individual variable research conducted in the buyer/seller dyad has typically not been theoretically grounded, and therefore there is no unifying "nomological net" from which hypotheses can be developed and results can be explained. One theoretically-based individual variable that seems appropriate to examine within the context of the

buyer/seller dyad is the psychological construct of self-monitoring (Snyder 1974, Lennox & Wolfe 1984).

According to Snyder, there are differences in the extent to which individuals can and do control and manage their self-presentation (Snyder 1974, Snyder & Monson 1975, Snyder 1979, Snyder & Gangestad 1982, Snyder & Kendzierski 1982). High self-monitors, out of concern for the situational and interpersonal appropriateness of their social behaviors, use cues from relevant others and from the social situation as a guideline for regulating and controlling their verbal and nonverbal self-presentation. Low self-monitors, on the other hand, do not have well-developed repertoires of self-presentational skills. The self-presentation of low self-monitors seems to be controlled from within by their affective states and attitudes rather than from cues present in the situation.

Selling is fundamentally a social activity involving two parties with unique personalities, goals and constraints attempting to reach a mutually satisfying outcome. Thus, differences in self-presentational ability and sensitivity to the behavior cues of others should help explain variance in how each dyad partner manages the complexities of a dyadic interaction. In studies, self-monitoring has been linked both conceptually and practically with processes and outcomes that are relevant for the study of buyer/seller

relationships. Specific theoretical and empirical linkages between self-monitoring and the appropriate study variables will be explained in a following section.

Similarity

Similarity has had a rich history as a variable of interest in buyer/seller interactions. Beginning with the seminal similarity study of Evans (1963), researchers have attempted to show that similarity of the dyad partners increases the likelihood of a sale, with mixed results. Spiro, Perreault and Reynolds (1977) suggested that similarity and other personal attributes may enhance personal affiliation, rather than affecting outcomes directly. It is possible that similarity enhances personal affiliation by increasing the repertoire of structures in memory that can be used to generate inferences. If a dyad member is perceived as similar, as "just like me," the ease with which inferences can be generated is increased. Similarity makes it easier for a dyad member to categorize the partner. In addition, similarity may function as a surrogate for actual experience or familiarity with the dyad partner.

Study Objectives And Problem Statements

Self-Monitoring and The Awareness Stage

One problem to be investigated is how self-monitoring affects the process of inference generation and use during the awareness stage of the relationship development process. Recall that self-monitoring is the degree to which individuals take behavior cues from the environment. Previous research indicates that self-monitoring mediates the relationship between inference generation and inference use. Specifically, high self-monitors have been shown to rely less on inferences about products than low self-monitors when forming attitudes about a product (Stayman & Kardes 1990). It has also been demonstrated that high and low self-monitoring salespeople differ on the valence and type of inferences that are used when evaluating customers (Fine & Gardial 1990). Self-monitoring theory suggests that inferences may be relatively more salient in influencing the behavior of low self-monitors than high self-monitors because inferences should become part of the belief structure of low self-monitors. In addition, use of inferences should be positively related to a low self-monitor's confidence in his or her evaluation of the dyad partner, since confidence would be boosted by relying on belief structures.

Similarity and the Awareness Stage

Does similarity increase the inferences which are generated about a dyad partner? This study proposes to investigate similarity as a facilitative person condition (Levinger 1983), that is, as a condition which increases the possibility of further interaction. Similarity, previously investigated as an individual variable, may be re-conceptualized as a moderator of the cognitive process of inference generation that leads to an evaluation. Wyer and Carlston (1978) propose that experience with the dyad partner facilitates the inference generation process. Since similarity may function as a type of familiarity with the partner, it may act as a type of experience as far as inference generation is concerned.

Self-Monitoring and Communication in the Exploration/Expansion Stage

Sheth (1976) proposed that effective dyadic communication is a function of compatible communication content and style. Williams and Spiro (1985) investigated task oriented, self oriented and interaction oriented communication styles and demonstrated that differences in communication style do affect dyad member's evaluation of the dyadic interaction. Communication style compatibility occurs when the level of the three style variables (task,

self and interaction) preferred by a dyad member are similar to the levels used by the dyad partner.

Self-monitoring is proposed to be related to differences in levels of the communication style variables preferred and style used. As one would expect, high self-monitors are proposed to vary the style of their dyadic communication according to the cues they receive from their dyad partners. Consequently, the correspondence between their style preferences and the style they perceive the partner uses should have relatively little effect on their satisfaction with dyadic communication. Spiro and Weitz (1990) demonstrated that high self-monitors report a change in their communication strategies (which could be considered an aspect of style) according to the perceived needs of different customers. In contrast, low self-monitors are expected to have stable communication preferences as well as to use a similar style across situations. A low self-monitor should perceive a communication style as satisfactory if it is similar to his or her preferred style.

Communication Satisfaction and Evaluations

If there are differences in communication satisfaction, perhaps caused in part by differences in self-monitoring, do these differences affect the evaluations of the relationship? According to Sheth (1976) transactions are efficient and effective when communication style and content

are compatible. Since the model posits that evaluations of costs and rewards, relative to some expected standard, determine whether or not the relationship will continue, it is important to know if communication satisfaction is related to the evaluations.

Contributions

One of the major contributions of this research is the development of the DRD Model, based on the contributions and gaps of the existing buyer/seller interaction literature. The model can be used as a basis for future systematic investigation of the development of buyer/seller relationships. The DRD might possibly begin to help address the lack of comprehensiveness in the buyer/seller literature, as noted by Enis and Chonko (1978).

The development of the model, as well as the motivation of the hypotheses, necessitated a review of the literature from communication and social psychology, as well as marketing. This process has shown that related disciplines have much to offer marketing in the way of theoretical foundations and conceptual development. A contribution of this research is the integration of these disciplines into the study of buyer/seller relationships.

This study could also begin to fill in a gap in the empirical literature by examining the inception of

buyer/seller relationships. The idea of a relationship as the phenomenon of interest, instead of a discreet interaction, means that each process affects the processes which succeed it. It is important to understand the beginnings of these processes in order to made adequate predictions about later stages.

As part of this investigation, measures will be developed to assess perceived similarity, perceived costs of maintaining the relationship, the rewards to accrue from the relationship, and the performance of the relationship relative to the expected standard. These measures could be used in future research to study any of the stages in relationship development. Additionally, the research could provide evidence for the validity and reliability of existing measures which could be used in subsequent studies.

On a managerial level, this research could position self-monitoring as a tool to be used by negotiation partners to increase their effectiveness. For instance, if low self-monitors are confident in their evaluations when they use inferences, then they could be taught to actively generate and use inferences to boost their confidence level. In addition, if similarity does facilitate inference use, then salespeople and buyers could be guided to seek bases of similarity, and to encourage the perception of similarity in the other dyad partner.

Awareness of self-monitoring could also be used to impact communication compatibility in the dyad. Low self-monitoring salespeople could be matched with customers whose communication style preferences are similar to their own styles. High self-monitors, on the other hand, could be trained and encouraged to enhance their natural propensity to seek cues from the situation to guide behavior.

Finally, dyad members who learn to use their natural self-monitoring propensities for effective interactions can develop long-term relationships without sacrificing short term gains. This has been suggested as a necessary goal of negotiation research by Clopton (1984). In other words, buyers and sellers can operate in a win-win environment by matching their abilities to the particular interaction situation.

If satisfaction with communication is related to evaluations, then the importance of communication training for both dyad partners becomes evident. Although managers have long recognized the wisdom of some types of communication training, this research may point to specific aspects of communication (level of three style variables, for instance) on which training could focus.

This research project will be presented in the following manner. Chapter 2 will present a comprehensive review of the buyer/seller literature as well as a more

detailed description of the elements of the Dyadic Relationship Development Model. The study hypotheses, and a discussion of the methodology which will be employed to examine those hypotheses, will be explained in Chapter 3. Chapter 4 will present the results of the research which directly test the study hypotheses and additional results which were present in the data. The study conclusions and limitations will be offered in Chapter 5. Suggestions for future research will also be discussed in Chapter 5.

CHAPTER II

LITERATURE REVIEW AND EXPLICATION OF THE DRD MODEL

Introduction

The purpose of this chapter is to present a review and synthesis of the relevant literature which examines the processes involved in the development and growth of the buyer/seller relationship. These processes are viewed as a function of situational factors, personal factors and dyadic relationship factors. A model of the buyer/seller relationship is proposed, resulting from the integration of pertinent literature in the marketing, psychology, social psychology and communications disciplines (See Figure 1). The first section of this review will address the justification for considering the dyad as the unit of analysis. This justification involves two issues: research at the level of the individual actors (instead of some larger group of which they are members) and consideration of the dyad as a unit (instead of treating each actor as a separate unit). The second section will discuss the need to investigate the buyer/seller dyad as a relationship, instead of a discreet interaction. The third section presents a review of previous models of the buyer/seller dyad, along with the accomplishments and gaps suggested by this

literature. The fourth section will present the Dyadic Relationship Development (DRD) model of the buyer/seller dyadic relationship and a review of relevant literature to support each of the components of the model. The final section will summarize the literature review.

The Unit Of Analysis

There are several level-of-analysis options available to the researcher interested in exchange phenomena between two entities. The phenomena could be examined at the system or aggregate level (e.g. the family or the corporation), at the level of a group or groups within each system, or at the individual participant level. This review focuses on the individual participant level, with the awareness that these individuals are influenced by group level and system level phenomena. For instance, writing about organizational buying behavior, Webster and Wind (1972) state:

> In the final analysis, all organizational buying behavior is individual behavior. Only the individual as an individual or a member of a group can define and analyze buying situations, decide, and act. In this behavior, the individual is motivated by a complex combination of personal and organizational objectives, constrained by policies and information filtered through the formal organization, and influenced by other members of the buying center. The individual is at the center of the buying process... (p. 18)

In the personal selling situation, <u>two</u> individuals are at the center of the process. It is necessary, therefore, to

consider the dyad, composed of two individuals, as the appropriate unit of analysis. This represents a departure from the generally accepted unit of analysis in marketing research. Generally, marketing's traditional way of looking at buying and selling behavior has used the unit paradigm (the buyer's behavior is studied separately from the seller's behavior). This paradigm may result in three problems (Johnston 1981). First, the unit paradigm takes a unidirectional view of social causation in the buyer and seller behavior area. For instance, the stimulus (sales presentation) is typically seen as causing the response (sale). The unit paradigm does not recognize that the source of the response may also act to influence the source of the stimulus. Kernan and Reingen (1984) state that the convention of regarding influence attempts as a form of rhetoric directed at a compliant source is seriously flawed.

Second, the problem of reductionism is prevalent in the unit paradigm. A transactional phenomenon, such as exchange, cannot be forced into an atomistic framework. This reductionism essentially loses the complexity of the exchange phenomenon, and may result in spurious conclusions (Bonoma & Johnston 1978). Finally, the unit paradigm neglects the social character of many types of buying behavior, particularly the type of behavior that occurs in a personal selling situation. The individuals involved in the

purchase decision may be representatives of organizations, families or other social groups, and these groups exert influence on the character of the transaction (Johnston 1981).

Some marketing researchers, perhaps in an attempt to avoid the problems of the unit paradigm, have recognized the utility of the dyadic paradigm to study exchange phenomena. Achrol, Reve and Stern (1983), discussing marketing channels, point out that focusing on transactions as the basic activity of marketing channels compels a dyadic perspective in which the relationship between the two transacting parties is highlighted. In addition, Riordan, Oliver and Donnelly (1977) place the selling process in the context of social interaction. Riordan and his colleagues propose that salesperson characteristics and actions combine in complex ways with prospect characteristics to determine sales outcomes. As social behavior, therefore, the selling interaction must be examined by looking beyond either the salesperson or the customer.

Achrol et al. (1983) also support the choice of the dyad as the unit of analysis, instead of more complex units at a more aggregate level, in studying exchange phenomenon. According to those authors, the dyad as the unit of analysis should be useful for theory development. They point out that the state of development of theories pertaining to dyadic

interaction are improving, and are far ahead of more complex units, such as the system or network (Achrol et al. 1983).

The specific idea of selling as a dyadic relationship was first proposed by Evans in 1963. Evans suggested that to understand the selling process, it is necessary to examine both parties to the sale as a dyad.

> In this sense, the 'sale' is a social situation involving two persons. The interaction of the two persons, in turn, depends upon the economic, social, physical and personality characteristics of each of them...The sale is a product of the particular dyadic interaction of a given salesperson and prospect rather than the result of the individual qualities of either one of them alone. (p. 76)

Since Evans' milestone study, many marketing researchers have focused on the dyad as the unit of analysis in personal selling research. The buyer/seller dyad has been used to explore equity in exchange (Leventhal, Younts & Lund 1972, Evans 1981, Lucas & Bush 1983), role theory issues and selling effectiveness (Tosi 1966, Wilson & Bozinoff 1980), bargaining behavior (Pennington 1968, Mathews, Wilson & Monoky 1972, Taylor & Woodside 1981), patterns of interaction (Olshavsky 1973, 1976, Holbrook & O'Shaughnessy 1976), use of influence strategies (Swinyard 1981, Cialdini & Carpenter 1981, Capon & Swasy 1981), influence of individual characteristics on the exchange interaction (Churchill, Collins & Strang 1975, Reingen, Gresham & Kernan 1980, Akaah 1980, Obermiller & Sawyer 1981, Wise 1981,

Reingen, Ronkainen & Gresham 1981, Wilson & Ghingold 1981), use of power during the interaction (Busch & Wilson 1976), communication (Sheth 1976, Soldow & Thomas 1984, Williams & Spiro 1985), situational influences (Lutz & Kakkar 1979) and cultural influences (Sheth 1981). These studies establish the utility of dyadic paradigm for the examination of diverse issues related to personal selling. However, choosing the dyad as the unit of analysis is not sufficient to properly delimit the phenomena of interest in this study. It is also necessary to consider the relational aspect of the buyer/seller dyad.

The Dyad As A Relationship

Relationships emerge and develop as natural accompaniments to ongoing activities such as buying and selling (Delia 1980). Two people are described as being in a relationship if they have an impact on one another; if they are interdependent in the sense that a change in one person causes a change in the other (Berscheid and Peplau 1983). The relationship may be said to begin when the two persons first affect one another to some specified degree and to end when they no longer do so (Kelley et al. 1983). According to Kelley et al. (1983), the basic data of a dyadic relationship consist of the chains of events of two actors. Each chain includes affect, thought and action. The events

are causally connected within each person's chain, and the two actor's chains are causally interconnected. The interchain connections (in other words, the patterns of interdependence) constitute the essential feature of interpersonal relationships. Additionally, the essential character of a relationship is that each interaction is influenced by other interactions in that relationship (Hinde 1979).

Capon, Holbrook and Hulbert (1977) suggested that research on buyer/seller behavior should include an emphasis on "developmental selling," or the long-term and relational nature of many purchasing situations. Two of the most recent conceptualizations of the buyer/seller dyad (Weitz 1981; Dwyer, Schurr & Oh 1987) emphasize that effective selling interactions take place within the confines of a relationship. The relationship develops enduring characteristics which can interact with the salesperson's resources and the nature of the customer's buying task. Weitz (1978) proposes that characteristics of the dyadic relationship have played an important role in interpersonal influence research in social psychology and organizational behavior, but have been ignored in personal selling research. Therefore, to understand the dyad, and to be able to predict the success of the dyad, the characteristics of

the relationship within which that dyad functions must be identified and understood.

It is important to recognize that different types of relationships have been distinguished in the literature on relationship development. Clark and Mills (1979) differentiate between two basic types of relationships: communal and exchange. Communal relationships are composed of members who are concerned about the welfare of the other, and give benefits when a need exists in the other person. Exchange relationships (which is how Clark and Mills describe selling relationships) are composed of members who give benefits with the expectation of receiving a benefit in return.

Further, distinctions have been made among different types of exchange relationships. According to Blau (reviewed in Roloff 1981, p. 15) exchange relationships can be placed in two general categories: economic and social. Relative to social relationships, economic relationships tend to involve 1) more specific obligations, 2) clearly specified time frames, 3) more bargaining, 4) greater dependence on legal sanctions, 5) less feelings of personal obligation, 6) a well defined rate of exchange and 7) value which is detached from the individual who provides that value.

All of these categories of relationships suggest a continuum of intimacy, where some relationships are very

intimate, some are extremely impersonal, and some fall in between. Social norms establish what degree of intimacy is proper for a particular type of relationship (McCall et al. 1970). The relationship between salesperson and customer may exist at any point along the continuum, although most buyer/seller relationships probably do not achieve the degree of intimacy of other types of relationships, such as marriage. However, it is possible that as the buyer/seller relationship develops, the degree of intimacy does increase. The dyad members may become friends as well as exchange partners.

The possibility of an increase in intimacy, and the inherent change in the nature of the obligations, is an important and interesting facet of the proposed model. According to the model, this increase in intimacy (as a characteristic of the relationship) would change the dyad members' perceptions of the interaction context. For instance, as two exchange partners become more intimate, thereby moving toward social exchange, each may feel a more personal obligation toward the other to provide value. Therefore, other possible exchange partners might be eliminated from consideration as personal commitments become as or more important than exchange obligations.

These distinctions also suggest that people in different types of relationships might have varied

expectations of their partners depending on the context of the relationship. The differences in these expectations might be explained by the difference between role relationships and personal relationships. The role relationship is a formal relationship such that the social situation constrains the form of the interaction. Therefore, the roles of the members of the relationships are important in dictating their actions. A personal relationship, by contrast, is one in which knowledge of persons rather than role relationships is the primary constraint on the form of the interaction (McCall et al. 1970).

To review briefly, contrary to marketing tradition, there is a body of literature which supports the view that to understand the phenomena involved when buyers and sellers conduct transactions, one must focus on the dyad as the unit of analysis. Additionally, there is justification for the idea that the buyer/seller dyad is a relationship with identifiable characteristics. The nature of this relationship, however, is influenced by the characteristics of each of its members, and by the environment.

Earlier Models of the Buyer/Seller Dyad

The proposed Dyadic Relationship Development model (hereafter referred to as DRD), as depicted in Figure 1,

draws, in part, on previously published conceptualizations of the buyer/seller interactions (Willett & Pennington 1966, Levy & Zaltman 1975, Sheth 1976, Wilson 1976, Spiro, Perreault & Reynolds 1977, Lutz & Kakkar 1979, Williams 1980, Weitz 1981, Dwyer, Schurr & Oh 1987). These established models can be grouped according to whether their primary focus is any single, discreet interaction between a buyer and seller, or the development of a relationship, which may occur over a series of interactions (The Weitz model is an exception which does not fit easily in either category. It will be explained after the interaction and relationship development are reviewed). Each model will be reviewed briefly, and the aspects which have been incorporated into the proposed model will be noted.

Interaction Models

The Willett and Pennington (1966) model of the buyer/seller interaction (Figure 2) depicts the core transaction as a result of a buyer and seller who possess a set of characteristics (motives, response traits, values and attitudes), and who are influenced by social class, reference groups, and family. The customer has a pre-shopping purchase intention which impacts the transaction directly. Outcomes of the transaction may be purchase, no purchase or brand substitution. Willett and Pennington's data, on which the model was based, suggested

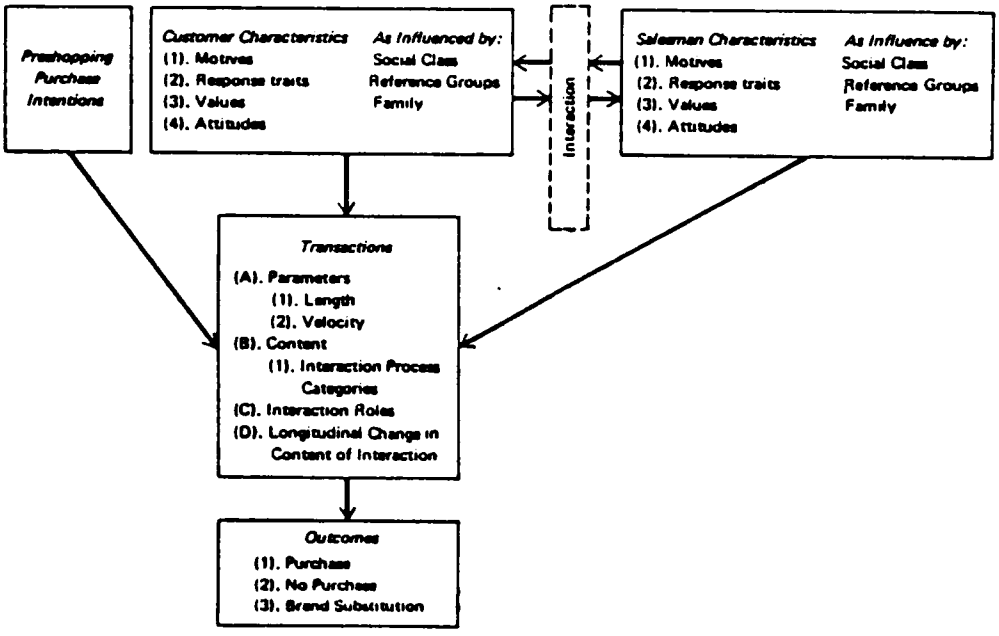


Figure 2: The Willett and Pennington Model

Source: Willett, R. P. & A. Pennington (1966), "Customer and Salesmen: The Anatomy of Choice and Influence in a Retaining Setting," in Proceedings of the American Marketing Association, Chicago, Il: American Marketing Association, 598-616.

that the pattern of responses during the core transaction predicted outcomes. The model has a beginning and an end which is determined by whether or not the customer makes a purchase. The DRD draws on Willett and Pennington's model by including the personal characteristics and personal influences of that model.

The Sheth (1976) model conceptualizes the buyer/seller interaction by proposing that the effectiveness of the buyer/seller interaction is a function of content and style of communication (Figure 3). Communication content was defined in terms of product-related utilities (e.g., functional utility, emotional utility). Style is the format that the buyer and seller adopt in their interaction. Sheth's model also includes the influence of personal, organizational and product related factors on the buyer/seller communication.

Sheth's model provided an important contribution to the understanding of buyer/seller relations by specifying the factors which contribute to the success of the selling interaction. However, Sheth's model is an interaction model, not a relationship model. As such, the communication portion of the model is almost wholly incorporated into the proposed model's exploration/expansion phase.

Spiro, Perreault and Reynolds (1977) also modeled the sales process as a dyadic interaction (Figure 4). The major

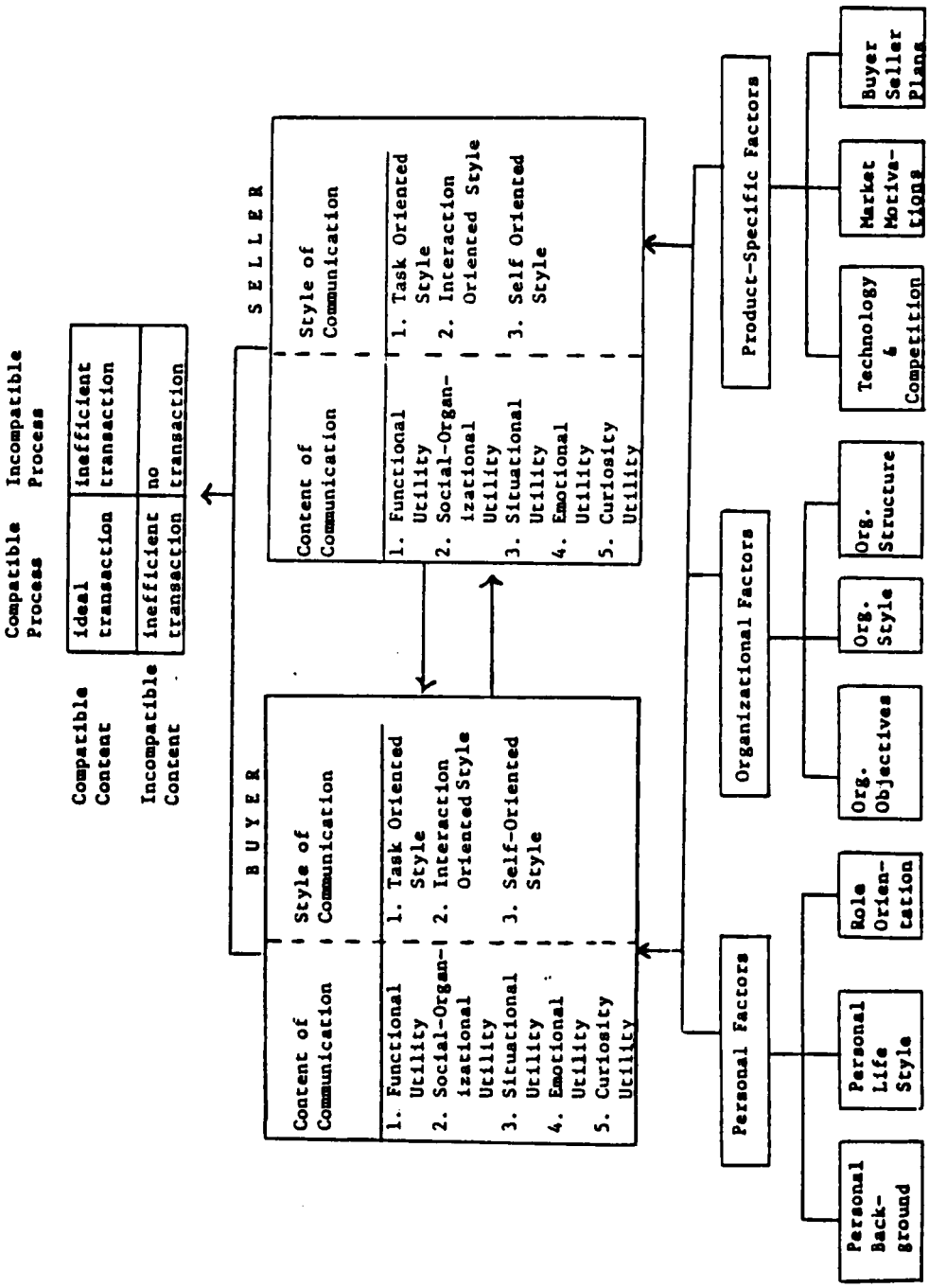


Figure 3: The Sheth Model

Source: Sheth, J. (1976), "Buyer-seller Interaction: A conceptual Framework," in Advances in Consumer Research Volume III, Beverlee Anderson (Ed.), Atlanta: Association for Consumer Research, 382-386.

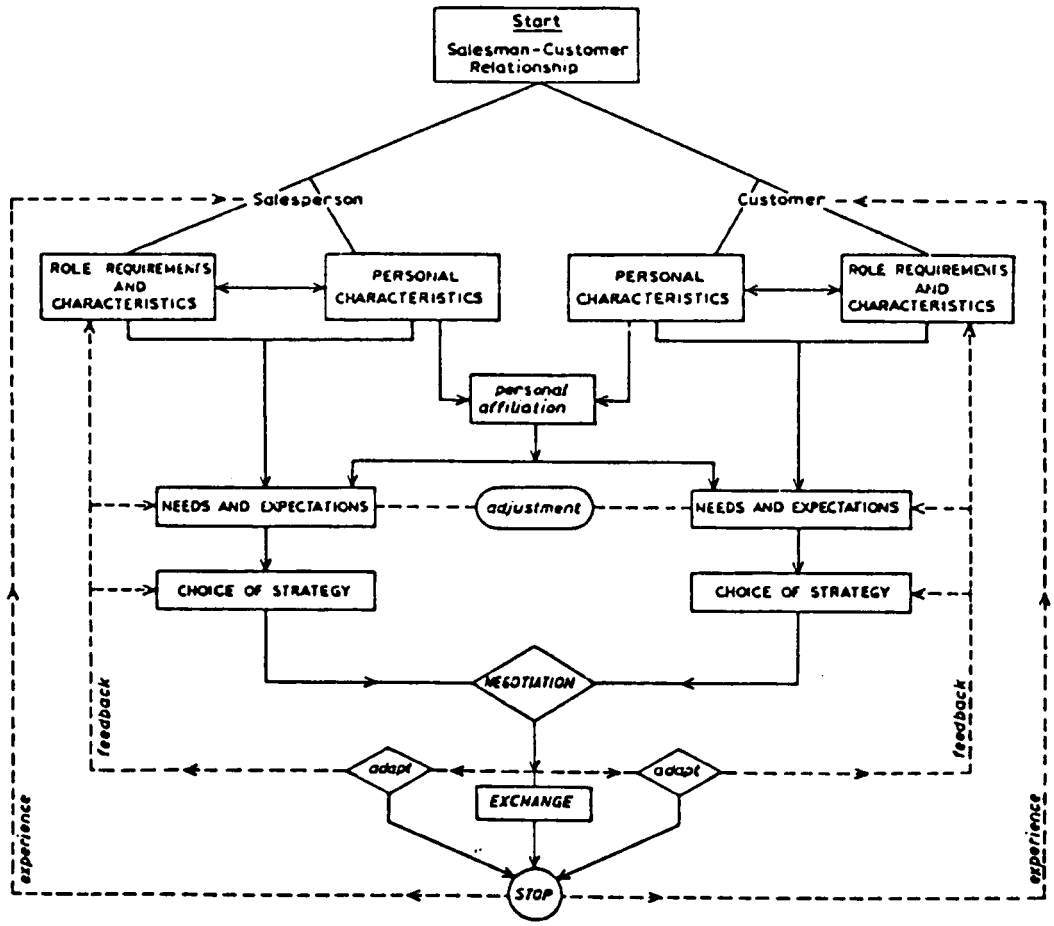


Figure 4: The Spiro, Perreault and Reynolds Model

Source: Spiro, R., W. D. Perreault & F. Reynolds (1977), The Personal Selling Process: A Critical Review and Model, Industrial Marketing Management, v. 5, 351-364.

components of the model are the personal characteristics of the buyer and seller, the role requirements and characteristics of the buyer and seller, the needs and expectations of the buyer and seller and choice of negotiating or influence strategy. The personal characteristics of participants are shown to influence the "personal affiliation" between buyer and seller that may help or hinder subsequent process of the interaction. Personal characteristics also influence the ability of the participants to meet their respective role requirements. In addition, role requirements and personal characteristics interact to shape the needs and expectations of dyad participants, which in turn influence the choice of negotiating strategy. The model shows that dyad participants can adapt their negotiating strategies during the course of the interaction, and this adaptation may become part of the role requirements of the buyer and seller. In addition, buyers and sellers acquire experience as an outcome from exchange, and this experience becomes input into future buyer/seller interactions.

One important contribution of the Spiro, Perreault and Reynolds model is that personal characteristics are not shown to impact the interaction outcome directly, but instead, operate by influencing the process of personal affiliation that occurs between dyad participants. This

notion of influence is incorporated into the proposed model as an important part of the early phases of relationship development. Personal characteristics are shown to impact the processes which lead to personal affiliation. Personal characteristics are shown to influence both parties' perceptions of the potentiality of the other as a likely exchange partner.

Lutz and Kakkar (1976) provided a model of the role of situation in interpersonal influence (Figure 5). As such, it is not specifically a model of buyer/seller interaction in the same spirit as the other models. However, Lutz and Kakkar's discussion of interpersonal persuasion as a two-person decision process focuses on examples from the buyer/seller interaction literature, and therefore the model will be included in this discussion. These authors conceptualize situation as an exogenous variable which may exert influence on any or all of the endogenous variables in the Fishbein model of propositional control. Of particular relevance for this research, however, is Lutz and Kakkar's contention that a major element of the situation is the interpersonal dimension. The behavior of the dyad partner is conceptualized as part of the interaction environment. The interpersonal dimension of situation is therefore separated from the remaining dimensions of situation. Thus, both "context" (in an environmental sense) and the behavior of

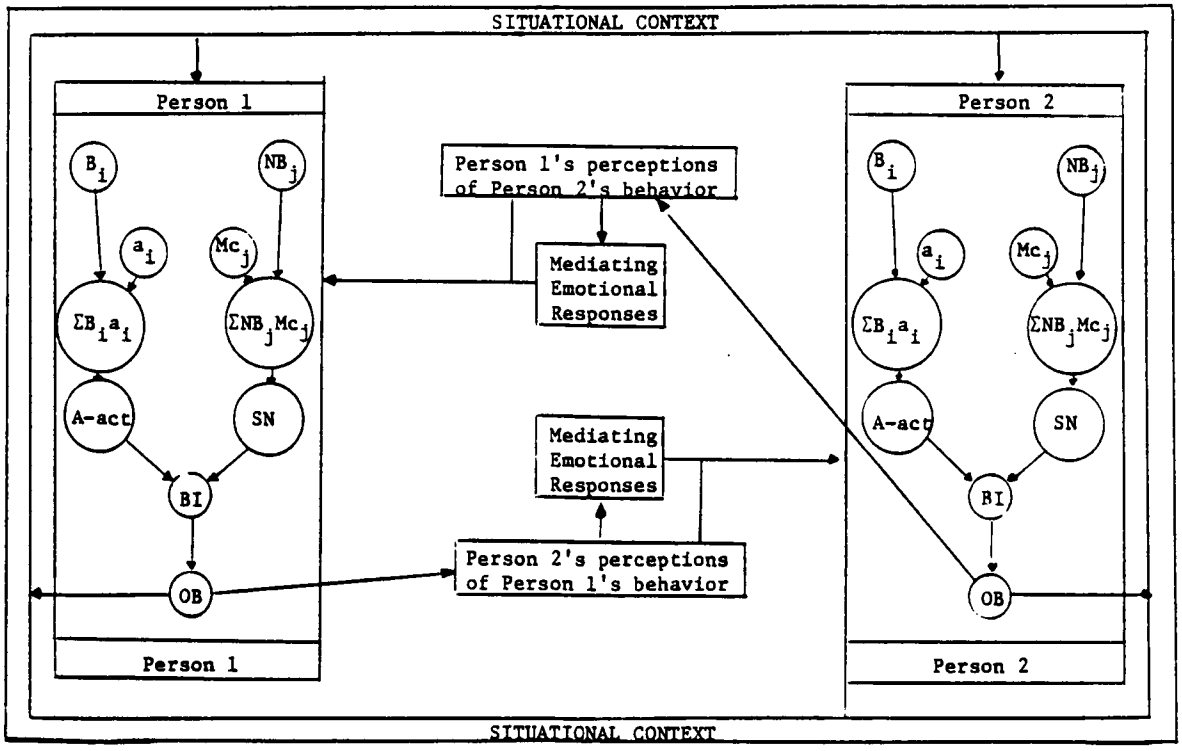


Figure 5: The Lutz and Kakkar Model

Source: Lutz, R. & P. Kakkar (1976), "Situational Influence in Interpersonal Persuasion," in Advances in Consumer Research Volume III, Beverlee Anderson (Ed.), Atlanta: Association for Consumer Research, 370-374.

the other member of the dyad can serve as an influence on any of the relationships in the dyadic interaction.

A comprehensive model of the buyer/seller interaction was presented by Williams in 1980 (Figure 6). Williams' model has three components: the customer component, the salesperson component and the interaction component. The customer and salesperson components include information and experience, personal/role characteristics and requirements, a role specific process, information processing and the dyad member's environment. The interaction component contains the interaction environment, interpersonal communication (communication style, code, content and rules) and interaction results. The model provides a detailed description of role specific processes and information processes, which according to Williams, filled a void present in earlier models. Williams depicts two fundamentally different role-specific processes for the buyer and seller. The buyer is depicted as utilizing a process of problem recognition, search behavior, alternative evaluation, choice and outcome following the familiar decision model of Engel, Blackwell and Kollat (1978). The seller, however, is shown to engage in a sequential process of impression formation (of the customer), strategy formation, transmission, evaluation, realization of objectives and outcomes.

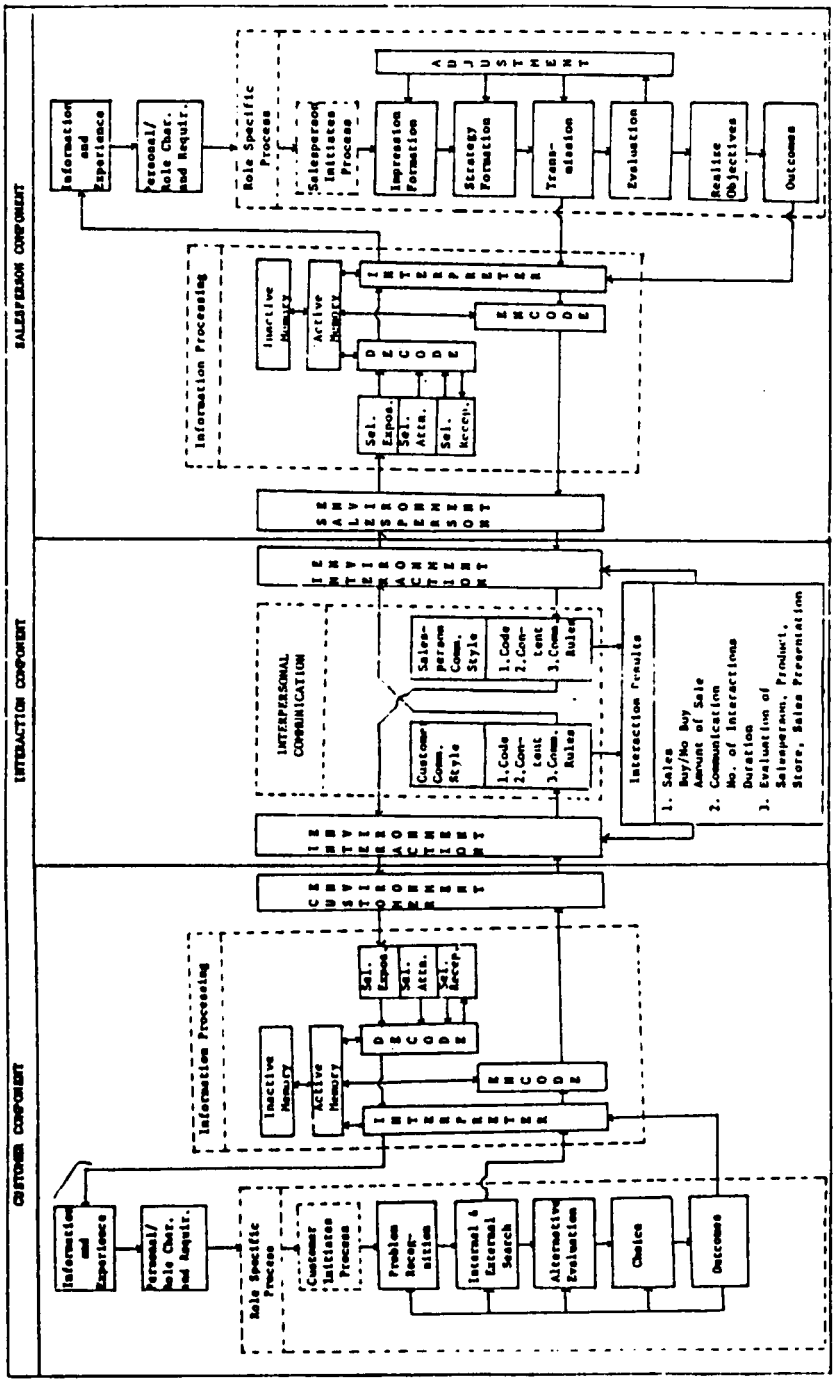


Figure 6: The Williams Model

Source: Willians, K. (1980), "Communication Style in the Customer-Salesperson Dyad," Unpublished Ph. D. Dissertation, University of Tennessee.

The DRD model incorporates Williams' interpersonal communication portion of the interaction component, which is adapted from Sheth's earlier (1976) model of buyer/seller interaction. However, the proposed model does not depict fundamentally different processes for the buyer and seller. While the buyer and seller may have different goals when engaging in an interaction, the basic processes of evaluation are assumed to be the same. Also, the Williams model seems to assume that a customer does not engage in impression formation, strategy formation or transmission, which seems unlikely, given its depiction of interpersonal communication.

Relationship Development Models

In their discussion of marketing as a social system, Levy and Zaltman (1975) offered a model of the buyer/seller relationship as an example of a social system (Figure 7). Levy and Zaltman conceptualized the buyer/seller social system as a relationship. The fundamental structure of that relationship is provided by seven "core exchange variables": 1) frequency of reward or punishment, 2) likelihood of action, 3) similarity of stimuli, 4) value of the reward, 5) recency of last critical mass of the rewards, 6) discrepancy of expected reward or punishment with reward or punishment realized and 7) degree of approving or disapproving behavior. The conceptualization of these

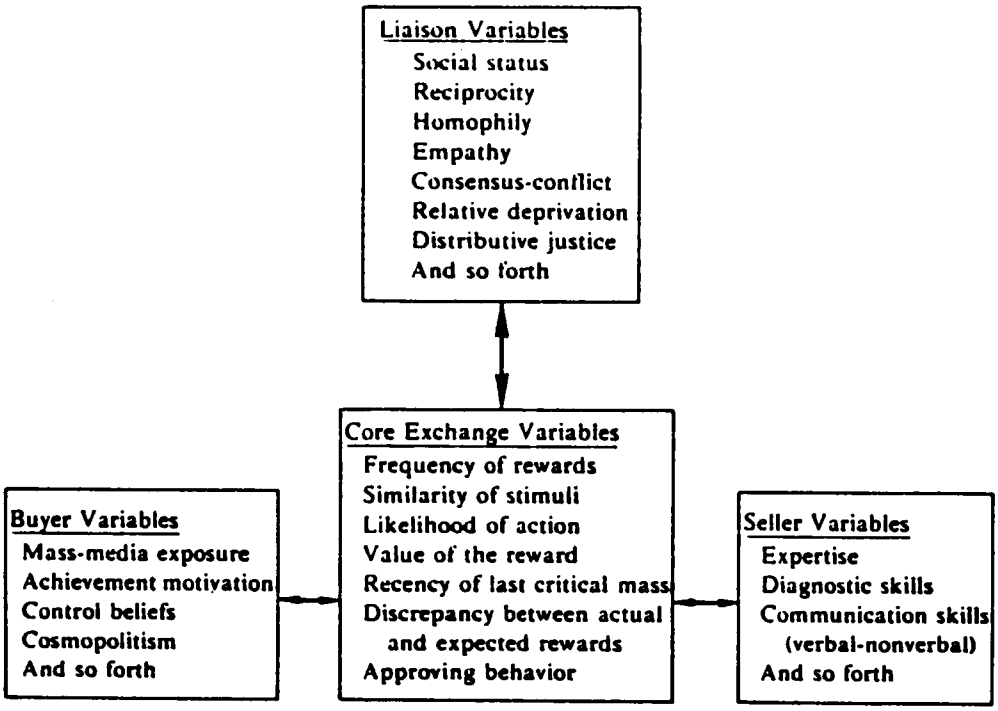


Figure 7: The Levy and Zaltman Model

Source: Levy, S. & G. Zaltman (1975), Marketing, Society and Conflict, Englewood Cliffs, N.J.: Prentice-Hall.

variables implicates an ongoing series of interactions and therefore a dynamic phenomenon. These variables, which are said to affect the exchange patterns between buyer and seller, were used by Levy and Zaltman to develop a set of testable propositions which could constitute a theory of social exchange in marketing.

The Levy and Zaltman model also includes a set of "liaison variables" which give social character to a relationship. These variables result in part from the socialization exchange partners receive as part of life in the larger social system. Levy and Zaltman conceptualized the norm of reciprocity, or sense of obligation that one party develops toward another as the other is perceived to be investing resources in that party, as the key variable operating the core social system. However, other crucial liaison variables are social status, similarity/dissimilarity, empathy, consensus/conflict, relative deprivation and distributive justice. The model shows that buyers and sellers bring certain traits and circumstances to the exchange situation, which affect the core exchange variables. Liaison variables moderate the exchange process. These liaison variables correspond well to the characteristics of the relationship, which become important in the Weitz (1981) model to be discussed later, as well as in the DRD model.

The core exchange variables in the Levy and Zaltman model could function as criteria each party uses to evaluate the relationship, even though the authors do not conceptualize these variables as decision criteria. Also, as stated previously, these liaison variables describe the characteristics or norms which develop in a buyer/seller relationship.

As important as the Levy and Zaltman model is in the evolution of a model of dyadic relationship development, the model leaves some questions unanswered. For instance, it is unclear how the sets of variables interact to produce outcomes. Also, the influence of the exchange environment on the relationship is ambiguous in this model. Further, while processes of exchange are clearly implied by the model, those processes are not explicitly described.

Wilson's (1976) model of the buyer/seller relationship (Figure 8) was developed as the foundation for his focus on dyadic interaction as an exchange process. The model actually pictured the dyadic relationship as a long-term process. This temporal emphasis is the basis of the proposed DRD model. Wilson's model also assumes that the buyer is attempting to secure a bundle of attributes, both tangible and psychological, from the seller. These attributes may be related to the product, the company and/or the salesperson.

Source
Legitimization

Information Exchange
Problem Identification

Attribute
Delineation

Attribute
Value
Negotiation

Relationship
Maintenance

Figure 8: The Wilson Model

Source: Wilson, D. (1976)," Dyadic Interaction: An Exchange Process," in Advances in Consumer Research Volume III, Beverlee Anderson (Ed.), Atlanta: Association for Consumer Research, 394-397.

Wilson posits a five stage process: source legitimization, information exchange and problem identification, attribute delineation, attribute value negotiation and relationship maintenance. During source legitimization, the salesperson's credibility and legitimacy is established, thereby developing a basic acceptability from the point of view of the buyer. This stage has been incorporated into the DRD model as the potentiality stage. The information exchange and problem identification stage involves bounding the problem to be solved and the amount and nature of information exchange. Wilson proposed that information exchange is a function of the relationship which was established during source legitimization. This idea is also incorporated into the proposed DRD model, but the DRD model shows that the later stages of the relationship, and the nature of the relationship itself, are strongly influenced by the nature of dyadic communication, which includes the notion of information exchange. Attribute delineation involves the development of a bundle of attributes which will be exchanged by dyad members. Attribute value negotiation is the stage where bargaining occurs. Dyad members negotiate the value of the rate of exchange on attributes. In the final stage, relationship maintenance, the dyad maintains and builds upon the relationship.

Wilson described his model as a "beginning attempt to conceptualize a difficult process." Therefore, while each stage is sufficiently broad to allow for further conceptual development, the generality of his model would make hypothesis generation and testing difficult. Further, Wilson's model does not include an explicit consideration of the environment, and the consideration of individual characteristics of importance is limited to the seller's expertise and similarity to the buyer.

A model of buyer/seller relationship development was offered by Dwyer, Schurr and Oh in 1987 (Figure 9). These authors proposed that the relationship develops in a temporal sequence through five phases: awareness, exploration, expansion, commitment and possibly dissolution. The buyer and seller develop increasing interdependence on one another via the processes of attraction, communication and bargaining, power and justice, norm development and expectations development. The relationship develops shared values and governance structures which support the members' joint investment in the relationship.

The temporal sequence of the Dwyer, Schurr and Oh model is apparent in the proposed model. Also, the proposed model includes a distinct structure for the characteristics of the relationship, which is very similar to Dwyer et al.'s

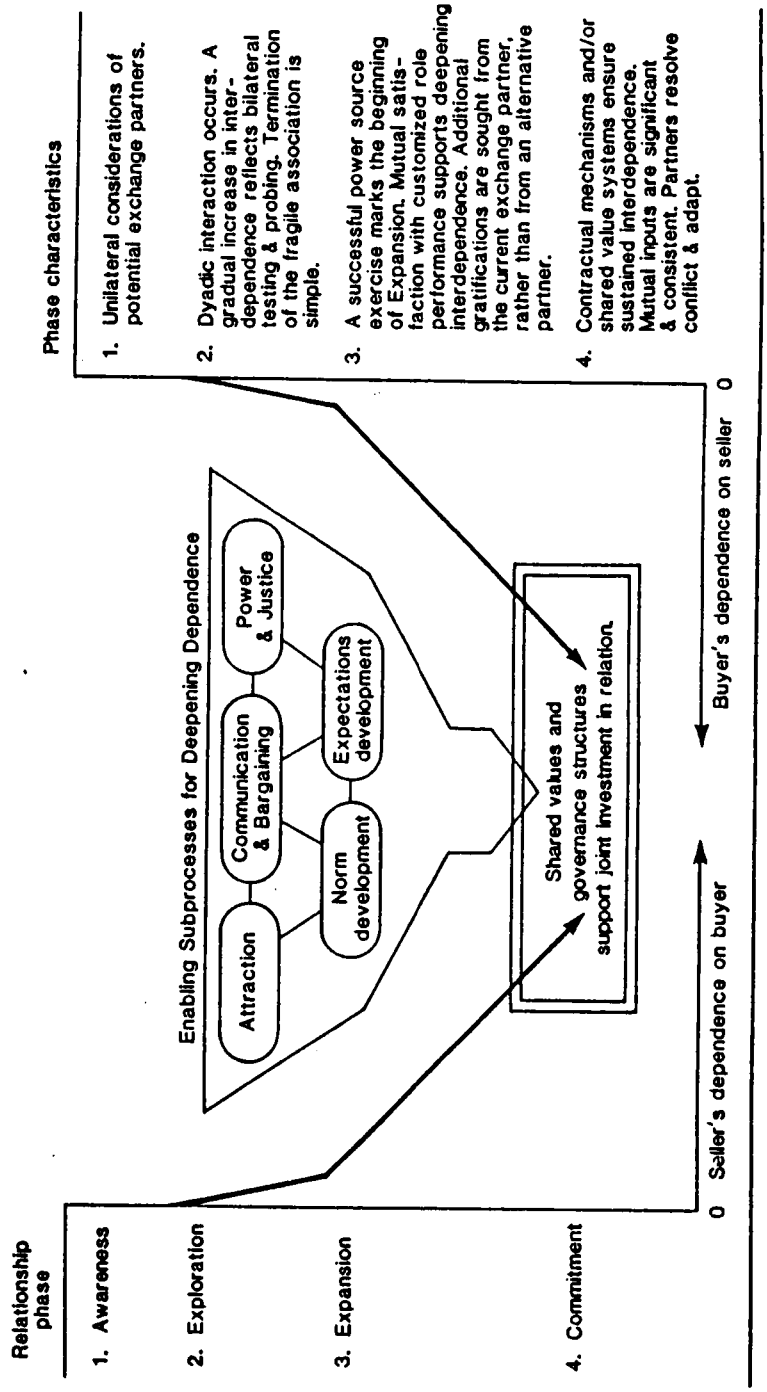


Figure 9: The Dwyer, Schurr and Oh Model

Source: Dwyer, R, P. Schurr & S. Oh (1987) "Developing Buyer/Seller Relationships, Journal of Marketing, 51, 11-27.

conceptualization of shared values and governance structures. However, like many earlier models, the Dwyer, Schurr and Oh model does not explicitly consider the impact of the environment. Unlike most of the other models, Dwyer, Schurr and Oh do not give consideration to the individual characteristics of the dyad participants.

The Weitz Model

Weitz (1981) offered a contingency model of salesperson effectiveness which included the characteristics of the buyer/seller relationship (Figure 10). Although Weitz defines salesperson effectiveness as "the degree to which the 'preferred solutions' of salespeople are realized across their customer interactions," a critical determinant of that effectiveness is the moderating influence of the buyer/seller relationship. According to Weitz, characteristics of the buyer/seller relationship are the level of conflict and bargaining, relative power, the quality of the relationship, and the anticipation of future interaction.

Weitz's model departs from earlier models by considering the impact of the relationship itself on process, instead of equating process with relationship, or focusing only on interaction processes without considering the relationship. The influence of Weitz's model on the DRD model is seen in the arrows which represent the impact that

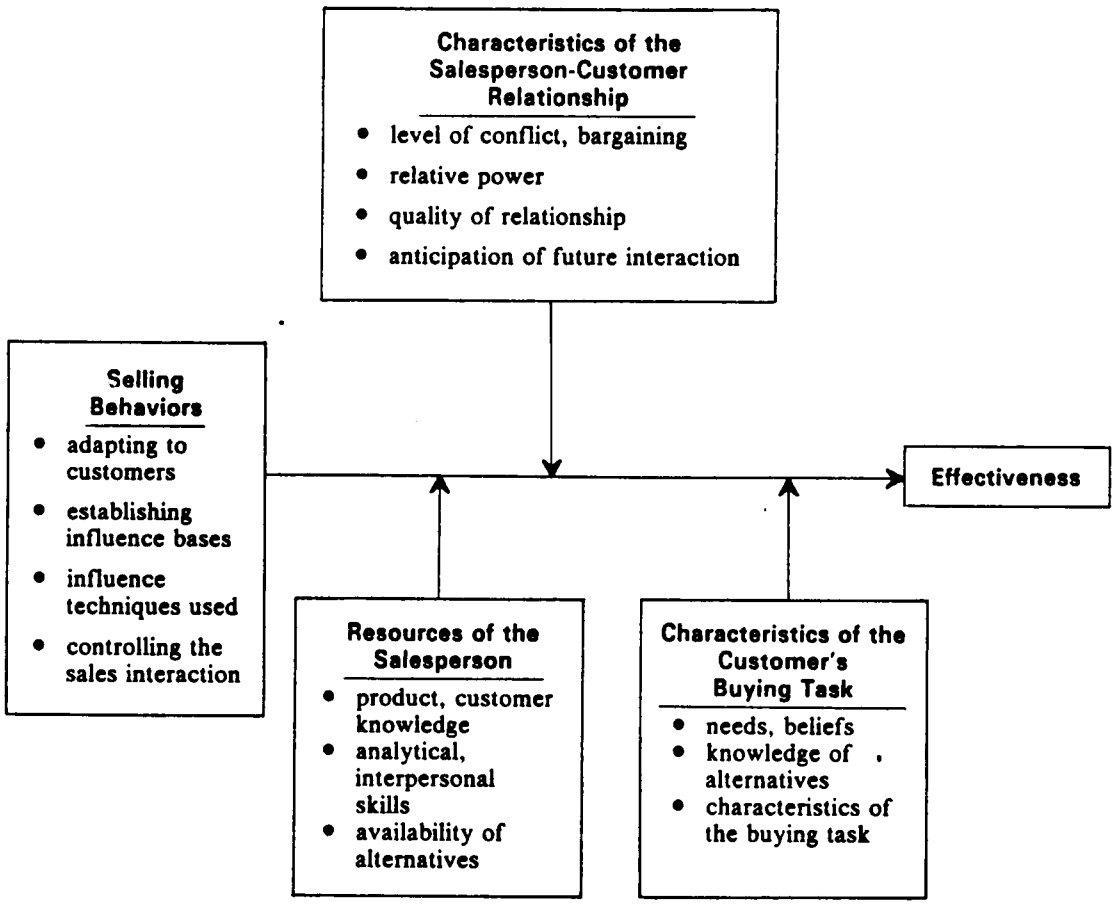


Figure 10: The Weitz Model

Source: Weitz, B. (1981), "Effectiveness in Sales Interactions: A Contingency Framework," Journal of Marketing, 45, 85-103.

the relationship has on the exploration/expansion stage (which includes buyer/seller communication), and on the dyad members' perceptions of the environment.

Contributions of and Gaps in the Literature

This brief review of nine models shows that several themes have emerged in the study of the buyer/seller dyad, and also that several major gaps are evident. Most of the models explicitly recognize the importance of the individual characteristics of the buyer and seller. It is the Spiro, Perreault and Reynolds model which provides the most cogent interpretation of this importance; that buyer and seller characteristics affect the personal affiliation of the dyad participants, and not the outcomes of the dyad directly. This proposed influence is a critical assumption of the research to be discussed in a later section.

However, the extensive work on individual characteristics, which will be reviewed as part of the discussion of that portion of the DRD model, suggests possible shortcomings of the existing conceptualizations. First, there is no agreement about what individual characteristics are important. For instance, Willett and Pennington (1966) list motives, response traits, values and attitudes as customer and salesperson characteristics, while Spiro, Perreault and Reynolds (1977) describe similarity/dissimilarity, attractiveness and credibility.

Second, there is little agreement about what variables are defined as individual characteristics. Sheth (1976) includes role orientation as an individual variable, while Spiro, Perreault and Reynolds (1977) and Williams (1980) depict role orientation as separate from, but influenced by, individual variables. Third, there is no consensus about whether buyers and sellers possess the same list of relevant individual characteristics. Some models list the same individual characteristics for buyers and sellers (Willett & Pennington 1966, Sheth 1976) while other models cite different individual characteristics. It has been suggested that unique aspects of the sales job as boundary spanning requirements coupled with the need for self-motivation differentiate the sales job from others (Dubinsky, et al. 1986). Therefore, some personal characteristics which prove salient for the salesperson in the dyad may not be as important for the buyer.

Finally, there is both a lack of evidence and inadequate conceptualization of how individual variables influence the relationship development process. Although Spiro, Perreault and Reynolds (1977) show the impact of individual variables on personal affiliation, the literature does not provide a model of when or how this impact occurs. The literature also does not indicate whether the influence

of personal variables is equally important at all stages of relationship development.

An important contribution of existing models is a fairly consistent recognition of the role of some sort of process through which buyers and sellers conduct transactions. There are two types of models: those which describe a discreet interaction, and those which depict the relationship development process. However, the depth to which both of these processes have been modeled is very uneven. Williams' (1980) model of the sales interaction is very detailed, while Willett and Pennington's (1966) model of the same process is presented in a less explicit fashion. This dissimilarity in depth is evident in models of the relationship development process. The Wilson (1976) model is relatively simplistic and abstract, while the later Dwyer, Schurr and Oh (1987) model is far more comprehensive, detailing each step of the process in turn.

It seems that models which focus on relationship development have been deficient in conceptualizing the interaction processes which guide relationship development (e.g. Levy & Zaltman 1975, Wilson 1976). Conversely, the models which emphasize the interaction processes often do not consider the importance of the relationship within which those interactions may occur (Willett & Pennington 1966, Sheth 1976, Williams 1980). Only the Dwyer, Schurr and Oh

(1987) and Spiro, Perreault and Reynolds (1977) models implicitly or explicitly acknowledge that the buyer/seller relationship is formed by a series of discreet interactions. Clearly, a model is needed which explicitly considers relationship development by conceptualizing the processes of interaction which occur as the relationship develops, and the subsequent influence of the relationship on its interactions.

Another theme which emerges as a vital contribution of these models is the recognition of the importance of some form of communication in buyer/seller interactions and the relationship development process. An important advantage of personal selling as a tool in the marketing mix is the interactive nature of this form of persuasion. Therefore, communication must be depicted as a vital process in the development of buyer/seller relations. The established models either implicitly or explicitly acknowledge communication as the foundation of relationship development.

Willett and Pennington (1966) focus on content of transactions, Wilson (1976) describes attribute value negotiation, Sheth's model (1976) emphasizes communication style and content, Spiro, Perreault and Reynolds (1977) include choice of strategy and negotiation, and Williams' model specifies communication rules, code, content and style. Williams (1980) notes that the terms "interaction,"

transaction," and "outcome" have all been used to describe the actual exchange between the buyer and seller. Williams defines interpersonal communication as the "synapse" between the buyer and the seller on the premise that dyadic communication is the essential ingredient in the interaction.

The notion that the parties to the exchange are interdependent for the attainment of rewards is another theme in the existing conceptualizations of the buyer/seller interaction which enhance the understanding of buyer/seller phenomena. The Levy and Zaltman (1975), Wilson (1976) and Dwyer, Schurr and Oh (1987) models all include some aspect of buyer/seller interdependence. However, the recurrence of this theme points to another apparent gap in the existing conceptualizations. The existing models do not include an explication of the process by which buyers and sellers evaluate the possible rewards against the costs of entering and maintaining a relationship.

Finally, while existing conceptualizations often include the influence of the situation, there is little agreement about the role of this influence and the form it takes. The treatment of the environment or situation in these models varies from the major focus of Lutz and Kakkar (1979) to non-existent (Wilson 1976). Lutz and Kakkar and Sheth (1976) view situation as an exogenous variable, while

it is portrayed in the Williams (1980) model as an endogenous variable. In addition, to date, no model has taken a cue from the channels literature, particularly the focus on Just-In-Time relationships (Frazier, Spekman and O'Neal 1988), to show that participants in the dyadic exchange may be able to influence the environment, particularly the primary and secondary task environment. This idea will be presented in detail as part of the later discussion of the environment portion of the DRD model.

The DRD: Dyadic Relationship Development Model

It has been suggested that previous models have not been integrated into a comprehensive framework of the relationship development process and its incumbent series of interactions; and that some vital elements of the dyadic relationship have not been incorporated into any conceptualization of the buyer/seller dyad (Fine & Schumann 1990). This lack of a comprehensive framework is evident in the empirical research on relationships in personal selling (Enis and Chonko 1978). After reviewing the literature on interpersonal relationships in selling, Enis and Chonko stated that the empirical studies, while important, lacked comprehensiveness. Most studies were concerned with a few interpersonal traits or exogenous variables, and did not fully specify the nature of the personal interaction. The

aspects which are generally absent from previous conceptualizations are the recognition of the role of a process of evaluation in the continuation of the dyadic relationship, and the influence the relationship may exert on the dyad partner's perceptions of the environment, and the environment itself.

The Role of Evaluation

The underlying assumption of the DRD model is that a cognitive process of evaluation by both parties is critical to the continuation of a dyadic relationship. This model proposes four points at which a process of evaluation occurs: potentiality, agreement, commitment and redefinition. Social scientists have emphasized that members of a dyad employ cognitive operations to guide their choices of action through the definition of relationships as patterns of interdependence (Hinde 1981). Interdependence occurs because each partner recognizes his or her ability to influence the behavior of the other by determining the other's costs and benefits. The continuation of this interdependence, and by definition, this relationship, depends on the evaluations of both parties of the costs and benefits which may accrue from the relationship. As Hinde (1981) stated:

> Now the courses of interindividual relationships, whether of a close personal or more formal and public kind, depend on evaluations of the relationship by the

> participants. These are relative to the standards they have brought to the relationship by virtue of their past experience. Thus understanding of the dynamics of interpersonal relationships must depend on adequate descriptions both of how each participant perceives the relationship, and of how he would like it to be. (p. 16)

In a marketing context, Frazier (1983) has described such an evaluation process in his discussion of interorganizational exchange behavior. Frazier's "Review Process" centers on the evaluation made by the exchange participants of the rewards or losses which are achieved from an exchange. (It is important to note that exchange need not be conceptualized as exchange of products or services for money. Dyadic partners could exchange any resource, such as information or approval.) Attributions are made by both parties concerning these rewards and losses, and these attributions are used later as cues by the firms to evaluate personnel and firm performance. Thus, the proposed model hypothesizes that evaluation processes are crucial to the stages in the development of the buyer/seller relationship.

The Impact of the Relationship on the Environment

Additionally, earlier models have not considered the impact that development of the relationship might have on the dyad members' perceptions of the situation, and on the actual situation itself. Anderson, Chu and Weitz (1987) describe examples of situations where a dyadic relationship

might alter the buyer's perception of the buying task. For instance, when the parties to a dyad enter the commitment stage, it is plausible that the buyer might alter his or her perception of the buying task. A purchase that was viewed as a new task or modified re-buy before commitment might be viewed as a straight re-buy after commitment. For instance, if the seller has provided the buyer with a more favorable ratio of benefits to costs than the buyer could obtain from alternative sellers, then the buyer may decide to forego consideration of alternative sellers for future purchases. Therefore, the purchase is thought of as a straight re-buy; no alternatives are considered.

An Example of the DRD Process

Before discussing the model components and processes in detail, the development of a typical buyer/seller relationship will be described as the dyad partners progress through the stages of the model. This general overview of the DRD is offered to enhance understanding of the sections of the literature review which follow.

Consider a salesperson for a large, national insurance corporation. S/he has a unique personality, which includes a high degree of empathy. The firm prescribes (to a certain extent) that s/he conduct business transactions by a set of guidelines. For instance, the firm prefers that the salesperson meet the customer at the customer's home or

place of business, and not in a more public setting. While waiting to meet with an established customer, the salesperson is introduced to a person who has recently been married. The salesperson was taught by the insurance company that newlyweds often haven't considered their life insurance needs, and are good prospects for a life insurance policy.

The prospective customer also has a unique personality. She is risk averse. She is also concerned about providing security for the future of the family, and views her financial future as uncertain. She has an entry-level position with a firm, with some potential for advancement. The salesperson asks to drop by the prospect's office in an hour to give her some information about insurance. The prospective customer agrees. This portion of the example depicts the DRD elements of environment (the salesperson's firm sets guidelines and the customer has a new spouse and financial constraints), the individual personality characteristics of the dyad partners, and an example of how the environment can facilitate awareness.

Both the customer and the salesperson attempt to "size each other up" from their limited exposure during the brief introduction they had in the waiting area. The customer perceives that the salesperson is well dressed and carries an expensive pen and briefcase. From this information, she infers that the salesperson must be successful, and

therefore, must be knowledgeable. In addition, the customer has some free time today, and has been approached by life insurance salespeople before who seemed too aggressive. The customer concludes that meeting with the salesperson today would probably be a good idea. However, being risk averse, the customer also decides to meet with other insurance salespeople before making any purchase.

The salesperson remembers the customer's title, and from this infers her approximate salary. The salesperson believes that the customer could afford a good policy on her current salary, even with the expenses of setting up a new household. The salesperson often has success selling policies to newlyweds, and decides that spending some time with the customer might result in a sale. This brief description provides an example of the cognitive processes of dyad partners which occur during the awareness stage. Inferences are formed and may be used to make judgments. Each partner evaluates the probable costs and benefits of the relationship against their expected standard for such relationships.

When the salesperson meets with the customer an hour later, the pair discuss many topics. The salesperson asks a lot of questions about the customer's personal and professional goals. The customer senses that the salesperson is trying to know her as an individual, and not just as a

potential policy holder. The salesperson senses that the customer is risk averse, and offers lots of information to show how insurance can help provide security for the family's future. The pair spend a half-hour talking before the salesperson has to leave for another appointment. The customer is very happy with the conversation. She appreciates the salesperson's questions as indications of interest in her needs. The salesperson thinks the customer wants to make a good decision, and will work hard to understand all the policy options and other investment alternatives. The pair agree to speak again after each has had time to gather more information.

The pair engage in several more meetings and have several phone conversations during the next three months. The salesperson usually asks questions to clarify the customer's needs and to make sure the correct information is presented. The customer usually doesn't say much during these meetings and conversations, because she prefers to listen to the salesperson and then carefully consider the information presented over the course of a few days. The conversations usually end with some comments about tennis, a game which the customer and salesperson enjoy. Even though the customer has spoken with two other life insurance agents, she does not feel that they give her the same

attention or provide the comprehensive information of this agent.

This portion of the scenario depicts the exploration/expansion stage, where conversation is the primary activity, and satisfaction with communication can help determine the success of the relationship. It also shows that the relationship develops characteristics (salesperson asks questions, talk about tennis), and that these characteristics help determine the pattern for future relationship development activities (meetings and phone calls).

The customer decides to exclude other salespeople from consideration (commitment). After a few more phone calls and one meeting, the customer buys a policy. The salesperson provides continued support and advice as the customer's needs change. The customer no longer views the financial future as uncertain. She knows that if anything would happen to her, she would still be able to provide for her family. This brief description depicts commitment, and then shows how the relationship can affect a dyad partner's perceptions of the environment.

The relationship continues through the pattern of phone calls and an occasional meeting. Then, after years of status quo, the salesperson phones the customer with some news. The salesperson's spouse has been transferred and the

salesperson will have to move to another city. Although the salesperson would like to continue to service the customer, it will be more difficult for both of them. This critical incident (triggered by the salesperson's environment - a spouse being transferred) causes the customer and the salesperson to re-evaluate the relationship. They meet and talk (a new phase of exploration and expansion) about the pros and cons of maintaining a long distance relationship. They decide that even with the difficulties, they would like to maintain the business relationship. However, meetings would be impossible. The salesperson offers to provide information to the customer by mail every few months, and to follow up with phone calls. The customer agrees to this redefined relationship, and it continues this way for many years. The relationship finally dissolves, many years later, when the salesperson leaves the firm. This portion of the example includes a cycle of critical incident, exploration and expansion, redefinition and finally, dissolution.

This brief, fictional description of a buyer/seller relationship illustrates the elements and processes of the DRD model, which will now be presented in three main sections. Each section will review and integrate the relevant literature. The first section is a description of the relatively static, characteristic-type components of the model: the environment, the individual dyad members'

characteristics, and the characteristics of the relationship. The term static is not used to imply that these components do not change, but to distinguish them from the process aspects of the model which involve actions on the part of the dyad participants. The process aspects will be discussed in the second section. The model shows a system of influences among the static and action components, and the third section will describe these influences.

Static Components: Environment

The idea that the situation surrounding a buying or selling experience could exert influence on that experience is an accepted idea in the marketing literature. For instance, Belk demonstrated that situational conditions can affect consumer preference for such products as beverages and snack foods (Belk 1975). However, it is the research and literature in the organizational buying area which provides the most comprehensive and relevant discussions of environmental influences on the exchange dyad.

Webster and Wind (1972) offered an early model of the environmental influences on the organizational buying process, which may be generalized to many types of exchange. These influences are described as "a set of constraints on the organization - a set of predetermined boundaries beyond the control of the organization and its members." The

Webster and Wind model shows six kinds of environmental influences: physical, technological, economic, political, legal and cultural. These influences may be exerted through the following institutional forms: suppliers, customers, government, labor unions, trade associations, professional groups, other business firms and other social institutions. According to Webster and Wind formulation, the six environmental forces impact the institutional forms in any of the following four ways. 1) They define the availability of goods and services. 2) They define the general business conditions within which the firm must operate. 3) They define the values and norms that provide a set of criteria against which to evaluate alternative actions. 4) They provide a flow of information to the organization.

This conceptualization is helpful because it specifies the nature of the situational influences, the groups which are influenced, and the mechanisms through which influence is exerted. However, not all influences will be equally relevant for each dyadic relationship. Later conceptualizations of the situational influences on buying describe the environment in terms of the "nearness" of the environmental influence to the task. This is the approach adopted in the DRD model. Each of Webster and Wind's factors, institutions and influences could be placed in a

model which delineates environmental influences according to their proximity to the task.

Achrol, Reve and Stern (1983) provide a typology of environmental influences which is task-proximity oriented. These authors distinguish between the primary task environment, secondary task environment and macro environment. The primary task environment is composed of immediate suppliers and customers of the dyad. The secondary task environment includes suppliers to the immediate customers, regulatory agents and interest aggregators who influence them, and direct and potential competitors to the dyad. The macro environment contains the social, economic, political and technological forces which impact the activities of the primary and secondary task environments. The DRD model also considers the immediate dyad environment, which is comprised of the organizational factors of both dyad members, such as goals, interpersonal relationships with other firm members and the firms' reward systems. This immediate dyad environment has been included under the primary task environment. The following discussion considers the primary, secondary and macro environment in more detail.

Primary Task Environment

The immediate interaction environment is the situation over which the dyad members can exert the most control. In

the consumer behavior literature, Belk has offered a taxonomy of groups of situations characteristics which can be considered aspects of the primary consumer task environment. The general features which define situation are physical surroundings, social surroundings, temporal perspective, task definition and antecedent states (Belk 1975). Because this taxonomy was constructed to describe the primary task environment of a particular consumer, it may not capture some of the complex factors that operate on an interacting dyad. Therefore, it is helpful to consider the notion of primary task environment from additional perspectives.

From a social psychological perspective, McClintock (1983) proposes that many of the environmental constraints that operate on members of relationships are the product of their own past interaction. This is very similar to Lutz and Kakkar's (1979) notion of an interpersonal dimension of situational influence. To elaborate, suppose a salesperson and customer met by chance in a restaurant and began discussing business. If the discussion was successful for both parties, future meetings might take place in a restaurant, even though both people normally conduct business in an office setting. In developing relationships then, members may select or erect contexts for their interaction as a way of controlling the primary task

environment. One salesperson may choose to do business over lunch or a golf game, while another meets with a customer in the customer's office or home.

The organizational buying literature provides a wealth of research on the primary task environment. One aspect of the primary task environment which has received attention in the organizational buying literature is groups within the buyers' and sellers' firms. The group in the buyers' firms which has been investigated is the buying center. The buying center is defined as "members of the organization who interact during the buying decision process" (Webster & Wind 1972).

Jackson, Keith and Burdick (1984) investigated the perceptions of purchasing agents of the influence of various buying center members on industrial purchases. Buy class did not have a significant impact on purchasing agents' perceptions of the relative influence of buying center participants. Product type (component parts vs. supplies) and decision type (supplier decision vs. product decision) did significantly affect the agents' perceptions of the relative influence of buying center participants. In an exploratory investigation of the structure of the buying center in the metal working industry, Lilien and Wong (1984) found that product characteristics affected the decision structure within the buying organization. The authors

concluded that "product complexity" explained the differences in the decision structures. However, they also found that involvement differed by job category, by stage in the decision process, and by size of the firm. Therefore, product factors seem to be an important determinant of the extent of the involvement of the buying center.

In addition, Clopton (1984) showed that a buyer's negotiation behavior was influenced by the degree to which his organization monitored that behavior. His experiment used 64 organization purchasing personnel, and buyers were told that either their bargaining behavior and the outcome of their negotiation would be monitored by their firm, or that only the outcome would be monitored. Type of monitoring affected the buyers' concession behaviors.

The seller, like the buyer, can also be influenced by members of his or her firm. The sales manager and other salespeople may have an impact on how the seller conducts business. For instance, Perdue (1988) investigated the participation of various members of the selling firm in a field study of a commonplace industrial purchase. She found that the sales manager and top management will participate with the salesperson in negotiations. Specifically, the number of negotiators representing the selling firm increases as the purchase size increases. Also, as the

importance and/or risk of the sale increases, the probability of management involvement increases.

The selling firm equivalent of the buying center has recently been introduced into the marketing literature. Hutt and Speh (1984) describe a "marketing strategy center", in which decision-making roles are defined and functional interdependencies of the selling firm are made explicit, quite like the organizational buying center. In 1985, Hutt, Johnston and Ronchetto proposed that the sales function is a vital strategic position within the strategy center. They proposed that the organizational selling center is composed of marketing, sales, manufacturing, research and development, engineering and physical distribution. Which units are involved may be a function of the type of task the seller is involved in.

This brief review of the organizational buying and selling literature regarding groups within the organization as a primary task influence leads to some general conclusions. The literature demonstrates that both buyer and seller are likely to be affected by these groups if the task is relatively important, and/or relatively complex. Also, buyers and sellers are likely to negotiate in a different manner if they are monitored by these groups, than if they are not monitored. For instance, the manager who accompanies a salesperson on sales calls is not likely to see the same

behavior that the salesperson displays when s/he is unaccompanied.

Goals of dyad members are considered as an immediate dyadic influence, as these goals may often be the product of the membership in a group, such as a firm or a family. In an organizational setting, Webster and Wind (1972) propose that the organization's evaluation of an employee's performance will be a major determinant of the extent to which s/he accomplishes his or her goals. Organizations often determine which goals employees should achieve by assigning them to roles. The employee's role is the social position in the firm, the goals of that position and the behavioral repertoire appropriate to the attainment of those goals. Attainment of goals may determine the payoff the employee receives from the firm. Therefore, the reward structure of the firm often determines which goals an employee will seek to achieve.

These goals have been demonstrated to affect the interaction of dyad partners. Eliashberg and Michie (1984) showed that the goals of both participants in the dyad influence the perception of conflict in the relationship. These authors concluded that goals, and therefore perceived frequency and intensity of conflict, were different for each party in the dyad. They refer to this difference as asymmetry.

Lutz and Kakkar (1979) propose that sellers can manipulate the primary task environment to enhance the likelihood of achieving desired goals. As an example, Lutz and Kakkar cite studies by Varela which demonstrated that salespeople can create an atmosphere of group pressure. Varela gathered a number of potential customers in one place and made a sales presentation. As soon as the first buyer decided to purchase, his decision was used to convince the other buyers to buy. This situational influence enhanced the likelihood of purchase of ready-made curtains by these customers, who were purchasing for retail establishments.

Levinger (1983) suggests that physical environment "sets the stage", and social environment "writes the script" for the development of relationships. He also states that culture defines rules of eligibility for development of social relationships. It might be said, too, that the corporate culture defines rules of eligibility for buyer/seller relationships. Culture communicates what is approved in relationships. Wallach (1983) defines corporate culture as "the shared understanding of an organization's employees - how we do things around here. Cultures are created by leaders (Schein 1985). These beliefs, values, norms and philosophies determine how things work. They define expected standards of behavior, speech, presentation of self and 'shoulds'".

Schein (1985) states that while the environment initially influences the formation of corporate culture, the culture influences what will be perceived and defined as the environment. It has also been suggested that a business firm may be able to increase the job satisfaction of its employees by matching the culture with the motivational needs of employees (Koberg & Chusmir 1987). Therefore, a buyer or seller may do a "better job" in a firm where the corporate culture matches the personal characteristics of the employee.

Corporate climate may also operate to affect the interaction of the dyad. While culture, as defined previously, is management's desired norm structure, climate is the employee's perceptions about that culture. Tyagi (1985) defines climate as "a set of global perceptions held by individuals about their objective situations." Tyagi found that a number of organizational climate variables significantly influenced salesperson's perceived desirability of rewards. Specifically, considerate leadership, job challenge, job variety and autonomy were found to positively influence the desirability of rewards such as higher earnings and job security. Therefore, climate may affect the interaction by making various rewards attractive, and salespeople (and buyers) may choose goals which achieve attractive rewards.

McClintock (1983) suggests that relationships are embedded in a network of other relationships. For instance, the salesperson not only may have a relationship with the customer, but s/he also has relationships with other salespeople, with the sales manager, with his or her family, etc. McClintock reports that involvement in other relationships affects the structure of the dyadic interaction. This is consistent with the views of Kelley and Thibaut (1978) who suggest that participants in an interaction compare the target relationship with others which may be available to the dyad members. Therefore, the nature of the immediate dyad environment may have a critical impact on the evaluation criteria used by both members to determine whether or not to continue the relationship.

Secondary Task Environment

Most of the "institutional forms" originally conceptualized by Webster and Wind (1972) comprise much of what other authors refer to as secondary task environment: government, labor unions, trade associations, professional organizations, other business firms and social institutions. Much of the conceptualizing of the secondary task involvement from the perspective of industrial buying and selling has been enhanced by an emphasis on the political economy of channel dyads (Stern & Reve 1980, Arndt 1983). The political economy framework proposes that channel dyads

function within two major systems, the internal political economy and the external political economy. The internal political economy encompasses all aspects of the primary task environment, so it will not be discussed further here. The external political economy includes the secondary task environment and aspects of the macro environment.

The external political economy has two component parts: the external economy (external economic environment) and the external polity (external socio-political environment). The external economy of a distribution channel is the nature of its vertical and horizontal markets, e.g. the degree of vertical integration and the competitive nature of the channel members. The external polity is the distribution and use of power resources among external actors such as competitors and trade associations, and includes dependence relations and control mechanisms present among external actors. An important assumption of the political economy framework is that dyad members can influence and shape their environments. This assumption will be elaborated upon in a later section on interactions.

Further, Achrol, Reve and Stern (1983) provide the following list of qualitative dimensions of the secondary task environment:

> 1. Environmental capacity (rich/lean): the relative abundance or scarcity of resources available to an organization.

2. Environmental homogeneity/heterogeneity: the degree of similarity or diversity between elements of the relevant population.

3. Environmental stability/instability: the rate of variability or turnover in elements of the environment.

4. Environmental concentration/dispersion: the extent to which available resources are controlled by or concentrated in a few or many organizations.

5. Environmental turbulence: the extent to which environments are being disturbed by environmental interconnectedness.

Since the secondary task environment is more removed from the dyad participants than the primary task environment, its influence on them will be exerted via the primary task environment. Additionally, the macro environment will affect the secondary task environment more directly than it will affect the primary task environment.

Macro Environment:

By definition, the macro environmental forces are those which are most remote from the dyad's functioning. A list of these forces was provided by Webster and Wind (1972): physical, technological, economic, political, legal and cultural. These authors, as well as later authors, recognized that the macro environment does not impact the dyad directly, but impacts it through the secondary task environment. Recognizing the nature of this influence, Achrol, Reve and Stern (1983) suggest that researchers study the effect of the macro environment by taking into account

its changes only to the extent and in terms of its impact on the qualitative dimensions of the secondary task environment. For instance, it would be more prudent to examine the effects of culture on the system of competition within which the dyad operates, than to study the affects of culture on the individual actors in the dyad.

In the consumer behavior literature, a model of cultural influence on consumption is offered which closely parallels the descriptions of the general macro environmental influence on exchange. According to McCracken (1986), the culturally constituted world is transmitted via such systems as advertising and the fashion industry to consumer goods. These systems utilize processes which transfer cultural meaning to goods. Goods then become the locus of cultural meaning, and the user of the goods displays aspects of his or her culture through consumption. This process recognizes that culture (a macro environmental variable) does not influence consumption directly, but that it does affect consumption indirectly, through the systems such as advertising which transmit culture.

In summary, the impact of the environment on the dyad is most apparent when the environmental force is nearest the dyad. Therefore, the dyad is influenced directly by the interaction environment and primary task environment, the secondary task environment influences the primary task

environment, and the macro environment impacts the secondary task environment. The pattern of influence of the dyad on the environment is likely to be similar. The dyad can impact the primary task environment (physical setting, patterns of interaction, groups within the members' firms) more easily than the secondary task environment. In addition, any influence on the secondary task environment would occur through the primary task environment. This review suggests that the most productive way to study the impact of the environment on the dyad is to focus on primary task environment.

Static Components: Individual Variables

There are a host of individual variables which participants bring to the buyer/seller relationship, and which may exert influence on that relationship. As stated in an earlier section, not all models of the buyer/seller dyad agree on the nature of important individual variables, or on whether or not the same variables are important for the buyer and seller. The following section will review the individual variables which have been studied in the context of buyer/seller interactions.

Many individual variables have been studied under the premise that similarity of the buyer and seller will increase the likelihood of the sale. The seminal study of

Evans (1963) investigated the similarity of attitudes and many demographic characteristics between salespeople and sold and unsold prospects. There was evidence of greater similarity between salespeople and sold prospects than salespeople and unsold prospects. Another experiment manipulated the perceived similarity of dyad members during a prisoner's dilemma game (which was used because it was judged to be similar to an industrial bargaining situation). Perceived similarity of dyad members was related to cooperative responses during the exercise (Mathews, Wilson & Monoky 1972).

Several field studies have been conducted to examine the role of similarity in the purchase decision. Brock (1965) manipulated similarity as the amount of the product the salesperson claimed to have used (either the same as the customer or more than the customer), and found that similar salespeople were more effective in getting customers to switch to a more expensive brand than dissimilar salespeople. Another experiment manipulated similarity as the salesperson's actual experience with the same music tapes the customer was buying. Similarity was positively and significantly related to sales, and the result was stronger when the salesperson was an expert (Woodside & Davenport 1974). However, Churchill, Collins and Strang (1975) found that in a retail setting, buyer/seller similarity

(operationalized as education, age, height, race, sex, nationality, religious preference and political preference) was not significantly related to sales. Akaah (1980) found that similarity of the buyer and seller does enhance the probability of exchange, but only for some products.

Attitude similarity was manipulated by Busch and Wilson (1976) to establish referent power for life insurance salespeople. High similarity was related to greater perceived trustworthiness and persuasive efficiency. Riordan, Oliver and Donnelly (1977) also measured attitude similarity of life insurance salespeople and prospects. Attitudes measured were attitude toward insurance, attitude toward the seller's brand of insurance, attitude toward salespeople in general, attitude to the actual salesperson and role congruence. These researchers found greater attitudinal similarity between agents and sold prospects than agents and unsold prospects.

This body of literature on buyer/similarity was critically reviewed, with the conclusion that while similarity may contribute to the results of the sales interaction, it is not an important factor (Wilson & Ghingold 1981). However, a more recent review of the literature (Fine & Gardial 1991) suggests that several important conclusions can be drawn from this body of research. First, there has been a disproportionate amount of

attention placed on the buyer's perceptions of similarity, with relatively less attentions focused on the salesperson's perceptions. Second, similarity seems to influence processes and outcomes for large purchases (with a concomitant greater risk) than for small or less risky purchases. Third, in the retail setting, where a long-term personal relationship is not likely to develop, similarity of product usage seems to be most effective in influencing outcomes. Finally, attitudinal similarity (as opposed to other types of similarity) seems to be related to the processes of a buyer/seller interaction.

Additionally, there are factors which may contribute to the failure of similarity to consistently explain results of the sales interaction in the studies reported earlier. Levinger (1983) suggests that attitude similarity is a relational condition. It may exist before acquaintance but can also develop over time. Therefore, similarity may not be an antecedent to the sales interaction, but may actually be an outcome of the selling relationship. The use of a retail setting, where much of the similarity research has been conducted, is not conducive to the development of acquaintance over time. Therefore, the realization of attitudinal similarity may not be likely to occur in an often-used research setting.

It has also been suggested that similarity may serve to increase psychological closeness by creating bonds of relatedness (Campbell & Tesser 1985). These bonds of relatedness may not have a direct impact on the particular result of any one interaction. This psychological closeness does not necessarily imply direct interaction. Despite this relationship between similarity and relatedness, many studies still use outcomes (such as amount of the sale) as independent variables.

Consider an example. A very young customer is closer to a very young salesperson than to a much older salesperson, due to the likely commonalty of their life experiences. However, while the customer may feel "similar" to the salesperson, any perceptions of similarity do not affect the buyer's need or desire for the product. Therefore, like other personal characteristics, the similarity or closeness in age may enhance a feeling of personal affiliation between the salesperson and the customer, but probably does not directly affect how much the customer will buy.

In addition, it is important to question whether similarity is important to all types of relationships (Delia 1980). Delia suggests that the extensive research on the importance of attitude similarity and attraction to developing relationships may be limited to a restricted range of contexts. Perhaps in the context of the

buyer/seller dyad, only similarity which is relevant to the situation (such as attitude toward the product or service) may have any impact on personal affiliation or any other aspect of the relationship. The existing studies may have been conducted in contexts where the type of similarity in question was simply not relevant.

Finally, it seems that experiments showing positive correlations between similarity and purchase may have confounded expertise with similarity. When a seller claims to have used the same product, or similar amounts of a particular product, the buyer may perceive the seller has a certain level of expertise about the product. Therefore, expertise may be operating to influence the buyer, whether or not the seller is similar in other ways to the buyer.

Physical appearance (e.g. attractiveness, style of dress, race) has also been examined as an individual variable of importance (Reingen, Gresham & Kernan 1980, Reingen, Ronkainen and Gresham 1981). Research results suggests that a buyer will choose different interaction styles based on the seller's physical attractiveness. The seller's attractiveness is proposed to impact the buyer's attributions about the seller. For instance, in an interesting experiment conducted by Wise (1981), new car dealers quoted significantly lower prices to well-dressed males than to poorly-dressed males. Additionally, well-

dressed Oriental males were quoted higher prices than well-dressed white males for the same car. Obviously, the physical appearance of the prospects influenced the seller's attributions about the amount the buyer would spend on a car.

It has been shown that attractiveness interacts with certain aspects of dyadic communication. Mills and Aronson (1965) demonstrated that an attractive communicator was more effective if s/he announced his intention to persuade in advance. When the communicator was unattractive, his stated desire to persuade had no influence on the effectiveness of the message. Similar attractiveness interactions have been observed for message recipients, also. Rosen et al. (1973) found that unattractive subjects were seen as less deserving of good news than attractive subjects.

Expertise as an individual variable which influences the participants in the dyad has also been the object of researchers' theoretical and empirical interests. Several important early studies defined and operationalized expertise and investigated its impact on the outcome of purchase. In the Woodside and Davenport (1974) study discussed under similarity, the authors manipulated expertise of the seller as knowledge of the product and its application versus no such knowledge. Expertise was significantly correlated with sales of the product. Busch

and Wilson (1976) showed that expert power was more important than referent power in affecting the trust of the buyer. Obermiller and Sawyer (1981) manipulated seller expertise in a laboratory experiment involving sales of tennis lessons to college students. They found no relationship between expertise and purchase. However, the authors report that the results of their study may have been confounded by their homogeneous sample; college students are likely to be fitness-conscious and interested in tennis lessons.

A more recent conceptualization of expertise proposes that both buyers and sellers possess a certain level of two types of expertise: expertise about problems and needs, and expertise about products and solutions (Dunne & Thomas 1986). The authors then classify selling situations according to the levels of problem and product expertise required of dyad participants. Behavioral strategies are offered for each mix. While the authors provide anecdotal evidence for their strategy recommendations, the propositions were not subjected to empirical test. Alternatively, Rao and Turner (1984) studied the relationship between type of expertise required (product, prospect, or both) and marketing organization structure in several firms. They developed a framework prescribing the type of sales role a company should employ by matching type

of expertise required with the type of interdependence which is present in the exchange situation (product, prospect or both). If product and prospect expertise is required, for instance, and neither the products nor the prospects are interdependent, then the type of salesperson should be a fully-specialized representative. These studies represent an important contribution in expertise research because they propose that expertise is multidimensional, and contingent on the selling situation.

Since much of the research on individual characteristics has been conducted in an atheoretical, ad-hoc manner, it is not surprising that researchers do not have a well-developed set of conclusions about which individual characteristics influence the buyer/seller dyad, or the mechanisms through which that influence operates. Therefore, it seems appropriate at this juncture to search for individual variables which are grounded in theory that can be used to integrate the results of past research and serve as the basis for future research on the buyer/seller dyad. Two research directions show promise in this regard: cognitive structure theory and self-monitoring theory. Each will be discussed in detail below. The section on integration will contain a discussion of the role of cognitive structure theory and self-monitoring on the integration of the research on other individual variables.

Cognitive Structure Theory

One cannot fully understand the role of expertise without considering the cognitive structures that an individual possesses and which determine, to a large extent, the level of his or her expertise. The knowledge structure of the dyad participant may be considered the determinant of his or her expertise. Knowledge structures provide a powerful constraint on individual behavior in social interactions (Cantor 1981). The memory component will be discussed in this section. The new information component will be discussed under the section on the awareness process.

Memory is structured in highly organized ways (see Bettman 1979 for a review). There are two relevant issues in describing and defining memory structure which will be addressed in this review. The first is the type of information stored (schemas or descriptive facts versus scripts or procedural information) and the second is the level of aggregation of the information stored there. Small "chunks" exist at a lower level, and these chunks are combined into a larger chunk at a higher level of aggregation. Each type of information can exist at each level of aggregation.

In the context of selling, Weitz, Sujan and Sujan (1986) distinguish between declarative (descriptive,

schema-type) information and procedural (process, script-type) information. However, these authors suggest that declarative and procedural information may be arranged in a hierarchical fashion, such that declarative knowledge is acquired first, and then bits of declarative knowledge are combined to form a stream which is the procedural knowledge. Generally, however, the social cognition literature distinguishes between schema and script information. Each type of information stored in memory will be discussed in turn.

At the lower level of aggregation of memory structure for declarative knowledge (e.g. facts about people, place and things) are schema. A schema is an abstract of generic knowledge structure, stored in memory, that specifies the defining features and relevant attributes of some stimulus domain, and the interrelations among those attributes (Crocker 1983). The social context of the interaction affects the schema which are accessed, because observations of behavior are sensitive to the context in which the behaviors occur (Cantor 1981). Olson (1978) proposes that exposure to the task environment may activate a previously learned schema which is relevant for the particular stimulus object. Schema operate in the course of processing in three ways (Cohen 1981). First, schema guide the way in which the stream of an actor's behavior are "chunked up" or encoded.

Second, schema provide an interpretative framework for assigning meaning to behavior. This process is known as inferencing. Third, when a dyad member tries to remember something about the other, schema will be reactivated to retrieve information.

For instance, a salesperson enters a customer's office and notices that is it cluttered with personal memorabilia. In the salesperson's memory is a schema of customers with this type of office. Therefore, the salesperson exposed to the buyer's personal memorabilia might store information about that buyer in a schema of customers who collect memorabilia. Second, the salesperson uses the schema to determine that the customer likes to talk about family and hobbies, and this memorabilia collection is a meaningful outward expression of the customer's likes. Finally, at some later point in time, the salesperson accesses the schema of customers who collect memorabilia in order to remember what particular interaction style this customer seemed to enjoy.

At a higher level of aggregation of memory structure of declarative knowledge is the category. Categories consist of all schema which are related to a particular goal (Bettman 1979). People naturally divide the world into segments so that they can distinguish from among the vast amount of stimuli to which they are exposed daily. Categories help humans organize information to cope with a complex

environment. Categories make it possible for a buyer and seller to avoid treating each sales encounter as a novel experience (Weitz, Sujan & Sujan 1986). Continuing the previous example, the salesperson may have a category of "expressive customers" which include the schema of buyers whose offices are cluttered with memorabilia.

Weitz et al. (1986) cite the widely used sales training program called the communication style matrix as an approach for utilizing present understanding about categories to improve salesperson performance. Each category in the matrix has four sub-categories (schema) of behaviors and motives of buyers in each cell of the matrix. The salesperson is instructed to behave in a particular way based on the customer's location in the matrix. This matrix may be seen as a tool for constructing schema and categories in salespeople who do not already possess these structures.

Memory of procedural knowledge is stored in scripts. Note that the basic type of storage for scripts does not differ from that of categories, but the type of information contained is different. Script structures include information about sequences of events and actions commonly encountered in sales situations, which can be used to guide salesperson behavior (Leong, Busch & John 1989). Script content can be described by three dimensions: distinctiveness, contingency and hypotheticality.

Distinctiveness is the degree to which an action is unique to a particular track of a script. For instance, the action of signing a contract may be distinct to the sales script, whereas the action of chatting about one's family may apply to many scripts. Contingency is the degree to which the scripts are hierarchically organized. This is similar to the relationship between schemas and categories. More hierarchical scripts have a tree-like structure containing subsets of actions branching off from preceding ones. Hypotheticality represents the degree to which the person can generalize from previous experiences and refers to the degree of abstractness of the script content (Leong, Busch & John 1989).

Knowledge structures have been studied for sellers (Sujan, Sujan & Bettman 1988, Weitz, Sujan & Sujan 1986, Leigh 1987, Leigh & McGraw 1989, Leong, Busch & John 1989) and for buyers (Leigh & Reithans 1984). Leigh and Reithans (1984) designed a two-phase study to explore the presence of scripts in industrial purchasing. Industrial buyers were able to provide detailed and sequentially organized scripts. A validation procedure revealed the existence of stable cognitive scripts across purchasing agents for a new buy purchase, an initial sales call, and negotiations.

Leigh and McGraw (1989) conducted a similar study of salespeople, and found stable scripts for an initial sales

call, a follow-up sales call, a regular sales call and an out-supplier sales call. Therefore, knowledge of certain scripts seems to be a component of salesperson and customer expertise. In particular, Leong, Busch and John (1989) found that effective salespeople exhibit sales scripts which are more elaborate, distinctive, contingent and hypothetical than ineffective salespeople. In addition, these authors propose that many of the differences between sales scripts of effective and ineffective salespeople appear to be related to adaptability. Effective salespeople have more distinctive scripts for different selling situations and consider more contingencies that might happen within each sales situation.

Categories as a knowledge structure have been investigated for salespeople. Effectiveness as a salesperson was shown to be related to the qualitative nature of cognitive categories among salespeople (Sujan, Sujan & Bettman 1988). More effective salespeople had richer and more overlapping categories, without having more categories, than less effective salespeople. While the particular relationship between knowledge structures and other components of the model will be detailed in later sections, it is important to note that knowledge structures, and their relation to the processes of inferencing and attribution, seem to be a critical factors in the first evaluation of

the relationship that results in a determination of potentiality. The research just reviewed seems to point to a relationship between types of knowledge structures and expertise. While this research stream is relatively young, it has a lot of potential to explain differences in reactions to various buyer/seller interactions.

Self-Monitoring

One individual variable that seems appropriate to examine within the context of the buyer/seller dyad is the psychological construct of self-monitoring (Snyder 1974). According to Snyder, there are differences in the extent to which individuals can and do control and manage their self-presentation (e.g. Snyder 1979). High self-monitors, out of concern for the situational and interpersonal appropriateness of their social behaviors, use cues from relevant others and from the social situation as a guideline for regulating and controlling their verbal and nonverbal self-presentation. Low self-monitors, on the other hand, do not have well-developed repertoires of self-presentational skills. The self-presentation of low self-monitors seems to be controlled from within by their affective states and attitudes rather than from cues present in the situation.

There are several rather compelling pieces of evidence for the choice of self-monitoring as an individual variable of importance in the buyer/seller dyad. First, it has been

demonstrated that high and low self-monitors respond quite differently to advertising appeals (Snyder & DeBono 1985). High self-monitors view products advertised with image-oriented ads as being of higher quality than products advertised in a factual manner. In contrast, low self-monitors view the products as being of higher quality when they were advertised in a factual manner. If self-monitoring is associated with differences in responses to advertising, then it is plausible that this personality construct may be associated with different responses to other forms of persuasion, especially personal selling.

Second, self monitoring seems to be related to how people use what is generated when new information is placed in the existing structure of memory (Stayman & Kardes 1990). High self-monitors and low self-monitors use the products of memory search procedures differently. Although there were not differences between the amount of inferences high and lows generated about products, lows used more inferences than highs to evaluate the product. The author concludes that inferences become part of the belief structure of both highs and lows, but only lows rely on that belief structure to make evaluations. This will be discussed further in the section on awareness.

Research has also shown that for salespeople, self-monitoring moderates the relationship between inference use,

and perceptions of the similarity (or dissimilarity) of a customer (Fine & Gardial 1990). These authors found that high self-monitors used more positive inferences when a customer was perceived as similar, but used more negative inferences when the customer was perceived as dissimilar. Therefore, self-monitoring may impact the process of inference generation and use through its moderating effect on the relationship between inferences and other perceptions.

Third, Ickes and Barnes (1977) demonstrated that the self-monitoring of dyad partners affects the ease with which the partners interact and both partners' evaluations of that interaction. One finding of the Ickes and Barnes research is that dyads composed of members with different levels of self-monitoring experience difficulty in interaction. For instance, dyads composed of a high and low self-monitor experienced more breaks in the flow of conversation that other dyad types. Ickes and Barnes (1977) concluded that the self-monitoring construct has potential value for the study of the social interaction process, since the subjects' self-monitoring score was meaningfully related to self-reported differences in the nature of the interactions experienced. So it is clear that self-monitoring may be related to cognitive processes associated with making

judgments as well as to the ease with which two people interact.

Additionally, there is evidence that significant relationships exist between sales-relevant job performance and self-monitoring. Caldwell and O'Reilly (1982) investigated the relationship between self-monitoring and performance for field representatives of a franchise organization. Their data showed that high self-monitors were rated as better performers than low self-monitors. This study is relevant to research in selling because the position of field representative, like that of buyer and seller, is a boundary spanning position which requires the individual to interact with persons outside of his or her organization. Combined with the findings from the Ickes and Barnes (1977) study, these findings suggest that in at least two different contexts, self-monitoring affects the facility with which people deal with others. Since buyers and sellers may interact with many people in their respective roles, the construct of self-monitoring may help explain differences in the success of these interactions.

Finally, Spiro and Weitz (1990) demonstrated that level of self-monitoring is positively associated with adaptive selling, which they define as the degree to which salespeople alter their sales presentation across and during customer interactions based on the perceived nature of the

sales situation. These authors also reported a correlation between adaptive selling and self-rated measures of performance among a sample of salespeople. Therefore, self-monitoring may be related, albeit indirectly, to perceived salesperson performance.

Another important contribution from the Spiro and Weitz study is that it clarifies and further supports the Caldwell and O'Reilly (1982) findings. High self-monitor salespeople seem to be better performers because they recognize the need to adapt and then actually change their behaviors as necessary. This seems to explain why the high self-monitoring representatives in Caldwell and O'Reilly's study were judged as better performers.

In sum, self-monitoring has been associated with differences in cognitive processes that lead to an evaluation, with differences in the ease of interpersonal interaction, and with adaptation that may facilitate success in boundary spanning roles. Therefore, it is believed that the personality construct of self-monitoring has great potential to explain variance in customer/salesperson relationships. First, as discussed in a other sections of this review, a process of evaluation is critical to the continuation of buyer/seller relationships. To the degree that self-monitoring influences these evaluations, it may

help explain differences in the success of buyer/seller relationships.

Additionally, since these relationships are essentially interpersonal in nature, self-monitoring may be a factor in the ease with which the role partners interact. This conclusion is supported by the work of Spiro, Perreault and Reynolds (1977), who propose that personal characteristics (such as self-monitoring) affect the process of personal affiliation in the buyer/seller dyad. Finally, the adaptive tendencies of high self-monitors would seem to indicate that they may be more successful in boundary spanning roles, such as buying and selling, than low self-monitors. The explanatory power of self-monitoring seems to lie in its ability to explain differences in process. In turn, these differences in process may lead to different outcomes.

Static Components:
Characteristics of the Dyadic Relationship

After the evaluation which results in agreement that a relationship exists, it is prudent to think of the dyad in terms of its own characteristics, separate from characteristics of either dyad member. Weitz (1981) proposes that the effectiveness of the sales interaction is contingent upon the characteristics of the buyer/seller relationship. One possible explanation for the link between

dyad characteristics and effectiveness is that the characteristics of the dyadic relationship could act as guides for the behaviors of its members. A relationship that is very formal will require that both participants conduct themselves in a task-oriented manner, without reference to personal concerns. Tosi (1966) asserts that when both participants agree on normative behavior for a particular situation, frustrations and anxieties are less likely to emerge.

In addition, the model proposes that the characteristics of the buyer/seller relationship might affect how both parties to the dyad perceive the environment. Also, after parties agree that a relationship does in fact exist, the essential nature of that relationship (as perceived by each party) may exert important influence on subsequent interactions and related processes (Hinde 1979). If the parties view the relationship as cooperative, then when problems do arise, both members might engage in cooperative strategies to solve the problem, instead of allowing conflict to develop.

Wish et al. (1976) identified four bi-polar dimensions which could be used to describe all dyadic relationships. These dimensions have been given one-word names to facilitate discussion of the characteristics of the dyad. The characteristics of the dyad are: 1) equality - equal vs.

unequal power, similar vs. different roles and behavior, 2) cooperation - competitive and hostile vs. cooperative and friendly, 3) intensity - superficial and inactive vs. intense and active, 4) formality - socioemotional, informal and pleasure oriented vs. formal, task oriented and work oriented.

Equality

It is important to distinguish among three terms that are relevant for the understanding of equality: influence, dominance and power. Influence refers to instances in which one partner's behaviors are causally connected to the other partner's behaviors. When influence is asymmetrical over a broad range of activities, one partner is dominant over another. Power is the ability to achieve ends through influence (Huston 1983). According to Emerson (1962) that ability resides in the control over things the other person values. Therefore, power as a construct with explanatory potential is virtually useless without another entity through whom that power can be exercised (Emerson 1962). Power is established, then, (as depicted in the DRD model) as a characteristic of the particular relationship. However, it should be noted that some authors specifically define and measure power as an individual variable whereby a person perceives him/herself as consistently superior or inferior to other people. (Pruden & Peterson 1971)

The sources of one dyad member's power, or ability to achieve ends through influence, must also be examined. In the marketing literature, power has often been examined in the channels area. El-Ansary and Stern indicated that the power of any given channel member is probably a function of the sources or bases of power available to him at any given time (El-Ansary & Stern 1972). Hunt and Nevin (1974) proposed that the power of one channel member over another is a function of both coercive and non-coercive sources of power. They described coercive sources of power as those that involve potential punishment. For instance, a buyer who has the ability to influence a seller by threatening to give the business to another seller is exercising a coercive source of power. Non-coercive sources of power, according to Hunt and Nevin, involve a willingness on the part of one individual or group to yield power to another. The non-coercive sources of power most often cited are derived from French and Raven's typology: reward, expertise, legitimate and referent.

Hunt and Nevin (1974) examined the uses of coercive and non-coercive sources of power in a franchise channel. They found that a dyad member's use of coercive sources of power was significantly related to the partner's perception of his or her power. In addition, the consequences of exercising sources of power depend on the sources which are exercised.

Franchisers were able to increase the franchisees' satisfaction with the relationship by relying more on non-coercive sources of power and less on coercive sources of power. In the buyer/seller dyad, it is expected that members' satisfaction with the relationship will also be more satisfactory if members use non-coercive sources of power.

Additionally, Gaski (1984) distinguished between the exercised and unexercised dimension of any source of power. If sources of power are present but application is withheld, the consequences for each dyad member would be different than if the sources were actively exercised. Gaski suggested that unexercised coercive power may contribute to satisfaction with the relationship, while unexercised sources of non-coercive power may be inversely associated with satisfaction.

Dwyer and Walker (1981) looked at relationships with asymmetrical power structures. The negotiation process in the asymmetrical structure (unequal power) was more efficient. In the asymmetrical structures, the negotiators yielded less and had to submit fewer bids before attaining a solution. When each bargainer held equal power, the authors proposed that bargainers perceived more latitude for tactical maneuvers and influence attempts.

Another aspect of equality is the similarity of roles and behaviors. A role consists of a publicly recognized set of competencies in the production of set treatments of other persons (Athay and Darley 1982). Tosi (1966) proposed that roles also consist of expectations by dyad members of what the behavior of a person in the buyer or seller role should be. A role, then, is a set of norms associated with a given position. Therefore, the role similarity characteristic does not necessarily refer to the fact that the buyer's and seller's roles are similar to each other, but to the fact that the buyer's and seller's perceptions about each other's behavior in the role are congruent. Note the similarity between role as a social construct, and category as a cognitive construct. There is bound to be high correspondence between a person's categories and schemas for the dyad positions, and his or her expectations for the roles of the dyad participants.

Cooperation

The characteristic of cooperation includes the degree to which the relationship is competitive and hostile or cooperative and friendly (Wish, Deutsch & Kaplan 1977). Rosenberg and Stern (1971) investigated dyadic conflict intensity among firms in a distribution channel. They operationalized conflict as the distance between reciprocal channel members' perceptions of issues. They found that

while certain issues and groups of issues generated high conflict, on the average, conflict was low. This may have been a function of the channel system used, which was that for an expensive household durable good. However, there was some evidence that goal incompatibility, domain dissensus, and differential perceptions for joint decision making were related to increased levels of conflict. They also found that the longer a dyad member had been with his firm, the higher the conflict was with the other dyad member. Perhaps this is because the longer a person is affiliated with his firm, the more he learns about the firm's rights and the other dyad partner's obligations. Finally, the greater one member's dissatisfaction with another's performance, the higher the conflict level between them.

Swan & Nolan (1985) proposed that trust facilitates cooperation through goal clarification, exchange of information and commitment to carry out agreements. These authors provide further elaboration on this definition by pointing out that the dyad participants must have something at risk and be dependent on each others' claims or promises for the concept of trust to be meaningful. In addition, the essence of trust is that some uncertainty exists regarding future outcomes. They suggest that trust is positively related to:

1. Dyad members' experiences with one another.

2. Dyad members' perceptions of the ability of the other to provide accurate information.

3. Dyad members' perceptions of each others' ability to influence their own firms on the other members' behalf.

4. The lack of dyad members' perceptions that there are external pressures on them to be trustworthy

5. The dyad member's trust in the partner's firm.

Therefore it is proposed that an increase in trust will lead to an increase in cooperation among dyad members, and that this trust develops through the normal sequence of relationship development activities and evaluations that are proposed to occur during that development. In addition, Tosi (1966) proposed that conflict can be minimized and dyadic interaction facilitated when the roles of both parties are expected and accepted by each other. Therefore, there is a positive relationship proposed between similarity of role expectations and level of cooperation.

Formality

Wish et al. (1976) characterize formality as including the dimension of task oriented vs. socioemotional, as well as intellectual vs. emotional. These characterizations are very similar to the communication style dimensions of task, interaction and self-oriented originally proposed by Sheth (1976) and which were found to be related to the success of buyer/seller interactions (Williams & Spiro 1985).

Therefore, perhaps these three communication style distinctions could extend beyond dyadic communications into the description of the dyadic relationship itself.

Sheth (1977) suggests that the larger the firm, the greater the degree of formalization, which in turn results in fewer autonomous decisions by dyad members. Therefore, dyad members from large firms might be more formalized in their relationship than those from small firms. This again shows the impact of the environment on the relationship.

Intensity

Brockner and Swap (1976) conducted experiments which showed that subjects who were seen frequently were rated more positively on a variety of measures than subjects who were seen less frequently. Subjects were willing to disclose significantly more information and more intimate information to the most frequently seen other. Therefore, active relationships may have more exchanges of information. However, there is ambiguity about the causal direction between disclosure and frequency of exposure. This research does seem to imply that the relationship between the buyer and seller could be established and maintained by simply achieving a certain frequency of interaction.

Note that no propositions are made addressing what level of each dimension constitutes a "good" relationship. These dimensions are important as descriptors of the

relationship; as a way to compare the relationship to other relationships, and as a way to examine the relationship as it progresses over time. "Good" relationships are those which provide both partners with a level of outcomes relative to costs that are not available from alternative exchange partners, regardless of the levels of equality, cooperation, formality and intensity which develop in that relationship.

Process Components

There are four process components forming the temporal aspects of the DRD model, and each consists of a different stage of the relationship at which the partners make an evaluation. During the awareness process, inferences constitute the major portion of the interaction, along with communication designed to establish rapport. This is mainly an internal, cognitive process which is conducted separately by each dyad member. The result of the awareness process is an evaluation by each dyad member of the potentiality of the other as an exchange partner. During the second process of exploration and expansion, communication forms the most crucial aspect of interaction. This is an external process involving the first true dyadic interaction between exchange partners. The result of this process is an evaluation of agreement that a relationship can be

established. The third process is a series of relationship development activities, and the most critical form of interaction is observation of behaviors. This is the heart of the buyer/seller relationship; the series of interactions which develop into a mutually satisfying pattern of exchange which virtually excludes other potential exchange partners from being considered by either dyad member. The result of this process is a commitment to the relationship and closure about the nature of that relationship. The fourth process is redefinition, which is triggered by a critical incident which causes one or both dyad members to question the characteristics of the relationship. When such an incident occurs, the parties must go back through the processes of exploration and expansion and relationship development. The result of this process is either closure about the redefined nature of the relationship, or dissolution of the relationship. Later sections discuss each process in more detail.

At each stage of the relationship, partners use a set of evaluative criteria to decide whether to go beyond that stage into the next stage. According to the interdependence theory of Thibaut and Kelley (1959), interaction beyond the initial interaction will occur only if the experienced consequences are found to meet the standards of acceptability that both individuals develop by

virtue of their experience with other relationships. It is a central proposition of the DRD model that both dyad partners judge these experienced consequences at each stage of the model. The criteria by which these judgments or evaluations are made are the rewards which have accrued from the relationship, the costs of being in the relationship and the comparison of the ratio of rewards to costs to an abstract standard and to actual alternatives available in the marketplace. Each of these criteria will be discussed in more detail below.

Rewards and Costs: According to Thibaut and Kelley (1959) the outcomes the members of a dyad may achieve will be greater the more rewarding the partner's behavior, and the lower the cost at which such behavior can be produced. If both partners are able to produce their maximum rewards for the other at minimum cost to themselves, the relationship will allow each person to achieve their best reward/cost ratios at the same time. This implies that each person can do something for the other which that person cannot do for him or herself.

At each stage of the relationship development process, therefore, it is expected that both parties will assess the costs they have incurred to remain in that relationship, and the benefits which the partner has provided. Although the extrinsic and intrinsic factors which are considered costs

and benefits may change from one stage of the relationship to the next, the basic cognitive algebra is assumed to be the same: an assessment of rewards compared to the assessment of costs. However, a ratio of rewards to costs does not provide sufficient information for each partner to make an evaluation. The partners also use standards, or comparison levels, against which their ratios are compared.

Comparison levels: When they make evaluations, dyad partners have a need for some kind of standard against which to judge the acceptability of outcomes. The comparison level is the level of rewards and costs each dyad member feels he or she deserves, a level which would prove satisfying and attractive. A person's direct and indirect experience with relationships will affect the location of this comparison level on each member's scale of outcomes.

The comparison level of alternatives is the lowest level of outcomes a member will accept in light of available alternative opportunities. As soon as outcomes drop below the comparison level of alternatives, the member will leave the relationship. Therefore, assuming alternatives do exist in the marketplace, these alternatives will be monitored for the levels of rewards and costs they can provide relative to the existing relationship. At each stage of the relationship development process, dyad partners judge the ratio of costs and benefits to both their own deserved

standard and to the level of outcomes available from other relationships. If both evaluations are favorable, the relationship will continue.

Anderson and Narus (1984) investigated aspects of distributor/manufacturer working relationships. The comparison level of alternatives was found to have a strong effect upon manufacturer control, and deserved comparison levels had an effect upon satisfaction and cooperation. Wilson (1976) proposed that buyers seek to maximize profit from the transaction by considering alternatives comprised of a unique set of salesperson, product and company attributes. However, Wilson also suggests that the salesperson considers the attributes of the buyer, because a salesperson must allocate time and effort over a number of buyers and still maximize the return from that effort. Therefore, the DRD model assumes that both members of the dyad consider alternatives, and make decisions based on the maximum return to be obtained toward meeting the goals prescribed by their respective organizations. Next, the specific phases during which these evaluations are made will be described.

Process Components: Awareness

Before dyad partners actually interact, and during the critical first communication exchanges, each of them engages

in a series of cognitive activities directed at the other. According to the relationship literature, awareness is acquaintance (Levinger 1983); it begins when one person cognitively attends to another. In a marketing sense, awareness is one party's recognition that another party may be a feasible exchange partner (Dwyer, Schurr & Oh 1987). At this point, parties know very little about one another. In fact, the parties need not have met to be aware that each other exists. For instance, a seller could be recommended to a buyer by a friend, or a seller may read about a buyer in a trade publication or local newspaper.

Dwyer and his colleagues posit that situational factors (such as proximity) may facilitate awareness. The physical environment affects whom one is exposed to and whom one meets (Levinger 1983). Wilson also suggests that a buyer and seller come together because the buyer has a problem to solve. (Wilson 1976) Therefore, the nature and intensity of the buyer's problem should impact the type and number of sellers the buyer becomes aware of.

Dwyer, Schurr and Oh (1987) posit that any type of bilateral interaction marks the beginning of the process to determine potentiality. Potentiality is the assessment by a dyad member that the other is a possible exchange partner; in less precise terms it is a process of mentally "sizing the other person up". The process that seems important to

this sizing is that of inference formation, which is a product of the structure of memory discussed earlier in the section on individual characteristics. Each of these concepts will be discussed briefly below.

When buyers and sellers become aware of one another, each acts as a stimulus for the other. They each receive new information that must be "reconciled" with the information already stored in memory. This occurs through inferencing and attribution, and the processes is mediated by the perceived similarity of the dyad partner.

Inferencing

Buyers and sellers do not have complete information about one another when they first become aware of one another. However, they seek to construct missing information from information that is accessible. Therefore, as people become aware of one another, they process cues from the task environment, and in doing so, may develop beliefs about other aspects of the task stimuli not represented by environmental cues. This is the process of inferential belief formation (Olson 1978). For instance, referring to an example provided earlier in this review, a salesperson may notice that a buyer's office is cluttered with personal memorabilia (an environmental cue) and develop a belief that this buyer likes to chat about his family and hobbies while conducting business (inferential belief formation). This

process requires a consideration of previously learned information upon which one can base, or from which one can derive, inferences. Therefore, the environment provides some cues, and this is depicted in the DRD model via the line which links the environmental factors to the awareness process. However, inferences can also be derived through a memory search. Dyad members attempt to mentally position the partner in an existing schema and category. By doing so, the partners each obtain descriptive information about the other.

A proposition generated by the DRD model is that potentiality is a function of the inferences that result during the first stage of the relationship, and these inferences are generated by the task environment and the dyad members' schemas and categories. Therefore, potentiality should increase if participants infer a high degree of favorability in the other dyad member, and favorability is a function of the schemas and categories of both participants. If the other fits into a category of "good salesperson" or "good customer", then potentiality for further relationship development should be high.

The social psychology literature refers to "social categorization," which is simply a process of matching a stimulus object with a prototype with which the actor is familiar. This is virtually the same as marketing's

references to inference generation about products by accessing schema arranged into categories. Cantor (1981) showed that when a stimulus person fit into an existing social category, the actors were reliable, confident and accurate in their assessment of that person. Therefore, since buyers and sellers may have many alternatives to choose from, how well each fits into the other's social categories is likely to affect the potentiality evaluation. A dyad member who fits into the social category "good salesperson/customer" represents less risk than a dyad member for whom no category or schema is relevant.

There is some literature on inferencing pertaining to categories that assist in making predictions about buyers' and sellers' inferencing habits. Wyer and Carlston (1979) suggest the following relationships:

1. Open-ended descriptions (inferences) of individual persons are generally more likely to consist of behaviors and physical characteristics than abstract traits. All else being equal, a buyer is more likely to infer a seller talks quickly and is well dressed than to infer that s/he is motivated and successful.

2. The tendency to use abstract traits to describe (make inferences) about a person will be greater if the judge has recently met or thought about another member of the category to which the target belongs. If a buyer has recently met or thought about a salesperson, s/he is more likely to make trait inferences about a new salesperson.

3. The tendency to use the specific traits associated with a category of persons to describe a member of this category will be greater if the judge has recently met or thought about another member of the category.

Salespeople are generally thought to be highly motivated. A buyer meets several highly motivated salespeople. When s/he meets a new salesperson, the buyer will infer that the new salesperson is highly motivated.

4. The group has more impact on the judge's inferences about the individual group member than the individual member has on the judge's inferences about the group. A buyer may infer that Tom is dishonest because he is a salesperson, but may not infer that a group has dishonest tendencies because Tom is a member.

5. The frequency with which traits rather than behaviors are used to make inferences increases with the length of acquaintanceship with the person. The longer that a buyer does business with Tom, the more the buyer infers that Tom is a good salesperson because he is reliable and honest, than because he is never late and always admits when he doesn't know something.

6. As length of acquaintanceship increases, the time required to infer spontaneous trait descriptions of individuals decreases. The more a buyer does business with Tom, the less time it takes him to realize that Tom is reliable or honest when Tom shows up on time or admits he doesn't know something.

7. Once a person has been assigned a trait on the basis of information about his behavior, this trait and its implications will be used as a basis for subsequent inferences independently of the original information, and even if the original information is invalidated. If Tom is late and unprepared at his first meeting and the buyer infers that Tom is irresponsible, future inferences will be made on the basis of Tom's irresponsibility, even if Tom is punctual and prepared for all subsequent meetings.

These propositions suggest some potential hypotheses about the buyer/seller relationship. First, both parties will make behavioral inferences unless each has had experience with the category recently. Therefore, inexperienced buyers and sellers, or those who conduct

buying and selling activities infrequently, will make different inferences than experienced or frequent buyers and sellers. Second, the knowledge that a person is a buyer or seller has a more powerful influence on inferences about the actions of the individual member than the inferences about the actor has on a person's inferences about buyers and sellers in general. It may be very difficult, then, for a dyad member to overcome stereotypes, which may be reinforced by groups to which the partner belongs. Third, time has an important influence on the inferences and attributions made by a dyad member. The conventional wisdom about first impressions seems particularly important in this domain. Additionally, the more a person interacts with another, the more likely s/he is to make trait inferences, and the more quickly those inferences can be made. Therefore, each interaction seems to reinforce initial inferences, and as time goes on, those inferences are made more rapidly. Therefore, as a relationship develops, the members may find themselves working harder and harder, with little or no result, to change an initial impression.

At this point, it is necessary to consider the link between individual variables and the evaluation of potentiality. First, expertise, as discussed earlier, impacts the formation of schemas (Leong, Busch & John 1989). Therefore, expertise of both customer and salesperson would

have an important influence on the evaluation of potentiality. Second, self-monitoring has already been shown to be related to differences in reactions to persuasion (Snyder and DeBono 1985), and these reactions may be the result of different inferences by high and low self-monitors. The combination of expertise, and self-monitoring should be a helpful predictor of the success of the buyer seller relationship.

In addition, the awareness process may include some communication between the dyad members. According to Ellis (1980):

> The talk which characterizes initial interaction is specialized because it (the talk) forms and is formed by the peculiarities of the context called initial interaction. There would be no research in this area if the communication during initial interaction were no different than communication at any other time. It follows, then, that those moments in a relationship when the interaction can be coded as "initial interaction" must be identified. This is especially important for understanding the communication because this code is the distinguishing feature of the communication. That is,...processes...can occur in any communicative context, but when they describe initial interaction these processes are "somehow" different. (p. 106)

This is the talk that occurs before the relationship has a history, and therefore is the mechanism that moves the relationship to the next stage. As the relationship develops, the nature and variety of communication contexts increases. Combined with the statements about situational expectations for behavior, the research on communication may

"go against" the popular admonitions for salespeople to try to "become friends" with a prospect before trying to make a sale. The literature on relationship development and communication seems to discourage such communication until it is more appropriate, which may not be until there is a defined relationship. In fact, Osterkamp (1980) reviewed the literature on communication rules in initial interactions, and states that a person who deviates from expectations about proper communication in initial stages by disclosing too much "intimate" information about himself or herself is viewed negatively by the other person.

It is important at this point to examine factors which may affect the valence of the inferences and attributions which result from the content in a person's cognitive structure. Positive inferences and attributions should increase the possibility that the dyad partner will expect an acceptable level of rewards to costs, which is necessary if the relationship is to continue. The literature points to some general criteria which are likely to be associated with categories and scripts of interactions which may result in a perception of an acceptable level of rewards and costs. Levinger (1983) proposes that if person conditions are facilitative, and environmental conditions are favorable, then parties may explore the possibilities for further

interaction. A possible facilitative person condition at this stage is perceived similarity.

Perceived Similarity of Buyer and Seller

Similarity has often been studied as an influence on the success of dyadic relationships (Churchill, Collins & Strang 1975; Mathews et al. 1972; Byrne & Nelson 1965). There is some evidence that the tendency toward meaningful interaction increases when the individuals involved have similar characteristics (Churchill, Collins & Strang 1975). Additionally, a comparison of sold and unsold prospects shows that unsold prospects are less similar attitudinally than their sold counterparts to the salesperson (Riordan, Oliver and Donnelly 1977). As stated in the review of the similarity literature, the evidence on the role of similarity in the outcome of an interaction is equivocal.

However, similarity is proposed to be important for the role it may play in the schema and categories that are accessed by dyad members. Spiro, Perreault and Reynolds suggested (1977) that similarity and other personal attributes may enhance personal affiliation. It is possible that similarity enhances personal affiliation by increasing the repertoire of schema and scripts the dyad members can use to infer "good salesperson" or "good customer." Therefore, if a dyad member is perceived as similar, the probability of making positive inferences is increased.

Also, a dyad member may more readily make positive attributions about the other if the other is similar. Studies have shown that subjects feel positively reinforced by interacting with others with similar attitudes (Byrne & Nelson 1965, Byrne and Griffin 1966), and are therefore more attracted toward them and like them more. A later experiment showed that when subjects liked someone, their attributions about their behavior differed from attributions about the same behavior performed by someone they disliked. Specifically, positive acts by a liked person were attributed to personal characteristics (stable, internal and controllable), while positive acts by a disliked person were attributed to external, unstable and uncontrollable factors (Regan, Strauss & Fazio 1974). Therefore, similarity may increase the likelihood of positive attributions by linking those attributions to a liking for the person.

Process Components: Exploration/Expansion

The model proposes that if both members of the dyad infer a favorable degree of potentiality in the dyad, they will engage in a process of exploration and expansion. This process occurs via communication in the dyad. Williams (1980) proposed that four elements of dyadic communications, content, code, rules and style, impact the success of the dyad. Content is the ideational material contained in the

message (Anderson 1972). Dyadic communication content includes five types of utility: functional, social-organizational, situational, emotional and curiosity (Sheth 1976). Communication code is the verbal (grammar, syntax, pronunciation, etc.) and nonverbal (voice pitch, body movements, spatial distances, etc.) symbolic expressions which carry the meaning of communication. Communication rules govern what is said (content) and how it should be said (code). Communication style is an individual's tendency to choose particular patterns of content, code and rules of communication over time (Barber 1978). Three communication styles which have been identified as relevant for buyer/seller interactions are task oriented, interaction oriented and self oriented (Sheth 1976). The following sections review the literature pertinent to each of the four communication elements.

Communication Content

Content has been the subject of interest by many researchers both in and out of marketing. It has been suggested that content analysis is a useful way to study the selling process (Kassarjian 1977). One of the earliest and most often used content classification schemes is Bales' (1950) interaction categories. Willett and Pennington (1966) used Bales' scheme to study actual interactions between buyers and sellers in an appliance store. They found that

most of the interaction consisted of defining issues and problems, and that customers asked significantly more questions than salespeople.

The Willett and Pennington data was analyzed further using a modified version of Bales' categories that was sales-specific (Pennington 1968). Types of bargaining behavior were isolated which appeared to influence the probability of purchase. These behaviors included frequency of direct offers, frequency of attempts to change concession limits and frequency of commitment to concession limits. This same data was further analyzed by Olshavsky (1973), who focused on the different stages in the retail transaction: orienting, evaluative and consummatory. He found that relatively little time was spent in the orienting stage, and that most time was spent in the evaluative stage. Taylor and Woodside (1981) used Pennington's bargaining categories to analyze 40 transactions between salespeople and clients. Like Pennington, these authors found that frequency of direct offers, frequency of attempts to change concession limits, and frequency of commitment to concession limits are all related to actual purchase.

As stated previously, Sheth classified buyer/seller communication content into five categories. These categories have not yet been the subject of empirical investigation. However, Frazier and Sheth (1985) developed an

attitude-behavior framework for distribution channel management which includes prescriptions for the content of behaviors in channel negotiations. While this framework does not specifically concern communications, the prescriptions for each cell of the framework contain clear guides for the content of communication. For instance, if the attitude toward the channel program is positive, and a channel member accepts the channel program, then the model suggests giving approving and complimenting comments to the boundary spanning member of the accepting channel member firm.

Studies have examined the effectiveness of various types of communication content. Some of the similarity and expertise studies (Brock 1965, Woodside & Davenport 1974, Taylor and Woodside 1981) cited earlier used verbal content to manipulate similarity. Farley and Swinth (1967) manipulated the content of sales message to test the effect of alternative contents on evaluations of the product and the salesperson. Presentations which stressed product attributes were associated with more positive evaluations than those stressing a complimentary personal discussion of how the product is consistent with the buyer's lifestyle. Schuster and Danes (1986) found that a salesperson's use of closed-ended questions was related to making the sale, and that giving opinions was negatively related to sales success. Galinat and Müller (1988) manipulated the

customers' bargaining "toughness" and analyzed the content of salespersons' verbal responses. They found that salespeople make more concessions to a bargaining strategy which is predominantly "soft" than to other types of strategies. Although there is no comprehensive set of prescriptions which emerges from these studies, the content of communication has been shown to affect the success of the buyer/seller interaction.

Communication Code

It seems that the verbal elements of communication code which are most relevant for the study of buyer/seller interactions are message order and argument patterns. Elements which have been studied in the literature on persuasive communication are primacy/recency (Hovland 1957) and strategic considerations of message organization (Roloff & Janiszewski 1989, Berger & Kellerman 1989).

Only one recent study has empirically examined the pattern of argument issue in personal selling. Smith and Hunt (1987) found that seller communication which disconfirms the buyer's preconceived message expectations through two sided appeals have two effects on the success of the interaction. First, these appeals promote deeper message analysis on the part of the buyer. Second, they facilitate seller credibility if the message contains strong arguments based on tangible product features.

Code also consists of nonverbal elements. Duncan (1969) divided nonverbal communication into three categories. 1) Paralanguage is the study of voice qualities such as pitch and range, and nonverbal vocalizations such as laughing, hesitation and yawning. 2) Kinesics includes body movements, eye movements and gaze. 3) Proxemics involves spatial distances between the communicator and people or objects in the environment. Nonverbal communication relays feelings, preferences and likings; in support of or in contradiction to verbal communication (DeLozier 1976). Nonverbal communication has not received much attention in the literature on buyer/seller relations, but Leigh (1980) determined that avoidance of negative nonverbal cues may be critical in determining the buyer's attention to the content of the seller's presentation.

Communication Rules

Many of the rules of communication content and code have been determined by custom or by authority. Of pertinence to buyer/seller relations are the customs for conducting business interactions. Of particular interest in the role corporate culture and climate play in the communication rules of the buyer and seller. Falcione and Kaplan (1984) report on Redding's "ideal communication climate" in a firm which consists of supportiveness, participative decision making, trust, confidence,

credibility, openness and candor and high performance goals. Later conceptualizations of ideal communication climate included information adequacy/satisfaction and semantic-information distance. In their review, Falcione and Kaplan suggest that communication climate is significantly related to other dimensions of corporate climate. Therefore, corporate climate is thought to influence the appropriate communication rules for buyers and sellers. The model implies that the dyad members may develop their own rules for interaction as the relationship develops. Tosi (1966) asserts that effective buyer/seller dyads develop norms of interaction which make dyadic communication easier, and communication rules could be included as a vital part of those norms.

An interesting addition to the literature on communication code which applies to message structure is the concept of relational communication (Soldow & Thomas 1984). Relational communication is message exchanges which indicate the right to direct, structure or dominate the interpersonal communication system. Soldow and Thomas suggest that salespeople who are more adept at recognizing and manipulating relational communication will be more effective than those who are less adept. In other words, in a successful transaction the salesperson will select the order and number of alternatives to be evaluated and will focus

the customer's attention on specific attributes (Olshavsky 1973).

Communication Style

As an individual's communication occurs over time, the balance of content, code and communication rules becomes patterned or stylized, and may be influenced by the speaker's personality and the situation (Barber 1978). Style, then, is a process element. Williams and Spiro (1985) investigated a taxonomy of communication style dimensions proposed by Sheth in 1976. The task-oriented style is goal-oriented and purposeful. The interaction-oriented style is more personalized and social. The self-oriented style represents a preoccupation with the self, and a lack of empathy for the other person. These authors found that the task-oriented salesperson is not very successful when dealing with interaction-oriented customers. The most effective combination is one in which both the salesperson's and customer's styles are interaction-oriented. This work significantly clarified Sheth's taxonomy. Sheth predicted that the most effective communication occurs when the communication between buyers and sellers contains compatible style and content. It seems that the most compatible style combination is interaction/interaction.

The basic data of dyadic communication, therefore are communication code and content. These data will be combined according to rules, and it is proposed that rules occur at the individual participant level, at the dyadic interaction level, at the corporate level (influencing each dyad participant), and at the cultural level. Each individual has a communication style, which is an "umbrella" encompassing code, content and rules. Finally, the dyad develops a communication style, as a result of continued interaction, that becomes a part of the character of that dyadic relationship.

The DRD model shows that after a process of communication and expansion, the dyad members will evaluate the relationship again. The result of this evaluation is agreement that a relationship (pattern of mutual dependency) can, in fact, exist. It is proposed that the criteria of evaluation at this stage include the members' decisions about the compatibility of communication elements, following Sheth (1976). However, compatibility has been expanded here to include communication code, content and rules, from which a style emerges over time. If the style of communication of both members achieves compatibility, then agreement that a relationship will occur is probable. The dyad may exist at any point on a compatibility continuum from very compatible to very incompatible. A relationship might still be pursued

under conditions of incompatibility, however, if the influence of the environment makes it necessary. For instance, the buyer may require a specialized product that only one seller can provide. Therefore, some type of relationship will still exist until an alternative seller is found. However, Sheth proposes that interactions where communication is incompatible will be inefficient (Sheth 1976).

Studies show that people compare the valence of a later evaluation with that of earlier evaluations (Aronson & Linder 1965). Dyad members will mentally compare the valence of the second evaluation with the valence of the evaluation during the awareness state, and the result of this comparison will interact with the actual result of the second evaluation. For instance, a positive subsequent evaluation is viewed as more favorable if it follows an initial negative evaluation, than if the original evaluation was also positive (Aronson & Linder 1965).

Process Components:
Relationship Development Activities

Levinger (1983) says that transitions from acquaintance to a solid relationship are usually marked by both partners' testing of their interchain connections. It is during relationship development activities that this testing, which

comprises most of the actual interaction between buyers and sellers, takes place. This is the stage where dyad members observe the behaviors of each other, and the earlier processes of inferencing, attributions and communication become much less relevant in sustaining the relationship. This stage may involve a product trial prior to purchase, a trial purchase, or even a series of purchases and related servicing activities.

It is critical at this point for buyers and sellers to exercise caution in their actions. Eidelson (1980) proposes that as involvement in a relationship grows, there is a point of declining satisfaction as the partners carefully evaluate whether the anticipated costs and rewards point to continued involvement. Therefore, any action by a dyad member which increases the other's costs (as when a buyer misses an appointment with a seller, or a seller does not follow through on a request for information) may make other exchange partners seem more attractive.

Sometime during this stage, if the dyad members decide that this relationship contains a level of outcomes which is probably not available in alternative opportunities in other relationships (Thibaut & Kelley 1959), then the parties become committed to the relationship. Dwyer, Schurr and Oh (1987) define commitment as an implicit or explicit pledge of relational continuity between partners. Similarly,

Kelley (1983) comments that commitment focuses attention on the relationship property of duration. It is because of commitment that some relationships endure. At this stage, the interdependence of both members is so great that other exchange partners who could provide similar benefits are usually excluded.

There are two types of commitment to relationships, personal commitment and structural commitment (Johnson 1982). Personal commitment connotes a sense of determination to continue a relationship in the face of adversity, a determination which results from strong personal attachments to the relationship. Structural commitment is formed by the external constraints which come into play as a consequence of the initiation of a line of action, and which make it difficult to discontinue should one's sense of personal commitment decline. Structural commitment is closely tied to aspects of the social structure in which the relationship is embedded. While the members of the buyer/seller dyad may experience personal commitment, the type of commitment they are most likely to form is structural. The primary task environment of the dyad members is considered the social structure in which the relationship is embedded, and this structure may facilitate structural commitment. For instance, the member firms may be deriving benefits from the buyer/seller dyad (low prices, sales revenue) which preclude

the dyad members as individuals from dissolving the relationship. However, if personal commitment does develop, then Johnson (1982) proposes that the dyad members develop an internalized sense of moral commitment to relationship maintenance. The difference in the two types of commitment is important because the type of commitment affects the dissolution process, if it occurs.

As the parties interact and become committed to the relationship, the pattern of their interactions becomes somewhat habitual, and these patterns define the characteristics of the relationship, which were discussed earlier.

Process Components: Critical Incident

At any point after their initial commitment to the relationship, the members of the dyad may re-evaluate the relationship based on some critical incident which upsets one or both members' perceptions of the characteristics of the relationship. A critical incident could stem from a loss of rewards (a buyer fails to make a regular purchase) or an increase in costs (a buyer expects more frequent meetings with the seller). Also, a person's expectations about his or her comparison level could shift. For example, if a buyer receives a promotion, s/he may feel that s/she deserves more from the relationships with sellers and may demand more

rewards. Additionally, new alternatives could present themselves which make the present relationship suffer by comparison. A seller may find a buyer that promises more reward (larger volume purchases) at lower cost (fewer meetings) than his or her current customer.

Thibaut and Kelley (1959) suggest that a breakdown in a dyad's routine could cause the individual to return to a careful consideration of consequences. Once one element of the evaluative equation is changed, the dyad partner will mentally re-calculate the equation to determine whether or not to remain in the relationship. If the ratio of rewards to costs is still better than what can be obtained from alternatives, then the relationship will continue, but its terms will be redefined. A new cycle of exploration/expansion and relationship development activities may occur. However, Thibaut and Kelley (1959) suggest that when the comparison level (deserved standard) is below the partner's standard, the relationship is in jeopardy. For as soon as an alternative presents itself that is equal to or above the standard, the partner will dissolve the present relationship to enter into the more attractive alternative.

Process Components: Dissolution

Ending a relationship differs in an important way from the other stages in the relationship. Dissolution requires the actions or decisions of only one member of the dyad, unlike the other stages which require actual or implied participation of both members (Levinger 1983). Little is known about the dissolution process in selling relationships (Dwyer, Schurr & Oh 1987). However, Duck (1982) has conceptualized a general relationship dissolution process. His model shows that partners assess whether their actual relationship compares to their desired relationship. If this assessment is unsatisfactory, then the member must decide whether to repair the relationship, or dissolve it.

The actual dissolution process involves four phases (Duck 1982): 1) During the intra-psychic phase, a partner focuses on the behavior of the other, the adequacy of that other's performance, and considers and evaluates the negative aspects of the relationship and the costs of withdrawal. 2) During the dyadic phase, the dissatisfied partner confronts the other partner, and there is an assessment of the costs of withdrawal. 3) A social phase occurs when one partner negotiates the post-dissolution state with the partner, and both partners consider the social network effects of the dissolution. 4) Finally, there is a grave dressing phase when partners engage in

retrospection, and form attributions about the behavior of the other which may have precipitated the dissolution.

To review briefly, the dyadic relationship between a buyer and seller develops in a temporal sequence through a series of interactions which vary as a function of the situation and the individual characteristics of each dyad member. As the relationship progresses, it develops its own unique characteristics, and these characteristics may change over time. During this process, dyad members make evaluations about the costs and rewards of the relationship, and compare those outcomes against their own personal standard and the alternatives available in the marketplace.

Interactions

The temporal elements of the model and the static elements do not alone explain the development of the buyer/seller relationship. The arrows which indicate the influence that the various model components have on each other are critical elements of the model. This discussion will be organized around the temporal elements of the model, and the relevant interactions will be discussed as they impact the dyad members as they move through the temporal elements.

Awareness

The two principal influences on the awareness process are the individual characteristics of dyad members, particularly cognitive structure and self-monitoring, and the environment, particularly the primary task environment. The environment operates primarily to influence who becomes aware of whom, and provides some external constraints on the nature of subsequent interaction. The cognitive structure and self-monitoring of dyad members operate to determine how the dyad members use information from the environment, and provide a set of internal constraints on the members' behaviors.

Avila and Fern (1986) investigated the external constraint of the environment on personality characteristics. They defined environment (selling situation) as selling cycle (duration of the decision process), task complexity, information requirements, number of customer contacts and nature of customer contacts. They proposed that the selling situation would moderate the relationship between personality and sales performance. They concluded that different types of selling tasks (as defined by the primary task environment) require different personality traits of salespeople. This is consistent with Weitz's (1981) contingency view of success in personal selling.

Wilson and Lichtenthal (1985) also focused on the relationship between environmental variable and salesperson characteristics. They proposed that in mature markets (defined as markets in which there is little or no new product development and relatively stable market share and price structure) the attributes of the salesperson may be more deterministic of purchase than product or company related attributes, because buyers perceive that most products in these markets are uniform.

As stated earlier in the sections on individual variables and the discussion of awareness, the expertise of the dyad members, as manifest by their cognitive structure, exerts a strong influence on the inferences and attributions that are formed during the awareness stage. Obviously, expertise has theoretical and practical significance for explaining variance in buyer/seller relations. However, self-monitoring may provide a link between the inferences that are formed, and whether the individual dyad participant uses those inferences. To illustrate, Stayman and Kardes (1990) found that low-self monitors used the inferences they generated to form attitudes about products significantly more than high self-monitors did. Presumably, low self-monitors are motivated to use the inferences they form because they rely on their inner states to guide their

behavior. High self-monitors, however, are more motivated to use the situational cues and not their internal states.

Additionally, Fine & Gardial (1990) found that high self-monitoring salespeople differed on the type and valence of the inferences they used depending on whether the customer was similar or dissimilar. These high self-monitors tended to use positive relationship inferences when the customer was similar, and negative trait inferences when the customer was dissimilar. Similarity (or dissimilarity), a situational cue, functioned for high self-monitors by affecting the type of information they used to make judgments. Therefore, it seems that cognitive structure is related to a dyad member's ability to form inferences, and self-monitoring is related to the motivation to use those inferences and the type of inferences that may be used to guide subsequent behavior.

Exploration/Expansion

The activities at this stage interact with the outcome of the awareness stage, particularly the inferences and attributions that dyad members form about one another. Communication may be structured (content, code and style) based on the result of the awareness stage, and communication rules may be influenced by the primary task environment. The choice of style will also be a function of the individual characteristics of dyad members.

Sypher and Applegate (1984) are concerned with the relation of individual differences in cognitive structures on the strategic organization of communication. Communication behavior is most directly influenced by communication-relevant beliefs organized within the actor's definition of the situation. These authors propose that cognitive structure contains communication-relevant beliefs, and that the quality and organization of knowledge in memory will affect what individuals perceive as communication-relevant in any situation. Therefore, the combination of a person's cognitive structure, and how s/he tends (possibly as a function of self-monitoring level) to use the products of that structure, determines what that person will perceive as relevant communication.

Of course, there are external constraints on communication imposed by aspects of the task environment. In their review of communication and corporate culture, Falcione and Kaplan (1984) suggest that different styles of leadership have an intervening effect on organizational climate, and that different climates affect the choices organizational members have in communication. Climates characterized by supportive leadership, autonomy, innovation, equitable rewards and task variety are associated with allowance for individual differences in communication. For instance, an organization which does not

grant its members much autonomy, and therefore requires salespeople to use "canned" sales presentations, is severely constraining the communication alternatives of its salespeople. The Clopton (1984) study cited earlier also shows that when firms monitor the communication of their members, the content of that communication is different than when the firms do not monitor it.

Relationship Development Activities

As the dyad develops a relationship, the nature of that relationship may impact the dyad members' perceptions of the environment, and may change the actual primary task environment. In addition, the relationship characteristics may interact with individual characteristics such that dyad members act on or suppress various individual traits depending on the nature of the relationship. The relationship is a function of the content of past interactions, so the patterns that develop in previous interactions will influence the patterns that become stable over time.

Adaptive selling can be seen as a specific interaction between individual characteristics and characteristics of the relationship (Weitz 1981, Spiro & Weitz 1990). When salespeople use different sales presentations across sales encounters and further, when they make adjustments during the encounters, they are exhibiting a high level of

adaptability. Adaptive selling is effective when the costs of selecting and training a prospective salesperson to collect relevant information from their customers are outweighed by the benefits of sales generated (Spiro & Weitz 1990). Self-monitoring was found to be positively related to the degree to which salespeople practiced adaptive selling.

There are two views on the relationship between the dyad and the environment. The more traditional view is that the environment impacts the dyad. The primary task environment, for example, may constrain the strategic options available to dyad members (Achrol et al. 1983). Anderson, Chu and Weitz (1987) discuss how the information needs of the buyer, consideration of alternatives by the buyer, and newness of the buyer's task affects the salesperson's use of particular strategies. In a primary task environment characterized by a high need for information, consideration of many alternatives, and risk and uncertainty, the use of adaptive selling may be a very effective strategy in persuading a prospective buyer to purchase.

The second view of this influence is that the relationship may also impact the environment. This represents recent trends in environmental management strategies (Zeithaml & Zeithaml 1984). These authors propose that marketing organizations should adopt a proactive,

instead of reactive, stance with respect to the external environment. Although the model does not specifically require management of the environment, it includes the possibility that the dyad could influence the situation in which they conduct business.

Other recent approaches, such as just-in-time (JIT) relationships (Frazier, Spekman & O'Neal 1988), and political economy (Stern & Reve 1980, Arndt 1983) have proposed an interactive relationship between the dyadic relationship and the environment. A JIT relationship exists when a supplier produces and delivers to the original equipment manufacturer precisely the necessary units in the necessary quantities at the necessary time. The products produced by the supplier conform to performance specifications every time. Participation in a JIT changes the channel members' perceptions of the competitive nature of the existing market. In a traditional exchange, the supplier knows that no future business is guaranteed, that the manufacturer could decide to do business with another supplier at any time. In JIT exchange, however, the partners enter into a strategic alliance than makes it difficult for alternative exchange partners to provide the same level of service. Therefore, JIT partners view the competitive nature of the environment differently than participants in traditional exchange.

Past interactions form an interactional environment of shared understanding that may provide particular relational expectations and may establish particular sequences for relational development (Delia 1980). For instance, Delia proposes that one's perceptions of the other dyad member are organized in terms of features relevant to the situation, which includes expectations about behavior based on past interactions. This is supported by the work on cognition in personal selling (e.g. Weitz, Sujan & Sujan 1986) which emphasizes that the availability of a large number of sales situation categories allows more precise classification of sales situations and sales approaches. Thus, this precise classification probably results in the retrieval of a more appropriate sales strategy for the given situation (Weitz, Sujan & Sujan 1986). Therefore, the more interactions a dyad experiences as it develops a relationship, the more information dyad members have to form categories and scripts to help them choose appropriate behaviors for future interactions.

In sum, the model suggests that the closer the environmental influence is to the interacting dyad, the more likely it is to have an effect on the interaction, and subsequently, the relationship. Therefore, the primary task environment would exert the most influence. Similarly, the dyad is proposed to be able to impact the environment which

is closest to the interaction most strongly. Obviously, then, as situational variables are identified which are nearer to the interaction, their importance to the model, and to the understanding of the buyer/seller dyad, increases.

Critical Incident

The primary interaction is between the critical incident and the nature of the relationship. A critical incident can change the characteristics of the relationship, which in turn will interact with the individual variables and the primary task environment. For instance, a critical incident such as a buyer becoming seriously delinquent on payment may cause the seller to re-evaluate that relationship. Again, the relevant interactions here would begin at the awareness stage, as a critical incident causes the dyad partners to make new inferences and attributions on the basis of new information and then proceed through the relationship steps again to arrive at a new commitment or dissolution.

Summary

This review of the literature examined issues about the unit of analysis in buyer/seller research, and concluded that the dyad would serve as an appropriate unit. Further, the notion that the dyad must be considered in the context

of an ongoing relationship was explored. A review of established models of the buyer/seller dyad was offered, and accomplishments and gaps of that body of work was examined. A model of the Dyadic Relationship Development Process was described, and the relevant literature which supported the static components, process components and interactions of that model was reviewed.

CHAPTER III

RESEARCH METHODOLOGY

Introduction

This chapter describes the methodology employed in the study. First, a brief rationale for the specific variables chosen as the focus of the study will be offered, based on the preceding literature review. Second, the hypotheses which guided the investigation will be detailed. Then, the research design, setting and choice of subjects will be discussed. A comprehensive description of the measurement of the study variables will follow, including a review of two pre-tests conducted in conjunction with the dissertation study. Next the statistical analysis procedures employed will be presented. Finally, the discussion will be summarized.

Focus of Study

A systematic investigation of the relationships proposed by the DRD model might logically start at the awareness stage. This study will first focus on the cognitive process of inference generation during the awareness stage which contributes to an evaluation of potentiality. The emphasis is on how the individual variable

of self-monitoring and perceptions of similarity affect the generation and use of inferences by dyad partners.

The study will also investigate the communication which takes place during the exploration/expansion stage, after awareness is present and an initial evaluation of potentiality has occurred. Specifically, the research will focus on the nature of the relationship between self-monitoring and communication style compatibility. Following Sheth (1976), communication compatibility as a component of the exploration/expansion stage of the proposed DRD model should be associated with successful sales interactions. Communication style compatibility is the difference between a dyad member's preference for a certain level of each of the three communication style variables (interaction, task and self) and his or her perceptions of the level of the three style variables the partner has used during the interaction. Finally, the effect of communication compatibility and satisfaction with communication on outcomes of the interaction (costs, benefits and comparison to expected standard) will be assessed. Understanding these processes which occur early in the relationship are critical to the ability to explore the later processes and to provide support for the model.

Since it has been suggested that many of the equivocal findings of the individual variable research on the

buyer/seller dyad, particularly the study of similarity, may be attributed to the lack of theory (Enis & Chonko 1978), a theoretically-based investigation of the individual variable of self-monitoring is proposed (see Snyder 1974). The theory behind the construct of self-monitoring, discussed in the previous chapter, provides direction and suggests hypotheses for investigating several process aspects of buyer/seller relationships: awareness (and the cognitive processes of inference generation and use which results in a potentiality evaluation), and dyadic communication style preferences and actual style usage in subsequent stages of the relationship. The DRD model (Figure 1) proposes that self-monitoring does not impact the outcome of a dyadic interaction or relationship directly, but that it mediates the inference use process, and the perception of communication style compatibility (the difference between the level of the communication style variables preferred and the levels used in the process of dyadic interaction).

Hypotheses

Self-Monitoring and Awareness

Recall from the literature review that self-monitoring is the degree to which individuals take behavior cues from the environment. Previous research indicates that self-monitoring mediates the relationship between inference

generation and inference use (Stayman & Kardes 1990), and between inference processes and other perceptions (Fine & Gardial 1990). The inferences which are proposed to affect the evaluation of potentiality are those formed when the dyad partners first become aware of one another. Inferences are assumed to become part of the belief structure of the dyad partners. Because low self-monitors tend to rely on attitudes and beliefs (when deciding how to act) more than high self-monitors, inferences may be relatively more salient in influencing the behavior of low self-monitors than high self-monitors. Wyer and Carlston (1979) suggest that in initial stages of acquaintance, behavior inferences may be more readily formed and used than trait inferences. Therefore, this investigation will consider both behavior and trait inferences which may be formed and used by dyad partners.

In addition, perceived similarity of dyad partners is proposed to facilitate the inference generation process for both high and low self-monitors. Wyer and Carlston (1979) proposed that the ability to form inferences and the type of inferences formed are influenced by one's experience with the target object. Similarity is proposed to function as a surrogate for familiarity or as a type of vicarious experience with the particular dyad partner. If a dyad

member perceives that his/her partner is similar, then the process of inference generation should be facilitated.

H1: Inference generation as an influence on buyer/seller behavior has more impact on the behavior of low self-monitors than high self-monitors.

H1a: Self-monitoring will not be associated with differences in the amount or nature of inferences generated.

H1b: Low self-monitors will use more inferences generated to make an evaluation of potentiality than high self-monitors.

H1c: The number of inferences used will be positively correlated with the confidence with which evaluations are made by low self-monitors, but not by high self-monitors.

H2: Similarity of a dyad partner increases the number of inferences generated to form evaluations about that partner.

Self-Monitoring and Communication

Sheth (1976) proposed that effective dyadic communication is a function of compatible communication content and style. (Since the external constraints imposed by the firm involved in this field study prohibited a consideration of communication content, only communication style will be investigated.) Williams and Spiro (1985) developed measures to explore the three communication style variables of task oriented, self oriented and interaction oriented proposed by Sheth. These authors found that certain levels of a style variable in both the customer and salesperson often predicted outcomes. For instance, the

combination of a customer and a salesperson who both used high levels of interaction orientation led to sales. This project assumes that each person will have preferences for and will use certain levels of task, self and interaction oriented styles in an interaction.

In other words, compatibility is operationalized in this project as the difference between the level of the three communication style variables preferred by a dyad member, and the levels of the style variables used by the other partner. For instance, if the buyer's preferred level of task orientation is high, and s/he perceives that the seller uses a strongly-task oriented style (regardless of the seller's own style preferences), the communication is defined as compatible for the buyer. Self-monitoring is proposed to be related to differences in communication compatibility when a dyad member changes his or her style to meet the preferences of the partner, or when a dyad member alters his or her preferences (or attends less to his or her preferences) according to the levels of usage of the style variables by the partner.

As predicted by self-monitoring theory, high self-monitors might tend to vary the style of their own communication (or attend less to their preferences) according to the cues they receive from their dyad partners. In contrast, the low self-monitors are expected both to

prefer and use consistent levels of the three style variables across situations and partners. Evidence of a general relationship between self-monitoring and adaptability of communication style are provided by Spiro and Weitz (1990). Even though these authors were not investigating the style variables included in this research, they did find that high self-monitors reported that they used different communication strategies with different customers, while low self-monitors tended to be more consistent.

Self-monitoring is also expected to affect a person's satisfaction with the communication in the buyer/seller dyad. One would anticipate that adaptive high self-monitors will judge communication to be satisfactory even if the level of the style variable used by the partner is not the same as their preferred level of the style variables. For low self-monitors, however, communication may be perceived as satisfactory only when the partner's level of usage on the style variable matches his or her preferred level.

Williams and Spiro (1985) investigated task-oriented, self oriented and interaction oriented communication styles during selling interactions and demonstrated that differences in communication style do affect dyad member's evaluation of the dyadic interaction. Further, the DRD model suggests that the dyad partners' evaluations of the

relationship are expected to vary as a function of their satisfaction with the dyadic communication. If satisfaction with communication is high, the partners are expected to evaluate the relationship more favorably than if communication satisfaction is low.

> H3: Perceived compatibility of communication styles and satisfaction with communication will vary as a function of self-monitoring levels.
>
> H3a: Low self-monitors will perceive the communication style used by a partner as more satisfactory when the partner's style is similar to their preferred style than when the partner's style is dissimilar to their preferred style.
>
> H3b: For high self-monitors, there will be no relationship between satisfaction with communication and the difference between their preferred style and the style used by the partner.

It has been proposed, based on the interdependence theory of Thibaut and Kelley (1959) that dyad partners decide whether to continue a relationship by evaluating the costs of entering into and maintaining that relationship and the benefits which will accrue from the relationship. The partners weigh the costs against the benefits, and compare that ratio to some expected absolute standard to be obtained from any similar relationship. If the target relationship contains a favorable ratio of costs to benefits, relative to the expected standard, then the partners will decide to continue the relationship. It is hypothesized that the satisfaction with communication will provide influential

information at these early stages of the relationship with which partners will evaluate costs, benefits and attractiveness of the relationship relative to the expected standard.

H4: Communication style compatibility will be related to evaluations of the relationship.

H4a: Communication satisfaction will be positively related to perceptions of benefits to accrue from the relationship.

H4b: Communication satisfaction be negatively related to perceptions of costs of entering the relationship.

H4c: Communication satisfaction will be positively related to perceptions of the attractiveness of the relationship relative to the standard of the expected level of outcomes.

The research hypotheses are summarized in Appendix A for the reader's convenience.

Research Design

Although some research on dyadic interactions in a sales context has taken place in the laboratory (e.g. Mathews, Wilson & Monoky 1972), many investigations have been conducted in a field setting. This project utilized laboratory studies for pre-testing instruments and initial exploration of relationships. Then, the main investigation was conducted as a field study.

A field study is generally thought to increase external validity at the expense of internal validity. However,

internal validity in this type of non-experimental design can be increased by choosing a situation where extraneous variables are held constant as much as possible. Enhancement of both external and interval validity were addressed in this study by conducting the surveys at multiple locations of the same financial institution, by surveying subjects engaged in similar types of interactions and by utilizing the same researcher for all data collection sites.

High or low self-monitoring was determined by a median split of each role group after all the data were collected. Then, subjects were assigned to one of four cells based on the four possible combinations of role (customer or salesperson) and level of self-monitoring (high vs. low). Dyads were identified by the following cell attributes: 1) customer low, salesperson low (CLSL); 2) customer low, salesperson high (CLSH); 3) customer high, salesperson low (CHSL); 4) customer high, salesperson high (CHSH). Because the field study affords little control over the subjects and the pairings of customers and salespeople, it was expected that cell sizes would not be equal. However, based on findings of past dyadic research using self-monitoring as an independent variable (e.g. Ickes & Barnes 1977), it was expected that it would be possible to obtain a certain minimum number of dyads in each cell with reasonably balanced cell sizes. The final sample consisted of 51 dyads,

and the cell sizes were n=13 (CLSL), n=14 (CLSH), n=13 (CHSL), and n=11 (CHSH).

Research Setting and Subjects

Prior to the conceptualization of this study, two pre-tests were conducted to develop measures and explore the properties of existing measures. Included in these pre-tests were interviews with customers and salespeople about buyer/seller interactions. These discussions resulted in a set of criteria by which to select a setting appropriate for the tests of the hypotheses. The final choice of a setting was based on this list of criteria developed after the pre-tests were completed. The first group of criteria pertain to an exchange situation which would provide a likely environment for testing the hypotheses. The second group of criteria pertain to the characteristics of individual dyad participants. These criteria will be discussed in detail, and then a description of the actual sample will be offered.

Criteria of Setting Choice and Sample Selection:

A major situational factor in the investigation of any dyadic interaction is the opportunity to obtain data from both parties in the exchange. To investigate the hypotheses, a situation was required where both dyad partners could be expediently surveyed both before and after an actual

exchange interaction. Since the objective of the study is to understand aspects of relationship development, a situation was sought in which the development of an interpersonal exchange relationship is likely. Further, this relationship should be relatively important to both parties in the context of the exchange situation. Therefore, a situation was chosen where participants were willing and able to articulate why the relationship is important. In addition, the business situation had to generate sufficient opportunities for new relationships to develop, in order to obtain a large enough sample size to test the early stages of the model and the study hypotheses.

Another objective of situation choice was to avoid a setting in which the product or service offering was so important, unique or desired by the buyer that the seller's role as a relational partner was relatively unimportant. For instance, if a buyer desires a product that is available from only one source, that product will be purchased from the available seller regardless of the buyer's desire to enter into a relationship with the seller. Alternatively, the product should be offered in a situation that normally requires the development of a relationship; one affording opportunity for personal contact on a continuing basis.

Certain criteria were also established for the individual dyad partners. On the selling side, the dyad

partner needed to perceive selling as an integral part of his or her role, one for which s/he is evaluated and compensated. The development of a relationship with the buyer should offer some benefits and should involve some costs, or investigation of the hypotheses would be meaningless. Similarly, on the buying side, the buyer needed to believe that the relationship with the seller is important in the exchange context. The buyer should also perceive that there are costs and benefits involved in the relationship. Finally, both partners had to be willing and able to complete the survey instruments.

Description of the Subjects

The subjects that were selected, based on the above criteria, were new customers of the customer service representatives, assistant branch managers and managers (all considered "salespeople") of a state-wide financial institution. This context of retail banking transactions meets all the criteria considered important for dyadic interaction research. First, since the representatives are present in the bank, and the customers come into the bank to initiate and complete the transactions, it is possible to collect data from both parties before and after the transaction. Also, most of the financial transactions relevant to retail banking can involve face-to-face contact with service personnel, possibly over a long period of time.

Therefore, the situation affords the possibility of relationship development. The incidence of customers meeting with a salesperson for the first time is frequent enough to collect data in the specified period during which the research would be conducted.

The relationship between the customer and the representative is extremely valuable to the financial institution, because the majority of its profits are earned through its retail customers. Customers in this banking market have many choices of banks and other types of financial institutions, all with similar product and service offerings. Therefore, the development of good customer relationships is viewed by banking personnel as a tool for customer retention.

Focus groups with the bank's customers, and discussions with branch personnel provided evidence that this relationship is important to both parties. Customer comments indicated that the sales personnel provide customers with a sense of security and trust. Customers deal not with an impersonal institution, but with a specific individual, who personifies the bank for them. In addition, customers feel that the process of obtaining information and asking questions is facilitated by having a good relationship with the bank representative. Examples of the strength of the relationships are reflected in reports by customers stating

that they have traveled to inconveniently located branches just to follow their customer service representative who have been relocated.

From the sales perspective, the development of relationships with customers can impact performance evaluations and the income of salespeople. Customer service representatives are expected to sell certain products and services whenever a customer comes in. Salespeople have quotas for presenting and selling banking products and services. Often specific products are featured as incentive products through which representatives can earn money and prizes. Representatives report that a good working relationship with a customer facilitates the selling process. Also, good relationships with customers are thought to reduce the number of annoyance calls and unreasonable requests by customers.

Data were gathered from bank branch personnel at selected branches in Memphis and Knoxville, the two largest markets for this state of Tennessee financial institution, and the largest and third-largest cities in the state. Branches were chosen based on their levels of new business activity to expedite the study. All branch desk personnel were asked to participate in the study, which was endorsed by the vice-president for retail services. When a customer entered the branch, if he or she was identified as a new

customer, s/he was asked to participate in the study. Participation by all subjects was voluntary, and the researcher collected data from this convenience sample from selected branches until a sufficient number of dyads had been included.

Measurement of Variables

Exploratory Investigations

Two exploratory studies were conducted as pre-tests in November/December 1989 and in September 1990 in part to 1) assess the psychometric properties of existing measures germane to the hypotheses, 2) to gain insight into the relationship between self-monitoring and the dyadic interaction process, and 3) to develop the necessary instruments to measure aspects of those relationships. In both exploratory studies, student subjects from a sales management class participated in a role-play exercise in which half played the role of buyer and half played the role of seller. Subjects who had completed the self-monitoring instrument several weeks prior to the study were classified as high or low self-monitors based on the mean and median scores of the group. Dyads were formed with partners that were either similar in self-monitoring levels (e.g. high/high, low/low), or different (e.g. customer high/salesperson low, salesperson high/customer low). Each

subject was presented with a case study of information, based on actual businesses, relevant only to his or her respective role. Then, after becoming familiar with the information, each dyad conducted a simulated sales encounter.

In the following discussion of measurement of the study variables, references will be made to the pre-tests when appropriate to the variables being considered. In some cases, further explanation of aspects of the studies is necessary to complete the discussion of the relevant variable.

Self-Monitoring

This first exploratory study examined the validity and reliability of the 25-item self-monitoring instrument (Snyder 1974) and the revised 18-item self monitoring instrument (Snyder & Gangestad 1986). Subjects (n=97) completed the 25-item paper and pencil self-monitoring scale (Appendix B). Responses to each question were recorded by circling either true or false. After reversing the valence of negatively worded items, the sum of a subject's true responses was his or her self-monitoring score. To examine the 18-item version, analyses were conducted on only those 18 items included in the revised scale (Appendix B).

The item-to-total correlations were calculated for the items on the 25-item scale (Table III-1) and on the 18-item

Table III-1: 25 Item Self-Monitoring Scale
Pre-Test
Item to Total Correlations

Item	Correlation
1	.29
2	+
3	.34
4	+
5	+
6	.45
7	+
8	.39
9	+
10	+
11	+
12	.21
13	.34
14	+
15	.21
16	.20
17	.24
18	.27
19	.20
20	.21
21	.33
22	+
23	+
24	+
25	.33
Scale Alpha: .65	

Note: Items which load less than .20 have been indicated with "+"

scale (Table III-2). 11 items on the 25-item scale did not correlate with the total at a level of .20. On the 18-item scale, 5 items correlated with the total scale at a level of .20 or less. The frequency of items with low item-to-total correlations on both versions of these scales (Snyder 1974, Snyder & Gangestad 1986) suggest weaknesses with the scales' internal validity.

Reliability analysis computed for the 25-item self-monitoring scale produced an alpha of .65. The alpha for the 18-item scale was also .65. Iterated principal components factor analysis (unrotated) for the 25-item scale produced 9 factors with eigenvalues greater than 1. The same analysis for the 18-item scale produced 7 factors with eigenvalues greater than 1. See Tables III-3 and III-4 for the results of the factor analyses.

According to Snyder and Gangestad (1986), examining the unrotated factor structure of the self-monitoring scale should result in a general factor on which most items positively load. In the pretest of the the two scales, this criterion was not satisfied. For the 25-item scale, the first of the 9 factors was composed of 11 items loading at +.20 or greater. When the 18-item scale was examined, 2 of the 7 factors were composed of 9 items that loaded at +.20 or greater. Clearly, on neither scale did "most" of the items load positively on a general factor.

Table III-2: 18 Item Self-Monitoring Scale
Pre-Test
Item To Total Correlations

Item	Correlation
1	.30
3	.24
4	+
5	+
6	.37
8	.41
12	.32
13	.26
14	+
16	+
17	.21
18	.25
20	.25
21	.34
22	.24
23	+
24	.25
25	.26
Scale Alpha:	.65

Note: Values which load less than .20 have been indicated with "+"

Table III-3: 25-item Self-Monitoring Scale
Pre-Test Factor Structure

Item	Factor 1	2	3	4	5	6	7	8	9
13	.568	+	+	+	.240	+	+	+	+
19	.531	+	-.253	+	-.320	-.338	+	+	+
7	.505	+	-.298	.270	+	+	+	+	+
16	.475	+	.250	+	+	+	+	+	+
8	.446	.294	.427	.206	+	+	+	+	+
3	.429	.267	-.345	.391	+	+	+	+	.217
25	.404	+	+	-.257	+	+	+	+	+
18	.390	+	.212	.267	+	+	+	.331	+
15	.354	+	+	+	+	+	+	+	.215
23	-.364	.708	+	+	+	+	+	+	+
12	+	.609	+	+	+	+	+	+	+
22	+	.536	+	+	+	+	+	+	+
21	.270	.403	-.284	+	+	.219	-.336	+	-.314
1	.240	.264	+	+	+	+	+	+	+
5	+	.207	.453	+	+	.354	+	+	+
20	+	.492	.266	.508	+	+	.243	+	+
24	.213	+	.205	-.571	-.270	.203	.325	+	+
6	.417	.325	+	+	.529	+	+	-.206	+
9	+	+	-.407	.207	.410	.321	+	+	+
14	+	.277	+	+	+	.310	+	+	+
4	+	+	.226	+	+	.231	+	+	+
10	+	+	+	+	+	+	.380	+	-.234
2	.273	-.292	+	+	.231	.253	-.299	+	+
17	.330	+	-.252	-.378	+	+	+	.484	+
11	+	+	+	+	+	+	+	+	+

Note: Items which load less than .20 have been indicated with "+"

Table III-4: 18-item Self-Monitoring Scale
Pre-Test
Factor Structure

Item	Factors						
	1	2	3	4	5	6	7
12	.506	.431	+	-.204	-.278	+	+
21	.434	+	.258	+	+	-.222	.221
1	.355	+	+	+	+	+	+
6	-.431	+	+	+	.238	+	.306
8	-.532	.273	.411	+	+	+	-.207
23	.385	.625	+	+	+	+	+
16	+	.539	+	+	+	+	+
13	-.281	.513	+	+	.223	+	+
22	.388	.420	+	+	+	.292	+
18	-.301	.343	.335	+	-.214	+	.213
17	.321	-.250	.508	+	.363	.347	+
5	-.233	+	.448	.430	-.303	.254	+
25	-.294	.295	-.314	+	+	+	+
20	.440	+	.461	.246	+	+	+
3	.387	+	+	.547	+	+	+
24	-.251	+	-.220	.301	+	+	+
4	+	+	+	-.247	+	+	+
14	.246	.208	+	+	.265	-.310	+

Note: Values which load less than .20 have been indicated with "+"

The results of the exploratory study supported recent concerns about the psychometric properties of either Snyder scale (Lennox & Wolfe 1984, Briggs & Cheek 1988). Since the pre-test of the self-monitoring instruments produced unsatisfactory reliability coefficients and a difficult-to-interpret factor structure, a decision was made to test another self-monitoring scale (Lennox & Wolfe 1984) developed in response to specific concerns about the Snyder scales.

The test of the Lennox and Wolfe self-monitoring scale was an objective of the second pre-test. The 13-item paper and pencil instrument was administered to 72 subjects (Appendix C). Subjects respond to statements on a 7-point scale where 1 corresponds to strongly disagree and 7 corresponds to strongly agree. After scores on negatively worded items are reversed, the values for each response are summed to arrive at a self-monitoring score. The higher the score, the higher the subject's level of self-monitoring.

The scale is composed of two sub-scales: sensitivity to expressive behaviors in others, and ability to modify self-presentation. Although Lennox and Wolfe (1984) report that these two sub-scales have internal consistency, they report that the sub-scales correlate dissimilarity with some relevant third variables. Reliability analyses were conducted to determine if the scale could be used as a

measure of a unidmensional construct. The internal consistency of the entire scale is .86, and the Pearson correlation was .51 ($p<.0001$) between the two sub-scales for the pre-test.

Iterated principal components factor analysis was also conducted on the entire scale as part of the pre-test. On the entire scale, the unrotated factor structure showed all items loaded positively on the first factor. All loadings were greater than .45. The eigenvalue of the first factor was 5.01. Although three other factors emerged from the analysis, the eigenvalues were all relatively small compared to the first factor (1.46, 1.07 and 1.02). Only three items had loadings on factors two through four that were greater than their loadings on the first factor. (See Table III-5 for these results.) This analysis suggests that the self-monitoring scale is unidimensional and can be used as a whole.

A comparison of the results from the two pre-tests suggested that the Lennox and Wolfe instrument performed satisfactorily as a measure of self-monitoring, while both Snyder instruments raised concerns about validity and reliability. Recent marketing studies in the area of buyer/seller relations (e.g. Spiro & Weitz 1990) have successfully utilized the Lennox and Wolfe instrument.

Table III-5: Lennox and Wolfe Self-Monitoring Scale
Pre-Test
Item To Total Correlations and Factor Structure

Item	Correlations	Factors 1	2	3	4
1	.44	.54	+	-.27	+
2	.58	.68	.27	-.33	-.29
3	.60	.68	.36	+	-.43
4	.48	.56	.45	.26	+
5	.61	.69	.46	+	+
6	.39	.48	+	+	.76
7	.64	.72	+	+	+
8	.40	.47	-.27	.62	+
9	.38	.45	.31	.51	+
10	.60	.68	-.38	+	.24
11	.47	.57	-.41	+	+
12	.61	.70	-.45	+	+
13	.63	.73	-.32	-.25	+

Scale Alpha: .86

Note: Items which load less than .20 have been indicated with "+".

Therefore, the Lennox and Wolfe instrument was used in the study to measure self-monitoring.

Inference Generation and Use

Inferences are generated when a person does not have complete information with which to form an evaluation or make a judgment. By combining information in memory with whatever pieces of information that can be gleaned from the interaction situation, a person can generate inferences to help construct a more complete picture of the person-in-situation. Before a dyad member actually interacts with his or her partner, therefore, the model proposes that the partner generates inferences based on whatever information is available in the interaction situation.

The inferences generated were obtained by a listing procedure (shown in Appendix C) in which dyad partners were instructed to anticipate the interaction with the exchange partner, and list all thoughts and opinions that they would use to form a judgment about the potentiality of that target as an exchange partner. These thoughts and opinions are the inferences that are generated prior to an exchange. The listing procedure was administered to customers and salespeople before their actual interaction. The lists were content-analyzed to arrive at general conclusions about the types and numbers of inferences formed by high and low self-monitors from the sample of customers and salespeople.

To investigate inference use, subjects were asked to indicate (with an X placed next to the statements) which of those items were most important to them in forming an evaluation about the dyad partner. Presumably, only the most important items are the inferences that were actually used to make an evaluation. These important items can then be compared with the list of items from the inference generation measure to determine which of the types of inferences generated are actually used. Then, high and low self-monitors can be compared on inference use. Low self-monitors should report that they used more inferences than high self-monitors.

Finally, the number of inferences generated by high and low self-monitors will be analyzed according to the similarity of the actual dyad partner. The model predicts that similarity will increase the number of inferences generated by both high and low self-monitors, since similarity functions as a surrogate for familiarity and experience with the partner.

As part of the second pre-test, subjects were asked to generate inferences about the dyad partner to test the inference generation and use procedure. These inferences were recorded during three phases of the simulation: after subjects had read a letter from their role partner regarding a possible business meeting, after the role partners met to

schedule a sales meeting, and after the sales meeting was completed.

Confidence with which inferences are used

The confidence with which inferences can be used was assessed after the administration of the inference generation and use measure. This question simply asked the subject "to respond on a 7-point scale how confident they would be to use the thoughts and opinions they listed to evaluate the partner's performance" (Shown in Apendix C).

Similarity

Based on reviews of the literature and focus group interviews, a 4-item measure of perceived global similarity was developed and tested in the second pre-test (Shown in Appendix C). Subjects responded to the similarity items after the selling encounter. Coefficient alpha for the perceived similarity scale was .74. Factor analysis reveals that the scale is unidimensional, and that all items load positively on the factor. Additionally, correlation of the items to the total is satisfactory. See Table III-6 for these results.

At the early stages of the interaction being considered in this research, an evaluation of perceived global similarity seems particularly relevant. Dyad partners will not have interacted frequently enough to make judgments about more specific characteristics of similarity. However,

Table III-6: Similarity Items
Pre-Test
Item To Total Correlations and Factor Loadings

Item	Item to Total Correlation	Factor Loading
1	.52	.74
2	.52	.75
3	.63	.82
4	.49	.70

Scale Alpha: .74

evidence in the literature suggests that the understanding of self-monitoring and buyer/seller similarity may be enhanced by examining two particular types of similarity, activity preference similarity and value similarity (Jamieson, Lydon & Zanna 1987).

Jamieson and his colleagues conducted an experiment in which high and low self-monitors formed impressions of persons with high and low value-based attitude similarity and with high and low activity preference similarity. For low self-monitors, attitude similarity influenced initial attraction to the stimulus person more than activity preference similarity, while for high self-monitors, the opposite pattern was found.

Therefore, to expand the investigation of the similarity issue, measures of value-based attitudes and activity preference were included in the study (See Appendix C). Rokeach's List of Values (1973) was used to measure value-based attitudes. Subjects were asked to indicate, on a 7-point scale, how important each of Rokeach's values is as a guiding principle in their lives. Activity preference similarity was assessed using a slightly modified list of the items used in the Jamieson, Lydon and Zanna study. Subjects were asked to indicate how much they would enjoy engaging in each of the activities on a 7-point scale. For each of these scales, a similarity score was obtained by

calculating the absolute value of the difference between the seller's and buyer's score on each item. Then the differences were summed to arrive at a similarity score. The lower the score, the more similar the dyad partners' responses were.

Communication Style

Based on the model of communication compatibility developed by Sheth (1976), Williams and Spiro (1985) proposed a measure of communication style to assess the three style types of interaction oriented, task oriented and self oriented. These scales were slightly altered to measure style preference prior to the interaction, and perceived style usage following the interaction (See Appendix C).

After their interaction, subjects in the first pre-test completed the Williams and Spiro (1985) communication style instrument. This instrument measures the three types of communication styles hypothesized to relate to buyer/seller interactions: interaction oriented, task oriented and self oriented. Subjects were asked to assess their perceptions of the dyad partner's communication style usage retrospectively for two different points in time: after they met their partner, but before they knew how the interaction would end; and after the interaction was completed. Therefore, statistics are available for the communication style instrument at time 2 and at time 3.

The three sub-scales of the instrument performed satisfactorily. Specifically, the coefficients for the interaction orientation sub-scale at times 1 and 2 were .81 and .83, for the task orientation sub-scale at the two times were .77 and .81, and for the self orientation sub-scale were .77 and .80. The factor structures also provided evidence of the instrument's validity. These results are presented in Tables III-7, III-8 and III-9.

Communication Compatibility

As discussed earlier, communication style compatibility was operationalized as the sum of the absolute value of the difference of the items on the two scales measuring the subject's style preference, and his/her perception of the style used by the partner. The larger the value of the difference between the preferred level and the level used by the partner, the lower the communication compatibility.

Communication Satisfaction

Communication satisfaction is being measured to provide additional evidence for the relationship between style preference and perceived style usage. If a subject reports that the partner used a style quite similar to his/her preferred style, then communication satisfaction should be high. The instrument used to measure interpersonal communication satisfaction was developed by Hecht (1978). A list of the items is included in Appendix C.

Table III-7: Communication Style - Interaction Oriented
Pre-Test
Item To Total Correlations and Factor Loadings

Time 2:

Item	Item to Total Correlation	Factor Loading Factor 1	Factor Loading Factor 2
1	.43	.67	-.55
2	.59	.78	-.40
3	.58	.78	-.40
4	.53	.60	.53
5	.61	.77	+
6	.56	.60	.67
7	.64	.70	.48

Scale Alpha: .81

Time 3:

Item	Item to Total Correlation	Factor Loading Factor 1	Factor Loading Factor 2
1	.56	.73	-.42
2	.56	.73	-.36
3	.65	.80	+
4	.53	.62	.55
5	.51	.68	-.42
6	.71	.77	.45
7	.72	.78	.40

Scale Alpha: .83

Note: Items which load less than .20 have been indicated with "+"

Table III-8: Communication Style - Task Orientation
Pre-Test
Item To Total Correlations and Factor Loadings

Time 2: Item	Item to Total Correlation	Factor Loading Factor 1
1	.62	.81
2	.73	.85
3	.50	.73
4	.52	.72

Scale Alpha: .77

Time 3: Item	Item to Total Correlation	Factor Loading Factor 1
1	.73	.87
2	.76	.87
3	.58	.77
4	.54	.72

Scale Alpha: .81

Table III-9: Communication Style - Self Orientation
Pre-Test
Item To Total Correlations and Factor Loadings

Time 2: Item	Item to Total Correlation	Factor Loading Factor 1
1	.57	.79
2	.68	.86
3	.58	.77
4	.51	.70

Scale Alpha: .77

Time 3: Item	Item to Total Correlation	Factor Loading Factor 1
1	.73	.89
2	.68	.87
3	.64	.82
4	.45	.62

Scale Alpha: .80

Costs, Benefits and Comparison to Expected Standard

Prior to the second pre-test, focus groups were conducted with salespeople and customers to generate items to measure perceived costs of entering into the relationship, benefits to accrue from the relationship, and the expectations dyad partners have about standards in these types of relationships. Based on these focus group interviews, measures of costs, benefits and comparison to expected standard also developed and administered after the selling interaction took place. See Appendix C for the individual items contained in each measure.

Results of analyses for the cost measure are shown in Table III-10. The coefficient alpha for the cost measure was .56. However, the item-to-total correlations for some individual items was low (correlations below .20) and factor analysis suggested that cost is a multi-dimensional construct. Three factors emerged from the unrotated iterated principal components factor analysis. All items loaded positively on the first factor at .28 or above. This suggests that the items together do tap into a general perception of costs. However, the low alpha coefficient and presence of two additional factors suggests that specific aspects of the sub-constructs of cost may not being measured adequately.

Table III-10: Costs Of the Relationship
Pre-Test
Item To Total Correlations and Factor Loadings

Item	Item to Total Correlation	Factor 1	Factor 2	Factor 3
1	+	.28	.68	.54
2	.41	.56	.64	+
3	.29	.54	+	-.68
4	+	.52	-.49	.51
5	+	.31	.59	-.39
6	.40	.71	-.36	+
7	.49	.76	-.21	+

Scale Alpha: .56

Note: Items which load less than .20 are marked with "*".

To address this issue, two additional cost items were added to the original 7 items. These new items were generated by an analysis of the inferences generated during the second pre-test. These inferences suggested other aspects of cost that had not emerged from the earlier focus groups. The study will utilize the 9 item measure of cost shown in Appendix C.

The 5-item measure of benefits examined in the second pre-test had a coefficient alpha of .64. Item to total correlations were all above .30. Additionally, unrotated principal components factor analysis showed that all items loaded positively on a single factor at .56 or above. These results are presented in Table III-11. Since there were concerns about the slightly low alpha coefficient, the inferences from the pre-test were once again analyzed to provide any additional items which could raise the alpha score. Again, analysis revealed two items which could be considered benefits, which had not been revealed with the earlier focus groups. The final 7-item measure of benefits (Appendix C) was used in the study.

Comparison to expected standards was measured with 5 items developed from the focus group interviews. In the second pre-test, these items had a coefficient alpha of .86. The unrotated factor structure showed that all items loaded positively on a single factor at .55 or above. These results

Table III-11: Benefits of the Relationship Items
Pre-Test
Item To Total Correlations and Factor Loadings

Item	Item to Total Correlation	Factor Loading Factor 1
1	.33	.56
2	.36	.61
3	.37	.62
4	.49	.74
5	.41	.66
Scale Alpha .64		

are shown in Table III-12. Therefore, this scale was used in the study to measure the comparison to expected standards.

Procedure

Research was conducted in two phases for the convenience of the participating salespeople. To minimize demands on the salespeople's time during working hours, they were asked to complete the first phase of the research at regular personnel meetings, or at their convenience prior to the branch phase of the research. The salespeople completed the self-monitoring instrument, the value similarity and activity preference similarity measures, the communication style preference measures, and demographic and descriptive information. At this time, representatives were provided with a brief description of the research, were told that their participation was voluntary, and were thanked for their participation. All representatives chose to participate.

During the branch phase of the research, the researcher was stationed in the branch to collect customer data and the remainder of the salesperson data. When the salesperson determined that a new customer had entered the branch that customer was approached by the researcher and asked to participate in university-sponsored research on customer service. If the customer agreed, prior to the actual

Table III-12: Comparison to Expected Standard Items
Pre-Test
Item To Total Correlations and Factor Loadings

Item	Item to Total Correlation	Factor Loading Factor 1
1	.73	.84
2	.66	.79
3	.41	.55
4	.82	.90
5	.82	.90
Scale Alpha .86		

interaction with the salesperson, the customer completed the self-monitoring instrument, the communication style preference measure, the activity preference and value similarity items, and the inference generation and use procedure. While the customer was completing his or her task, the salesperson was asked to complete the inference generation and use procedure.

After the normal banking interaction, which was timed by the researcher, the customer and salesperson separately completed the communication style usage items, the cost, benefit and attractiveness of alternative relationship items, the perceived similarity scale, and the communication satisfaction scale. Then the customer was thanked for his or her participation and any questions participants had were answered. The branch phase of the research took place from January 10 through March 8, 1991. The first part of the branch phase was conducted in Knoxville, Tennessee (28 dyads), and the second part of the branch phase was conducted in Memphis, Tennessee (23 dyads).

Data Analysis Plan

To examine the first group of hypotheses regarding self-monitoring and inference generation and use, a t-test will be performed to determine if the mean number of inferences generated by high and low self-monitors differs.

It is predicted that the two means will not be significantly different.

A content analysis of the inferences will also be performed to determine if the nature of the inferences differs between high and low self-monitors. Both the literature on inference generation and use (e.g. Wyer & Carlston 1979) and previous research (Fine & Gardial 1990) suggest that certain types of inferences are likely to be generated. Trait and behavior inferences are two types of inferences that are expected to occur. After all the inferences are recorded, the researcher will examine the body of inferences for general groupings. These groupings will be combined into named categories such that each inference should be properly placed in only one category. Then, both the researcher and an independent rater (blind to the research hypotheses) will separately code the data by assigning each inference to a category. Disagreements will be resolved by decision of the researcher after discussion with the rater. Again, there should be no significant differences between the nature of the inferences generated by subjects with different levels of self-monitoring.

A test of proportions (inferences generated/inferences used) will be employed to assess inference use between high and low self-monitors. A z-score (Churchill 1979) will be used to test the differences in the two proportions. A

greater proportion of inferences should be used by low self-monitors. To examine the relationship between inference use and confidence, a Pearson correlation coefficient will be calculated. The correlation should be positive and significant for low self-monitors, and non-significant for high self-monitors.

The second hypothesis explores the relationship between similarity and inference generation. To test this hypothesis, a Pearson correlation coefficient will be calculated between the score on each of the similarity measures and the number of inferences generated. There should be a positive correlation between the degree of similarity and the number of inferences generated.

The third group of hypotheses will be tested with a Pearson correlation coefficient for the compatibility scores of both groups and the measure of communication satisfaction. Low self-monitors should show a positive correlation between compatibility and satisfaction. The correlation should be non-significant for high self-monitors.

The fourth group of hypotheses will also be tested by examining the Pearson correlation coefficients between the compatibility score and measures of benefits, costs and attractiveness of alternative relationships. The hypotheses predict that there will be a positive correlation between

compatibility and benefits, and a negative correlation between compatibility and costs, and attractiveness of available alternatives.

Finally, stepwise regression will be employed to examine the influence of the independent variables on the outcomes of communication satisfaction, perceptions of benefits, costs, and attractiveness of the relationship relative to the expected standard. This analysis is expected to provide a more complete picture of the early stages of relationship development and another test of the hypotheses and the DRD model.

Summary

This chapter has described the methodology employed in the study. First, a brief rationale for the specific variables chosen as the focus of the study was presented. Based on that discussion, the hypotheses for the study were detailed. Then, the research design, setting and choice of subjects was discussed. A comprehensive description of the measurement of the study variables was also presented, which included a review of two pre-tests conducted in conjunction with the dissertation study. A plan for statistical analysis of the data to provide evidence for the hypotheses followed.

CHAPTER IV

RESEARCH RESULTS

Introduction

This chapter will present the results of the study. The first part of the chapter will review the performance of the measures used to test the hypotheses. Characteristics of the sample will be described in the second section. The third section will address the results of the tests of the four major hypotheses. The specific test of each hypothesis will be reviewed and the results of that test will be presented. Then, to expand upon the tests of each hypothesis, results will be presented for supplemental analyses which were performed to explore other possible relationships present in the data. It is possible to perform supplemental analyses for 1) role (customer or salesperson), 2) role by self-monitoring level (e.g. low self-monitoring customer vs. high self-monitoring customer, low vs. high salesperson), and 3) role within dyad type (e.g. low self-monitoring customer in the CLSL vs. CLSH dyads). Findings for all three levels are considered. Then a brief discussion of the results of a stepwise regression procedure, conducted to synthesize the results from the hypotheses, will be presented. The chapter will conclude with a summary of the results.

Characteristics of the Measures

Measures of the study constructs were subjected to reliability analysis. The results of these analyses are presented in Table IV-1. Included in this table are the number of respondents who completed the measure, the means of the measures, the standard deviation, the value of possible range of responses on the measure, and the coefficient alpha (where appropriate). Statistics are also reported for the across-person difference scores on the value items and the activity preference items, which were used to assess buyer/seller (dis)similarity. In addition, statistics are given for the within-person difference scores on interaction, task and self communication style, which were employed to operationalize communication compatibility.

The measures of costs, benefits, performance of the relationship relative to expected levels, and perceived similarity all had coefficient alphas of .70 or above. These results are considered adequate by basic research standards set forth by Nunnaly (1973). The self-monitoring scale (Lennox & Wolfe 1984) had a coefficient alpha of .83. The two groups of scales used to measure communication style preference and style usage had coefficient alphas which ranged from .64 to .80. The communication satisfaction instrument had a coefficient alpha of .73.

Table IV-1: Performance of Measures of Study Constructs

Variable	N	Mean	SD	Range	Alpha
Self-Monitoring	102	67.0	11.1	13-91	.83
Costs	100	14.8	6.4	8-56	.72
Benefits	98	42.0	5.7	7-49	.71
Expected Level	99	30.5	5.1	5-35	.79
Perceived Sim.	98	17.1	4.9	4-28	.81
Value Difference	50	24.6	23.9	0-108	
Act. Pref. Diff.	51	42.0	11.0	0-138	
Commun. Satis.	99	36.7	5.7	6-42	.73
Communication Style Orientation:					
Preferred:					
Interaction	99	39.4	5.3	7-49	.70
Task	100	24.5	3.6	4-28	.68
Self	100	9.5	3.9	4-28	.66
Used:					
Interaction	100	35.6	7.7	7-49	.80
Task	101	22.7	4.3	4-28	.64
Self	101	7.1	3.2	4-28	.68
Differences:					
Interaction	102	12.4	5.6	0-42	
Task	102	4.4	3.3	0-24	
Self	101	4.6	3.3	0-24	

The factor structures of the measures were also examined. See Appendix D for details of the factor loadings. For the self-monitoring instrument, all items loaded on the first factor at .35 or above. The eigenvalue of the first factor is 4.6. Three additional factors also emerged with eigenvalues greater than 1. However, none of the other factors have all 13 items loading at .35 or above. In addition, there is a fairly large difference between the eigenvalue of the first factor and the eigenvalue of the second factor (4.6 vs. 1.7). Therefore, it was decided to treat the self-monitoring scale as a measure of a unidimensional construct for purposes of this study.

The analysis of the 9-item measure of costs resulted in three factors, and all 9 items load on the first factor at .40 or above except item 2. Item 2 loads on the second factor at .81, which is the largest loading on the second factor. Because the first factor had a large eigenvalue (3.0) relative to the second factor (1.4), it was decided to eliminate item 2 from the scale, and to treat the remaining 8 items as a unidimensional construct.

The factor structures for the 7-item measure of benefits and the 5-item measure of the attractiveness of the relationship relative to the expected standard each consisted of only one factor with an eigenvalue of 1.0 or greater. The eigenvalue of this factor for both scales was

2.9. The 4-item measure of perceived similarity also loaded (at .72 or above) on one factor with an eigenvalue of 2.6.

The scales which measured the three aspects of communication style were used in two ways: to measure the subject's preferred style and to measure the style s/he perceived the partner used during the interaction. Therefore, each subscale was factor-analyzed twice, because the uses of the scale were different. For the interaction style (preferred), the seven items loaded on two factors. Only on the first factor, however, did all items load at .48 or above. The eigenvalue of this first factor was 2.8. For the interaction style (used), the seven items also loaded on two factors. All items loaded on the first factor at .58 or above, and its eigenvalue was 3.3. The second factor had two loadings which were below .10.

The four items which measure task orientation (preferred) loaded on two factors. All items loaded on the first factor at .40 or above, which had an eigenvalue of 2.1. The lowest loading on the second factor was -.28, and the item which only loaded .40 on the first factor loaded .84 on the second factor. However, treatment of this scale as bi-dimensional or eliminating the lowest-loading factor was made impractical by the fact that scores on items on the preferred task orientation were subtracted from items from the task orientation used to arrive at a compatibility

score. When task orientation was treated as the style the partner used, items also loaded on two factors. However, on the first factor, all items loaded at .52 or above. Therefore, the scales were treated as unidimensional, but it is recognized that the preferred task orientation might not perform as well as a unidimensional scale as it would as a bi-dimensional scale.

Both the four items of the preferred self orientation and level of self orientation used loaded on a single factor. On each factor, loadings of all items were .50 or greater, and eigenvalues were greater than one. Therefore, these scales were judged adequate for the study.

The interpersonal communication satisfaction scale consisted of 6 items which loaded on two factors. On the first factor, which had an eigenvalue of 2.9, loadings were all .47 or greater. The second factor had three loadings which were .11 or less, and an eigenvalue of 1.0. Therefore, the scale was considered unidimensional, for purposes of this study.

Characteristics of the Sample

The final sample consists of 102 subjects, paired into 51 customer/salesperson dyads. The mean age of the sample is 37.4 years. For customers, the mean age is 34.3 years, while for salespeople the mean age is 40.3 years. This difference

is significant (t=-2.2, p<.03). However, the mean education (some college) did not differ significantly between customers and salespeople (t=.23, p<.82). The mean length of each customer/salesperson interaction was 19.7 minutes (SD = 12.5).

Additional information about each dyad type (customer low/salesperson low, customer low/salesperson high, customer high/salesperson low, customer high/salesperson high) is provided in Table IV-2. The number of dyads in each group are reported, along with the mean self-monitoring scores for each role in the dyad. T-tests of the difference in self-monitoring levels were performed within each dyad type to test whether role partners were different where difference was expected (high vs. low self-monitoring), and to provide evidence the partners were not different where no difference was expected (two lows or two highs). As shown in the table, the self-monitoring differences occur as expected by the assignment of role partners to the level of either high or low self-monitoring.

Results

Self-Monitoring and Role Influences on Inferential Processes

The first group of hypotheses concern self-monitoring differences in inference generation and use. These hypotheses are stated below.

Table IV-2: Characteristics of Each Dyad Type

Dyad Type	N	Self-Monitoring		t	p
		Customer	Sales.		
Cust. Low/ Sales. Low	13	55.0	61.4	-1.4	.17
Cust. Low/ Sales. High	14	57.5	76.1	-8.26*	.0001
Cust. High/ Sales. Low	13	76.2	62.0	5.65**	.0001
Cust. High/ Sales. High	11	74.4	76.8	-1.06	.30

* The power of this test is .96 and the effect size is 1.36
** The power of this test is .91 and the effect size is 1.20

H1: Inference generation as an influence on buyer/seller behavior has more impact on the behavior of low self-monitors than high self-monitors.

H1a: Self-monitoring will not be associated with differences in the amount or nature of inferences generated.

H1b: Low self-monitors will use more inferences generated to make an evaluation than high self-monitors.

H1c: The number of inferences used will be positively correlated with the confidence with which evaluations are made by low self-monitors, but not by high self-monitors.

The total body of inferences was examined to determine general categories by which inferences should be coded. The initial coding scheme consisted of relationship inferences (references to the banking relationship or the buyer/seller relationship specifically), interaction inferences (references to behaviors of working together), traits (includes states of being such as mood), demographic assumptions (inferences about income, age, marital status) and physical inferences (references to appearance). It was decided to combine the demographic and physical inferences into a single category, called physical inferences.

The experimenter and an independent rater who was blind to the hypotheses coded the data by assigning each inference to one of the four categories. The rate of agreement on the assignments was .76. However, most of the disagreements were over two specific inference statements which occurred

frequently and over which the two raters had a systematic disagreement. These disagreements were resolved by decision of the researcher. See Table IV-3 for examples from each of the four categories of inferences which resulted from the coding of the data. Table IV-4 contains a summary of the number of inferences generated, the number of inferences used and the rate of inference use (calculated by dividing number of inferences used by number of inferences generated).

To test hypothesis 1a, subjects who were classified as high self-monitors were compared to subjects who were classified as low self-monitors, without regard to their role or dyad composition. T-tests were performed to test if there were significant differences between the numbers of relationship, interaction, trait, physical or total inferences generated. These results are presented in Table IV-5.

The data appear to reflect support for Hypothesis H1a. No significant differences emerged between high and low self-monitors on the number of inferences generated of any type, nor on the number of total inferences generated. The findings can be interpreted to mean that the probability is high in most of these cases to conclude that the result of no difference between high and low self-monitors is not a chance occurrence. Only in the case of interaction

Table IV-3: Examples of the Types of Inferences Generated

Inference Type:	Example:
Relationship:	"Probably only a single account customer" "Would be interested in opening a CD at a place that is safe"
Interaction:	"It will be easy to explain things to her" "Will not be interested in chit chat"
Trait:	"Friendly" "Inquiring"
Physical:	"Probably newlyweds" "Dressed nicely"

Table IV-4: Data on Inference Generation and Use

	N	Mean	SD	Range
Inferences Generated:				
Relationship	101	.38	.80	0-4
Interaction	101	.71	.84	0-4
Trait	101	1.42	1.53	0-6
Physical	101	.54	.99	0-5
Total	101	3.0	2.12	0-9
Inferences Used:				
Relationship	101	.19	.50	0-3
Interaction	101	.40	.63	0-3
Trait	101	.46	.74	0-3
Physical	101	.07	.38	0-3
Total	101	1.11	1.10	0-5
Inference Use Rate:				
Relationship	102	.12	.50	0-1
Interaction	102	.27	.41	0-1
Trait	102	.21	.35	0-1
Physical	102	.03	.15	0-1
Total	102	.32	.31	0-1

Table IV-5: Self-Monitoring Effects on Inference Generation

Type of Inference:	Self-Monitoring: High	Low	t	p
Total	3.08	3.02	-.14	.89
Relationship	.41	.35	-.39	.70
Interaction	.78	.65	-.73	.47
Trait	1.35	1.48	.44	.66
Physical	.55	.54	-.06	.95

inferences is the probability low enough (.47) to conclude that a finding of no difference might not be a chance happening.

Hypotheses 1b investigated inference usage of high and low self-monitors. Recall that inference usage was operationalized by asking subjects, after writing down their inferences, to indicate which inferences they would use to make a judgment. Subjects were instructed to place an X next to the "statement(s) that would be most important to you" when evaluating the partner. Although it was initially proposed to examine inference use by examining the rate of inference use (calculated by dividing the number of inferences used by the number of inferences generated), inference use was also examined by simply comparing the number of inferences used. Rate of inference use was tested with a z-test, while number of inferences used was tested with a t-test. These findings are presented in Tables IV-6 and IV-7.

The results from both groups of analyses show that there are no significant differences between number of inferences used, or rate of inference use, between high and low self-monitors. This implies that self-monitoring is not associated with inference use. Thus, support for Hypothesis 1b was not found. However, the methodology for measuring inference use may have obscured any real differences in

Table IV-6: Effect of Self-Monitoring on Rate of Inference Use

Type of Inference:	Self-Monitoring High	Low	z*
Total	.33	.31	-.57
Relationship	.12	.11	-.11
Interaction	.27	.27	.05
Trait	.24	.19	-.04
Physical	.01	.04	.60

*The critical value of z at the .05 level of significance is 1.96. Therefore, none of these scores is statistically significant.

Table IV-7: Effect of Self-Monitoring on Number of Inferences Used

Type of Inference:	Self-Monitoring High	Low	t	p
Total	1.14	1.08	-.30	.77
Relationship	.18	.19	.09	.93
Interaction	.41	.38	-.19	.85
Trait	.49	.42	-.45	.66
Physical	.06	.08	.20	.84

inference use between high and low self-monitors. This limitation will be discussed in detail in Chapter V.

Hypothesis 1c predicted that the number of inferences used will be positively correlated with the confidence with which evaluations are made by low self-monitors, but not by high self-monitors. Pearson correlations were calculated between the score on the confidence scale and both the rate of total inference use as well as the number of inferences used.

The correlation between confidence and (total) rate of inference use is -.16 (n.s.) for high self-monitors and .38 ($p<.01$) for low self-monitors. Therefore, there is a positive correlation between inference use and confidence for low self-monitors. This supports Hypothesis 1c. Similar results were found for the number of inferences used. The correlation between confidence and (total) number of inferences used is -.16 (n.s.) for high self-monitors and .39 ($p<.01$) for low self-monitors. Again, the data show a positive correlation between inference and use and confidence for low self-monitors. Hypothesis 1c is supported.

There was no difference in confidence attributable to role ($t=1.1$, $p>.25$). However, there was a significant effect for self- monitoring. High self-monitors were significantly

more confident in their ability to use inferences than lows (6.2 vs. 5.6, t=-1.93, p<.06).

Supplemental Findings: Role Differences

Since there were no differences in inference generation or use between high and low self-monitors, role differences in inference generation and use were also investigated to determine if the inferential processes were different for customers and salespeople. Role differences were evident for inference generation, and these results are presented in Table IV-8.

Table IV-8: Effect of Role on Inference Generation

Type of Inference:	Role: Cust	SP	t	p
Total	2.00	4.12	-5.61	.0001
Relationship	.08	.68	-4.04	.0002
Interaction	.51	.92	-2.50	.01
Trait	1.33	1.50	-.55	.59
Physical	.07	1.02	-5.33	.0001

Clearly, salespeople generated more total inferences, and more relationship, interaction and physical inferences than customers. Since these role differences were evident, it was decided to examine whether or not customers and salespeople used different proportions of the four categories of inferences. Table IV-9 presents these results. As shown in the table, salespeople generated a higher proportion of trait inferences than any other type. However, inference generation across the four types was more balanced for salespeople than for customers. Note that for customers, 62% of all inferences generated were trait inferences.

Differences in inference use were also investigated between customers and salespeople. Role differences were examined for both the rate of inference use, and the number of inferences used. These differences are shown in Tables IV-10 and IV-11. Salespeople had a higher rate of use for relationship inferences and physical inferences than customers (z exceeds the critical value of 1.96 at alpha = .05). When the number of inferences used are considered, salespeople used more total inferences and more relationship inferences than customers. Again, the number of physical inferences used by salespeople is larger than the number used by customers, but the difference is only marginally significant.

Table IV-9: Role Difference in Proportion of Inferences Generated

Type of Inference:	Proportion to total Cust.	Sales.
Relationship	.07	.20
Interaction	.29	.24
Trait	.62	.34
Physical	.02	.22

Table IV-10: Effect of Role on Rate of Inference Use

Type of Inference:	Role: Cust	SP	z
Total	.28	.35	-.81
Relationship	.04	.20	-2.00*
Interaction	.25	.29	-.35
Trait	.18	.23	-.45
Physical	.00	.06	-2.00*

* $p<.05$

Table IV-11: Effect of Role on Number of Inferences Used

Type of Inference:	Role: Cust	SP	t	p
Total	.82	1.40	-2.71	.008
Relationship	.04	.34	-3.10	.003
Interaction	.33	.46	-1.00	.32
Trait	.45	.46	-.06	.95
Physical	.00	.14	-1.85	.07

Supplemental Findings: Role by Self-Monitoring Differences

In a supplemental analysis of hypothesis 1c, differences in confidence were examined between high and low self-monitoring customers, and high and low self-monitoring salespeople. Table IV-12 reports the findings for the correlations of rate of inference use with confidence, and for the test of the differences between those correlations.

The effect of rate of inference usage on confidence is positive and significant for low self-monitoring customers. The higher the rate of inference use, the more confident a low self-monitoring customer is. For low self-monitoring salespeople, the correlation is also positive, but it is not significant. For high self-monitoring customers and salespeople, the correlations are negative, though non-significant. Further, even though the relationship between inference use and confidence is not significant for high salespeople and customers, or for low salespeople, the table shows that the correlations are significantly different between high and low customers, and marginally different between high and low salespeople.

The number of inferences used was also correlated with confidence for high and low self-monitoring customers and high and low self-monitoring salespeople. The pattern of results is similar to that for rate of inference use, and is reported in Table IV-13.

Table IV-12: Correlations of Rate of Inference Use with Confidence
By Role and Self-Monitoring Level

High	Low	p Value of Diff.
Salespeople -.16 p<.47	Salespeople .25 p<.25	p<.09
Customers -.34 p<.21	Customers .53 p<.03	p<.01

Table IV-13: Correlations of Number of Inferences Used with Confidence
By Role and Self-Monitoring Level

High	Low	p Value of Diff.
Salespeople -.20 p<.36	Salespeople .38 p<.07	p<.03
Customers -.13 p<.64	Customers .51 p<.04	p<.03

There is a more consistent pattern of correlation for low self-monitors between confidence and inference use when number of inferences is examined. The positive correlation is significant for low self-monitoring customers, and marginally significant for low self-monitoring salespeople. Again, an increase in inference use is correlated with an increase in confidence. For high self-monitors, the correlations are negative, though non-significant. The differences between the correlations for salespeople and customers of different self-monitoring levels are both significant.

Supplemental Findings: Role by Dyad Composition

When results are examined at the level of role, within dyad type (e.g. customer in the customer low, salesperson high dyad type) the effects of the role partner can be analyzed. For instance, a low self-monitoring customer paired with a low self-monitoring salesperson can be compared to a low self-monitoring customer paired with a high self-monitoring salesperson. In this way, the effects of a high vs. low salesperson on a low self-monitoring customer can be explored.

These role by dyad type effects were examined for inference generation. It is interesting to note that dyad composition did have an effect on inference generation for high self-monitoring customers, although no such

relationship was predicted. When paired with high self-monitoring salespeople, they generated more interaction, trait, physical and total inferences than when paired with low self-monitoring salespeople. See Table IV-14 for a summary of these findings.

Similarity and Inferential Processes

Hypothesis 2 concerned the effect that similarity of dyad partners might have on inference generation.

> H2: Similarity of a dyad partner increases the number of inferences generated to form evaluations about that partner.

This study included three measures of similarity: perceived global similarity, value similarity and activity preference similarity. Perceived global similarity was measured with a 4-item scale (See Appendix C). To determine value similarity and activity preference similarity, the customer's responses were compared with the salesperson's responses of each item of the value similarity and activity preference similarity lists (Shown in Appendix C). Specifically, the absolute value of the difference between the customer's score and the salesperson's score on each item was obtained. Then, these differences were summed. The smaller the value, the greater the similarity on values and activity preferences. To test the hypothesis, Pearson correlations were calculated between the number of

Table IV-14: Effect of Dyad Composition on Inference Generation For High Self-Monitoring Customers

Type of Inference:	Mean: Sales. Low	Mean: Sales. High	F	p
Interaction	.38	.91	3.25	.08
Trait	.54	2.09	5.45	.02
Physical	0	.27	4.08	.05
Relationship	.15	.09	.31	.58
Total	1.08	3.36	9.66	.003

inferences generated and each of the three measures of similarity. These correlations are shown in Table IV-15.

For the total sample, the only significant correlation (and it is marginal) between any of these measures and any category of inference generation is between the total difference in activity preferences and the number of physical inferences made ($r=-.18$, $p<.07$). This suggests that an increase in difference of preference for certain activities (or a decrease in similarity) reduces the number of physical inferences a person generates. While this is in line with the hypothesis, it alone is hardly supportive.

Supplemental Findings: Role by Self-Monitoring Differences

The relationship between the measures of similarity and inference generation was also examined by considering low and high self-monitoring customers and low and high self-monitoring salespeople. Pearson correlations were calculated between inference generation and each of the measures of similarity. No significant correlations were found between similarity and inferences generated for high customers. Table IV-16 presents the findings of these tests for low customers.

For low customers, there were positive correlations between differences in values and the total number of inferences generated ($r=.36$, $p<.07$) and the number of trait inferences generated ($r=.34$, $p<.08$).

Table IV-15: Correlations of Similarity Measures With Inference Generation

Inference Type:	Similarity Indices		
	Activity	Value	Perceived Similarity
Total	-.10 .33	-.01 .96	-.08 .41
Relationship	.15 .13	-.04 .66	-.13 .19
Interaction	-.02 .85	.14 .18	-.08 .45
Trait	-.09 .39	.00 .97	.04 .67
Physical	-.18 .07	-.02 .41	-.07 .51

Table IV-16: Correlations of Similarity Measures with Inference Generation
Low Self-Monitoring Customers

Type of Inference:	Similarity Indices: Activity	Value	Perceived Similarity
Total	-.01	.36	.09
	.97	.07	.64
Relationship	.05	-.06	-.15
	.82	.76	.45
Interaction	-.27	.15	.06
	.18	.46	.68
Trait	.10	.34	.08
	.62	.08	.68
Physical	-.23	-.08	.13
	.24	.70	.52

Findings for the correlation between similarity and inference use for high and low self-monitoring salespeople are reported in Table IV-17. For high salespeople, there was a negative correlation between differences in activity preference and generation of physical inferences. In other words, as differences in activity preferences increased, the number of physical inferences generated decreased. For low salespeople, there was a positive correlation between differences in values and generation of interaction inferences. As differences between the salesperson's values and those of the customer increased, generation of interaction inferences also increased.

Although there were no hypotheses which suggested a relationship between similarity and rate of inference use, this relationship was also investigated at the level of role by self-monitoring level. Pearson correlations were calculated between the rate of inference use and the three measures of similarity. No significant correlations were found for salespeople. The findings for customers are presented in Table IV-18.

For high customers, there was a positive correlation between differences in activity preference and use of relationship inferences. For low customers, there were three significant correlations. Differences in values were positively correlated with rate of use of interaction

Table IV-17: Correlations of Similarity Measures with Inference Generation

Type of Inference:	Similarity Indices: Activity	Value	Perceived Similarity
High Salespeople:			
Total	-.18 .39	-.17 .40	.04 .85
Relationship	.23 .27	-.06 .79	.11 .62
Interaction	-.11 .59	-.05 .82	-.31 .15
Trait	.00 .99	-.16 .45	-.04 .85
Physical	-.39 .05	-.02 .43	.19 .53
Low Salespeople:			
Total	-.13 .53	.11 .60	.10 .64
Relationship	.17 .43	-.16 .46	-.13 .55
Interaction	.20 .33	.55 .01	.12 .57
Trait	-.23 .27	.01 .97	.07 .72
Physical	-.25 .23	-.18 .41	.07 .75

Table IV-18: Correlations of Similarity Measures With Rate of Inference Use

Type Of Inference:	Similarity Indices: Activity	Value	Perceived Similarity
High Customers:			
Total	-.17 .42	-.04 .85	-.12 .60
Relationship	.44 .03	-.10 .64	-.34 .12
Interaction	-.29 .16	-.01 .97	.05 .83
Trait	-.09 .69	.01 .98	-.03 .99
Physical	.00 00	.00 00	.00 00
Low Customers:			
Total	.09 .64	.18 .36	.28 .16
Relationship	.05 .82	-.06 .76	-.15 .45
Interaction	-.11 .60	.35 .08	.29 .15
Trait	.20 .32	.33 .10	.38 .05
Physical	.00 00	.00 00	.00 00

inferences and trait inferences. Perceived global similarity was positively correlated with use of trait inferences.

The number of inferences used were also correlated with measures of similarity. Significant correlations were evident for low self-monitoring customers, high self-monitoring customers and low self-monitoring salespeople. These correlations are shown in Table IV-19.

For low self-monitoring customers, significant correlations were present between differences in values and numbers of inferences used. An increase in value difference (dissimilarity) was associated with an increase in the number of total inferences used, and with the number of trait inferences used. For high self-monitoring customers, an increase in activity preference difference was associated with an increase in number of relationship inferences used. For low self-monitoring salespeople, an increase in value difference (dissimilarity) and an increase in perceived global similarity were associated with an increase in the number of interaction inferences used.

It should be noted that there were no significant differences between roles or self-monitoring levels in differences in activity preferences or values. However, differences were found between groups on the perceived global similarity measure. First, low salespeople perceived significantly less similarity than high salespeople.

Table IV-19: Correlations of Similarity Measures With Number of Inferences Used

Type of Inference:	Similarity Indices: Activity	Value	Perceived Similarity
High Customers:			
Total	-.21 .34	-.06 .78	-.04 .85
Relationship	.44 .03	-.10 .64	.34 .12
Interaction	-.33 .11	-.03 .91	-.01 .96
Trait	-.12 .58	-.04 .85	-.01 .96
Physical	.00 00	.00 00	.00 00
Low Customers:			
Total	.15 .44	.54 .003	.31 .11
Relationship	.05 .82	-.06 .76	-.15 .45
Interaction	-.11 .56	.30 .12	.19 .34
Trait	.24 .22	.30 .12	.31 .12
Physical	.00 00	.00 00	.00 00

Table IV-19: (Continued)

Type of Inference:	Similarity Indices: Activity	Value	Perceived Similarity
Low Salespeople:			
Total	.14	.27	.24
	.49	.20	.24
Relationship	.20	-.18	.05
	.33	.41	.83
Interaction	.17	.47	.37
	.42	.02	.07
Trait	-.16	.23	.05
	.43	.28	.81
Physical	-.02	-.20	-.17
	.94	.34	.41

Additionally, low customers perceived significantly more similarity than low salespeople. These results are reported in Table IV-20.

Supplemental Findings: Dyad Type Differences

It should be noted that for role partners in the customer low/salesperson low dyads, the correlation between differences in activity preferences and difference in values were positively correlated ($r=.51$ $p<.07$). These variables were not correlated for other dyad types.

Perceived similarity was also examined between role partners within each dyad type. In the customer low/salesperson low, customer high/salesperson high and customer low/salesperson high dyads, perceived similarity of partners did not differ. However, when a high customer was paired with a low salesperson, the salesperson perceived significantly less similarity than the customer (11.08 vs. 17.55, $t=4.44$, $p<.0002$).

Communication Compatibility and Communication Satisfaction

The third hypothesis investigated the effect of self-monitoring on perceived compatibility of communication styles and satisfaction with communication.

> H3: Perceived compatibility of communication styles and satisfaction with communication will vary as a function of self-monitoring levels.

Table IV-20: Differences in Perceived Global Similarity By Role and Self-Monitoring Level

		Low	High	F	p
Salespeople		14.03	17.3	6.38	.01
Customers		19.22	18.0	1.15	.29
	F	17.94	.24		
	p	.0001	.63		

H3a: Low self-monitors will perceive the communication style used by a partner as more satisfactory when the partner's style is similar to their preferred style than when the partner's style is dissimilar to their preferred style.

H3b: For high self-monitors, there will be no relationship between satisfaction with communication and the difference between their preferred style and the style used by the partner.

Communication compatibility, a within person variable, was operationalized as the difference between a person's preference on the three levels of the communication style variables (task, interaction, self) and his or her perception of the levels of the three style variables used by the partner. To assess the relationship between satisfaction and compatibility, a Pearson correlation was calculated between communication satisfaction and the compatibility scores for task, interaction and self orientations for high and low self-monitors. The results of the analyses are reported in Table IV-21.

For low self-monitors, the only significant result is for the relationship between task orientation and satisfaction. Incompatibility on task orientation is correlated with decreases in communication satisfaction, as predicted. (However, note that the difference between the correlation of communication compatibility and communication satisfaction was not significant [$p>.31$].) However, the predicted significant correlations were not found for self

Table IV-21: Correlations of Communication Compatibility with Communication Satisfaction By Self-Monitoring Level

Difference Variable	Lows	Highs
Self	.20	-.03
	.16	.84
Interaction	.03	-.15
	.83	.33
Task	-.23	-.13
	.10	.40

or interaction orientation. Differences between preferred communication style and the style level the partner used for self and interaction orientation were not significantly related to communication satisfaction. However, Hypothesis 3b was supported. For high self-monitors, as predicted, there is no relationship between communication style compatibility on any of the style variables and communication satisfaction.

It is interesting to note at this time that in a regression equation, self-monitoring predicted incompatibility of self orientation ($F=8.38$, $p<.005$). In other words, the higher a person scores on self-monitoring, the greater the difference between his or her preferred level of self orientation, and the level of self orientation s/he perceived the partner used.

To examine the compatibility issue further, Pearson correlations were calculated between the levels of the style variables preferred, and the level it was perceived that the partner used, for low and high self-monitors. The results are shown in Table IV-22.

There is a significant correlation for low self-monitors on all three aspects of communication style. The levels of the style a low self-monitor prefers are

Table IV-22: Correlation Between Preferred Communication Style And Perceptions of the Partner's Style Use By Self-Monitoring Level

	Self-Monitoring	
Variable	Low	High
Interaction	.42, p<.002	.60, p<.0001
Task	.49, p<.0002	.47, p<.001
Self	.44, p<.0009	.23. p>.10

Note: z tests of the differences between these correlations for high and low self-monitors are not significant. In all cases, p>.10.

correlated with the level of style s/he perceives that the partner uses. This relationship also holds for high self-monitors, but only for levels of task and interaction orientation. Preferred level of self orientation is not significantly correlated with the perceived level of self orientation used by the partner. For levels of self orientation, high self-monitors tend to prefer a higher self orientation than they perceive a customer uses (9.64 vs. 6.54).

Supplemental Findings: Role Differences

For salespeople (but not for customers) there is a significant, positive correlation between self-monitoring and incompatibility on self orientation ($r=.41$, $p<.003$). The higher the level of self-monitoring, the greater the difference between preferred level of self orientation and the perception of the level of self orientation used by the partner.

Supplemental Findings: Role by Self-Monitoring Differences:

The relationship between communication style compatibility was also examined within roles, by self-monitoring level, to examine the possibility of a self-monitoring by role interaction. Pearson correlation coefficients were calculated between communication satisfaction and the compatibility scores on the three aspects of communication style for low self-monitoring

customers (CL), low salespeople (SL), high self-monitoring customers (CH) and high salespeople (SH). Table IV-23 presents the results of these analyses.

The hypothesized relationship between communication style compatibility and communication satisfaction was not found for low self-monitoring customers or salespeople. However, as predicted, there was no relationship between style compatibility and satisfaction for high self-monitors among both the customer and salesperson groups.

Supplemental Findings: Role by Dyad Type Differences

To examine the effect of the dyad partner on the relationship between communication style compatibility and satisfaction, the correlations between communication satisfaction and the three aspects of compatibility were determined for each role, by dyad type. Table IV-24 contains the results of the analyses for customers.

These analyses show that a significant relationship exists between incompatibility on task orientation and satisfaction for customers in the customer low/salesperson high dyads. For the customers in these dyads, as differences between preferred task orientation and the level of task orientation used by the partner decreased, communication satisfaction increased. This finding provides partial support for Hypothesis 3a. For customers in the other three dyad types, no significant results were found.

Table IV-23: Correlations with Communication Satisfaction By Role and Self-Monitoring Level

Difference Variable	CL	SL	CH	SH
Self	.30	-.09	.30	-.17
	.13	.67	.18	.40
Interaction	.20	.05	.07	-.24
	.32	.81	.77	.25
Task	-.30	.05	.03	-.09
	.13	.83	.88	.68

Table IV-24: Customer Correlations with Communication Satisfaction By Dyad Type

	Dyad Type			
Difference Variable	CLSL	CLSH	CHSL	CHSH
Self	.39	.24	.36	-.12
	.18	.39	.28	.74
Interaction	.44	.19	.28	-.43
	.13	.51	.41	.21
Task	.28	-.54*	.14	-.33*
	.36	.05	.68	.36

* The difference between these correlations is not statistically significant (p>.29)

The results of the correlations between communication satisfaction and the three aspects of communication style compatibility for salespeople are reported in Table IV-25. For salespeople, two significant findings were evident. For low salespeople in the customer low/salesperson low dyads (CLSL), an increase in task incompatibility is associated with an increase in communication satisfaction. It was hypothesized that for low self-monitors, incompatibility would decrease satisfaction, not increase it. These salespeople report a preference for task orientation that is lower than their customer partners (19.77 vs. 26.08, $t=5.58$, $p<.0001$). Interestingly, when reporting on the style the partner actually used, the low self-monitor customer reported that the salesperson used a stronger task orientation than the salesperson reported that the customer used (25.69 vs. 19.38, $t=3.8$, $p<.0009$).

For high salespeople in the customer low/salesperson high dyads (CLSH), incompatibility on the level of interaction orientation is correlated with lower communication satisfaction. This relationship was not predicted for high self-monitors. Examining the means for preferred interaction orientation and the orientation style used by the partner helps explain this correlation. These salespeople prefer a higher interaction orientation than

Table IV-25: Salesperson Correlations with Communication Satisfaction By Dyad Type

Difference Variable	Dyad Type CLSL	CLSH	CHSL	CHSH
Self	.22	-.39	-.23	.07
	.47	.17	.45	.84
Interaction	-.27	-.61	.19	.04
	.38	.02	.53	.91
Task	.64	-.14	.06	-.05
	.02	.64	.85	.88

they report their customers used (38.29 vs. 32.54). It seems that high self-monitoring salespeople do have strong preferences for interaction orientation in a customer. Dyad type as an independent variable was also explored to determine if it affected communication satisfaction for customers or salespeople. Planned contrasts were done with communication satisfaction as the dependent variable. Dyad types were compared by holding the member's level of self-monitoring constant while contrasting a dyad with a low self-monitoring partner with a dyad with a high self-monitoring partner. For example, when comparing customers, the two relevant dyad type comparisons are customer low/salesperson low (CLSL) vs. customer low/salesperson high (CLSH), and customer high/salesperson low (CHSL) vs. customer high/salesperson high (CHSH). The contrasts, therefore, assess the impact of the partner's level of self-monitoring on the member's perceptions. The results are offered in Table IV-26.

The only marginally significant result is for low self-monitoring salespeople. These salespeople report higher communication satisfaction with a low self-monitoring customer than with a high self-monitoring customer.

Additional findings suggest that on the whole, customers experienced far greater compatibility than salespeople. Where there were significant differences

Table IV-26: Effect of Dyad Type on Communication Satisfaction

Dyad Type	Means	F	p
Customers:			
CLSL vs. CLSH	39.2 vs 36.1	2.55	.12
CHSL vs. CHSH	37.3 vs 40.2	1.88	.18
Salespeople:			
CLSL vs. CHSL	38.3 vs 32.6	2.78	.10
CLSH vs. CHSH	36.1 vs 36.6	0.05	.82

between customer compatibility and salesperson compatibility, the customer difference was always smaller. These findings are presented in Table IV-27.

The findings show that customers in the customer/low salesperson low dyads experience greater compatibility on the interaction aspect of style than salespeople. Additionally, for levels of task orientation, customers in the customer low/salesperson low, customer high/salesperson low and customer high/salesperson high dyads experienced greater compatibility than their salesperson partners.

It may be helpful to examine these findings in greater detail. Low salespeople in the customer low/salesperson low dyads have a higher level of compatibility on task orientation than low salespeople in the customer high/salesperson low dyads (5.0 vs. 7.4, $F=3.96$, $p<.05$). There is a significant difference between the preferred task orientation scores of low self-monitoring salespeople in the low/low and customer high/salesperson low dyads. The preference for level of task orientation of the salespeople in the low/low dyads is less than that of salespeople in the CHSL dyads (19.77 vs. 23.69, $F=9.27$, $p<.004$). However, in judgments of the task orientation aspect of communication style actually used by the partner, no differences are evident between the two groups (19.38 vs. 18.0, n.s.). Therefore, the salespeople in the low/low dyads perceived

Table IV-27: Differences in Communication Compatibility By Dyad Type

Variable	Dyadtype	Customer	Sales.	t	p
Interaction	CLSL	9.69	14.0	-2.5	.02
Task	CLSL	2.54	5.0*	-2.6	.02
	CHSL	2.93	7.4*	-3.5	.002
	CHSH	3.18	5.7	-1.9	.08

Note: The values indicated by an "*" are significantly different ($F=3.96$, $p<.05$).

that the preferred task orientation was very close to the style the customer used. The salespeople in the customer high/salesperson low dyads, by contrast, perceived that customers were less task oriented than they reported to prefer.

Evaluations of the Outcomes

The fourth hypothesis explores the relationship between satisfaction with communication and evaluations of the relationship.

> H4: Communication satisfaction will be related to evaluations of the relationship.
>
> H4a: Communication satisfaction will be positively related to perceptions of benefits to accrue from the relationship.
>
> H4b: Communication satisfaction will be negatively related to perceptions of costs of entering the relationship.
>
> H4c: Communication satisfaction will be positively related to perceptions of the attractiveness of the relationship relative to the standard of the expected level of outcomes.

A dyad member evaluates the relationship by assessing the costs of maintaining the relationship and the benefits to accrue from the relationship, and comparing these levels to the level of outcomes s/he expects from this type of relationship. The relationship between satisfaction and costs, benefits, and the performance of the relationship relative to the expected level was examined by the Pearson correlation the score on the communication satisfaction

Table IV-28: Correlation Between Communication Satisfaction and Evaluation Outcomes By Role and Dyad Type

Dyad Type:	Evaluation Outcomes: Cost	Benefits	Expected Levels
Customers:			
CLSL	ns	.69 p<.02	.77 p<.002
CLSH	-.81 p<.0008	ns	ns
CHSL	-.70 p<.02	.82 p<.002	ns
CHSH	ns	ns	.91 p<.0003
Salespeople:			
CLSL	-.51 p<.07	.59 p<.03	.58 p<.03
CLSH	-.92 p<.0001	.86 p<.0001	.64 p<.01
CHSL	-.75 p<.003	.79 p<.001	.82 p<.001
CHSH	-.78 p<.005	.69 p<.02	.83 p<.001

measure, and the three aspects of outcome evaluation. The results are reported by role and dyad type in Table IV-28.

Generally, the hypotheses were supported, but for customers, there were some differences in results by dyad type. For customers in the customer low/salesperson low dyads, satisfaction was positively related to benefits and expected levels, but unrelated to costs. For customers in the customer low/salesperson high dyads (CLSH), however, satisfaction is negatively correlated with costs and unrelated to benefits or expected levels.

When the customers were high self-monitors, differences were also evident between the dyad types. When the customer was high and the salesperson was low, satisfaction was negatively correlated with costs and positively related to benefits, but unrelated to expected levels. When both partners were high, however, the customers' satisfaction was unrelated to costs or benefits, but positively correlated with expected levels.

In all cases for salespeople, satisfaction with communication was negatively correlated to costs, and positively correlated with benefits and expected levels. This provides support for H4a, b and c.

When a customer works with a low self-monitoring salesperson, communication satisfaction affects more outcomes than when a customer works with a high salesperson.

Note, too, that when the salesperson is high, benefits are not significantly related to the customer's satisfaction with communication.

Results of Stepwise Regression

Given that some of the hypotheses received partial support and some received no support, stepwise regression was used to determine the effects of the independent variables on communication satisfaction and costs, benefits and deserved levels to further address the hypotheses. It was thought that by analyzing all of the independent variables concurrently, a synthesis of the findings might be facilitated. The results of the stepwise regression, which was performed at the level of role by self-monitoring level, are offered in Tables IV-29 through IV-32. Figures 11 through 14 also depict these relationships graphically.

These results show that perceptions of communication styles preferred, the perception of the style the partner used, and compatibility influences costs, benefits and expected levels for low self-monitors more extensively than for high self-monitors. For high self-monitors, the patterns seem to imply that the perceptions of communication affect communication satisfaction, while communication satisfaction in turn influences costs, benefits and expected levels.

Table IV-29: Results From Stepwise Regression
Low Self-Monitoring Customers

Dependent Variable	Independent Variable	Partial R2	Cum. R2	F	p
Cost	ICS(-)	.52	.52	25.4	.0001
	SELF	.14	.67	9.4	.006
	INT(-)	.09	.75	7.5	.01
Benefit	XTASK	.53	.53	24.8	.0001
	XINT	.15	.68	10.0	.005
Exp. Level	XTASK	.35	.35	12.7	.002
	XINT	.16	.50	7.3	.01
	ACTDIF	.15	.65	9.3	.006
	ICS	.09	.74	7.3	.01
	SELF	.05	.79	5.2	.03
ICS	TASK	.16	.16	4.6	.04
	SELF	.20	.36	7.3	.01
	XSELF(-)	.08	.45	3.3	.08
	DIFTAS(-)	.07	.52	3.2	.09

Key: ICS: Communication Satisfaction
SELF: Preferred Level of Self Orientation
INT: Preferred Level of Interaction Orientation
TASK: Preferred Level of Task Orientation
XSELF: Level of Self Orientation Used by Partner
XINT: Level of Interaction Orientation Used by Partner
XTASK: Level of Task Orientation Used by Partner
DIFTAS: Difference Between Preferred Level of Task Orientation and Level Used by Partner
ACTDIF: Difference in Activity Preference

Note: Variables indicated with (-) have negative beta weights.

Table IV-30: Results from Stepwise Regression
High Self-Monitoring Customers

Dependent Variable	Independent Variable	Partial R2	Cum. R2	F	p
Cost	ICS(-)	.44	.44	14.1	.001
Benefit	ICS	.56	.56	23.1	.0001
	VALDIF(-)	.08	.64	3.5	.08
Exp. Level	XTASK	.38	.38	10.9	.004
	SIM	.16	.54	6.1	.02
	XSELF	.10	.64	4.5	.05
ICS	XSELF(-)	.32	.32	8.5	.009
	SIM	.21	.53	7.5	.01
	DIFSEL	.14	.67	6.9	.02

Key: ICS: Communication Satisfaction
XSELF: Level of Self Orientation Used by Partner
XTASK: Level of Task Orientation Used by Partner
DIFSEL: Difference Between Preferred Level of Self Orientation and Level Used by Partner
VALDIF: Difference in Value Preference
SIM: Perceived Global Similarity

Note: Variables indicated with (-) have negative beta weights.

Table IV-31: Results of Stepwise Regression
Low Self-Monitoring Salespeople

Dependent Variable	Independent Variable	Partial R2	Cum. R2	F	P
Cost	XSELF	.42	.42	16.0	.0006
	XINT(-)	.13	.13	6.1	.02
Benefit	ICS	.60	.60	32.4	.0001
	XSELF(-)	.07	.67	4.8	.04
Exp. Level	ICS	.59	.59	30.2	.0001
	XSELF(-)	.11	.70	7.1	.01
	DIFTAS	.05	.75	4.1	.06
ICS	SIM	.40	.40	14.7	.0009
	XSELF(-)	.18	.58	9.0	.007
	DIFINT	.06	.64	3.5	.08
	SELF	.08	.72	5.7	.03
	DIFSEL	.05	.78	4.4	.05

Key:
- ICS: Communication Satisfaction
- SELF: Preferred Level of Self Orientation
- XSELF: Level of Self Orientation Used by Partner
- XINT: Level of Interaction Orientation Used by Partner
- DIFTAS: Difference Between Preferred Level of Task Orientation and Level Used by Partner
- DIFINT: Difference Between Preferred Level of Interaction Orientation and Level Used by Partner
- DIFSEL: Difference Between Preferred Level of Self Orientation and Level Used by Partner
- SIM: Perceived Global Similarity

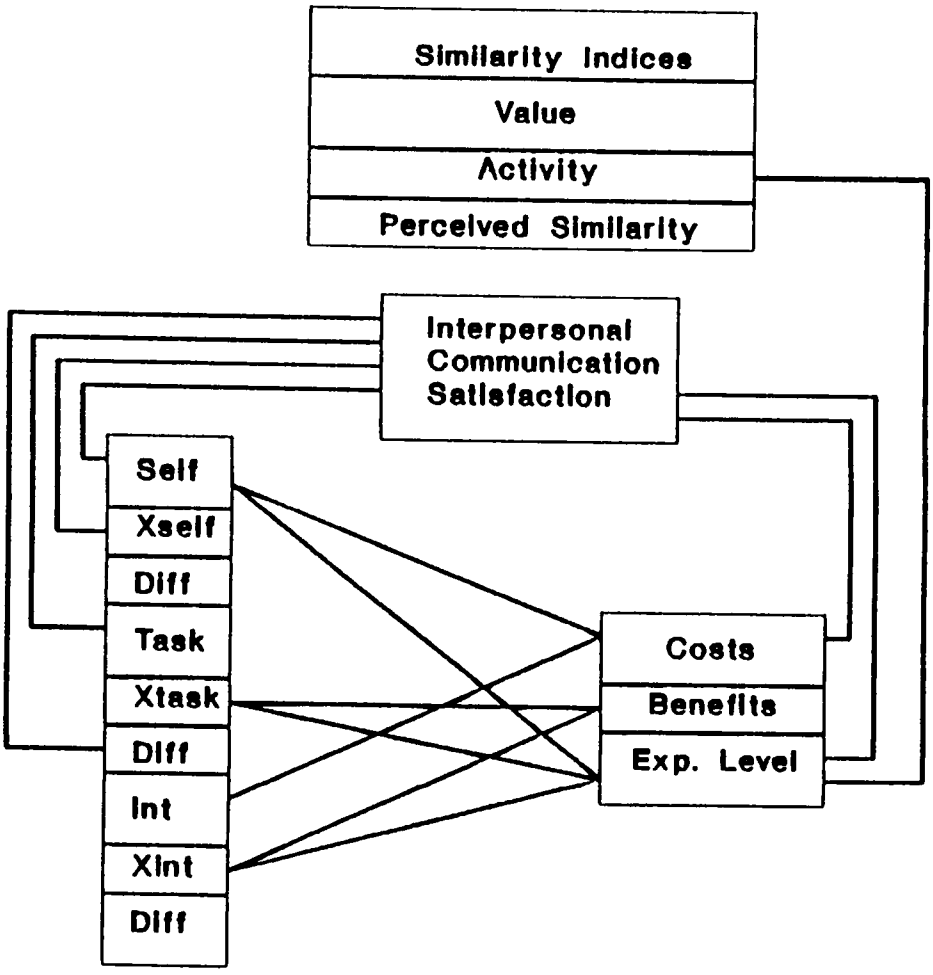
Note: Variables indicated with (-) have negative beta weights.

Table IV-32: Results of Stepwise Regression
High Self-Monitoring Salespeople

Dependent Variable	Independent Variable	Partial R2	Cum. R2	F	p
Cost	ICS(-)	.69	.69	43.9	.0001
	XSELF	.07	.76	5.7	.03
Benefit	ICS	.57	.57	26.6	.0001
Exp. Level	ICS	.57	.57	26.0	.0001
ICS	XINT	.60	.60	30.0	.0001
	XSELF(-)	.12	.72	7.9	.01
	VALDIF(-)	.09	.81	8.6	.008
	SELF	.04	.85	4.9	.04

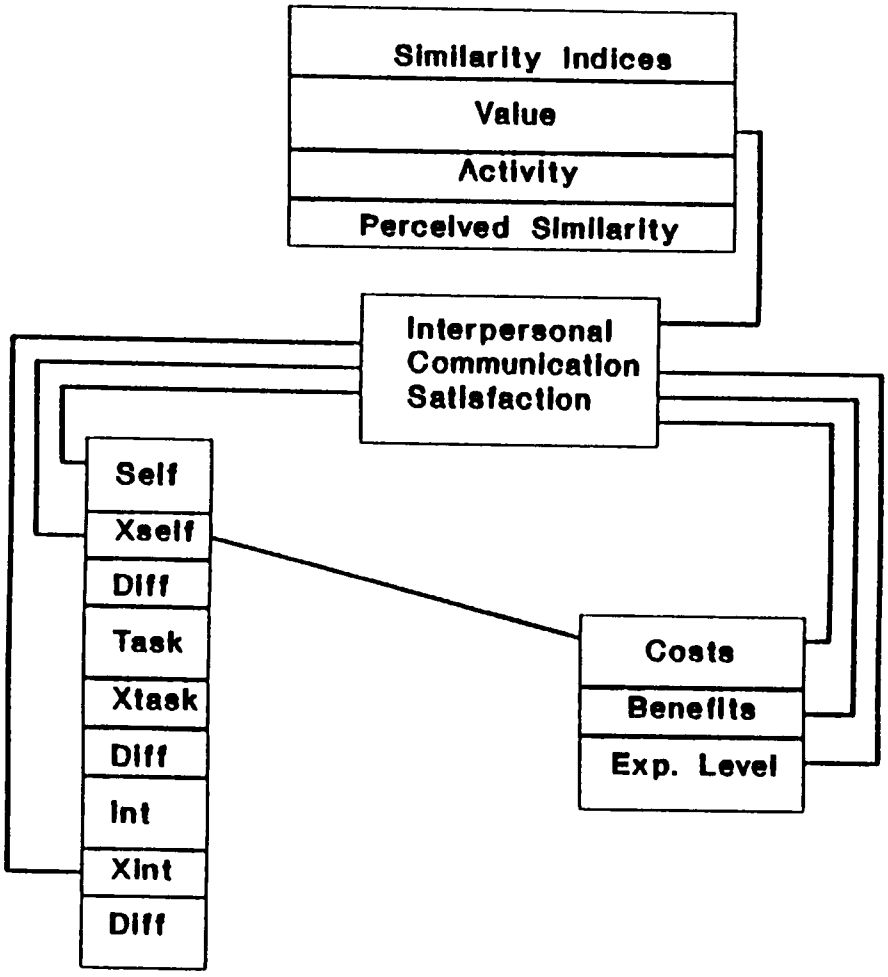
Key: ICS: Communication Satisfaction
SELF: Preferred Level of Self Orientation
XSELF: Level of Self Orientation Used by Partner
XINT: Level of Interaction Orientation Used by Partner
VALDIF: Difference in Value Preference

Note: Variables indicated with (-) have negative beta weights.



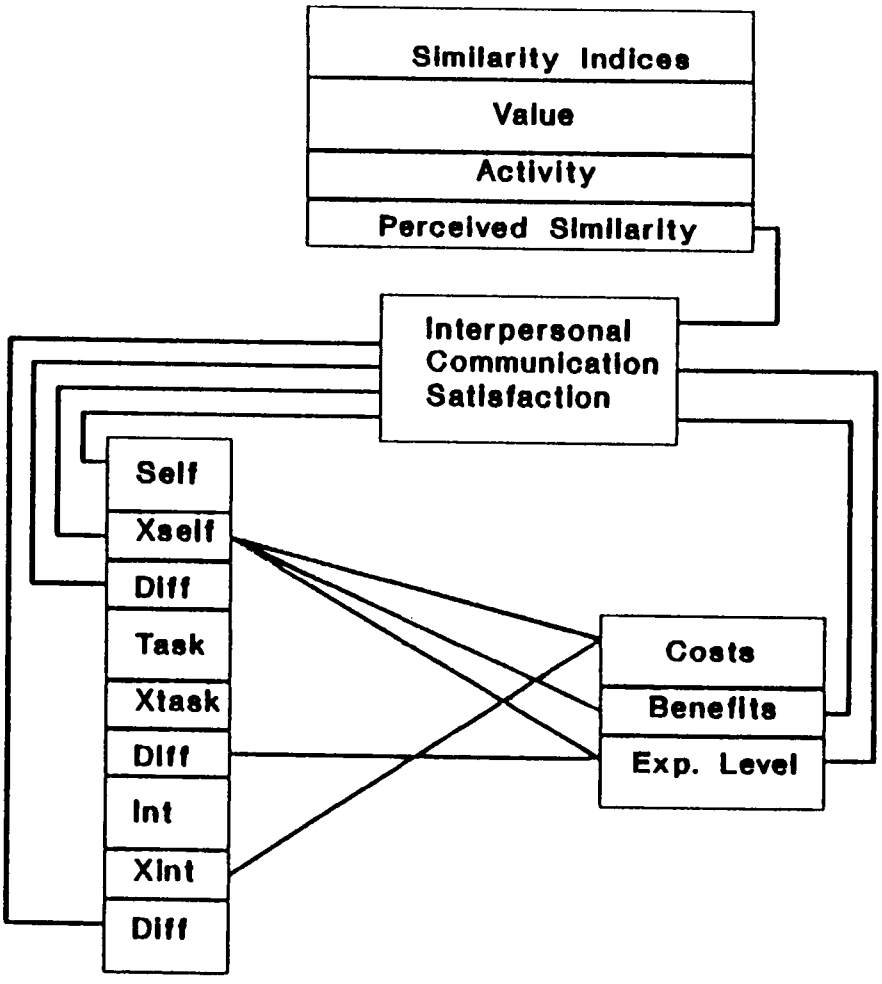
Key: Self, Task and Int refer to preferred levels of Self, Task and Interaction Orientation
Xself, Xtask and Xint refer to the levels of Self, Task and Interaction Orientation used by the partner
Diff represents the difference between the preferred level and the level used by the partner on each style variable

Figure 11: Stepwise Regression
Low Self-Monitoring Customers



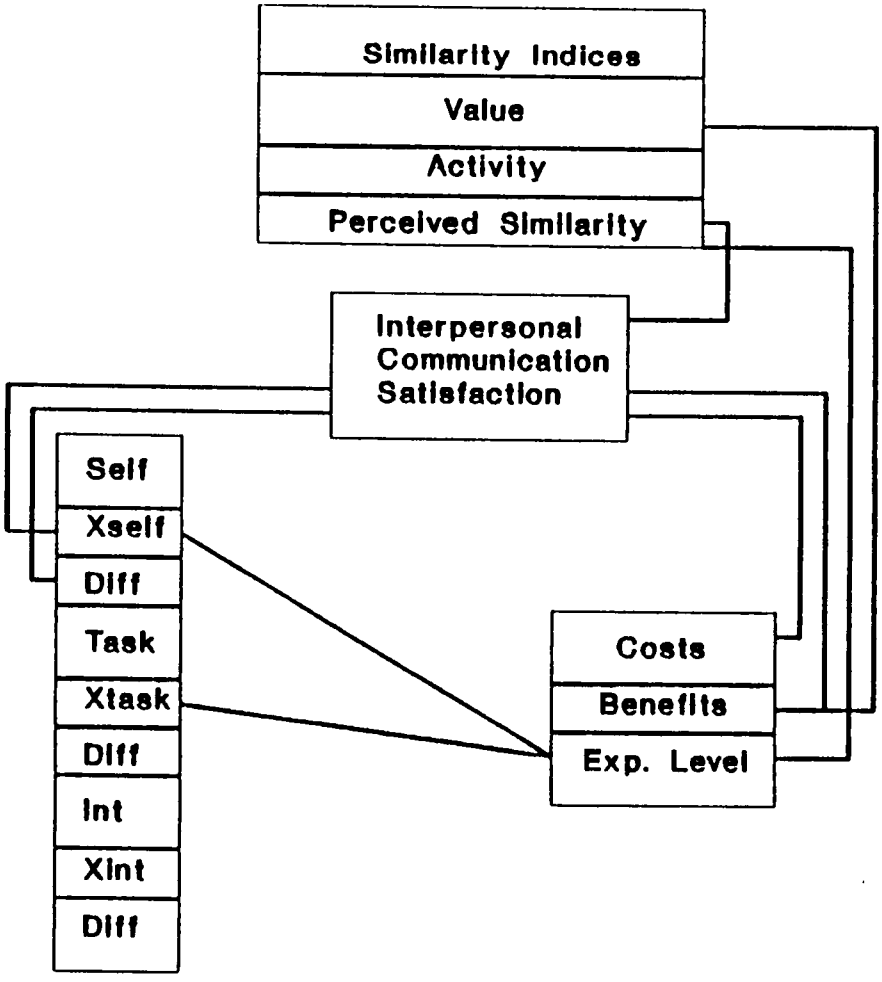
Key: Self, Task and Int refer to preferred levels of Self, Task and Interaction Orientation
Xself, Xtask and Xint refer to the levels of Self, Task and Interaction Orientation used by the partner
Diff represents the difference between the preferred level and the level used by the partner on each style variable

Figure 12: Stepwise Regression
High Self-Monitoring Customers



Key: Self, Task and Int refer to preferred levels of Self, Task and Interaction Orientation
Xself, Xtask and Xint refer to the levels of Self, Task and Interaction Orientation used by the partner
Diff represents the difference between the preferred level and the level used by the partner on each style variable

Figure 13: Stepwise Regression
Low Self-Monitoring Salespeople



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Figure 14: Stepwise Regression
High Self-Monitoring Salespeople

Summary

The results from the tests of the study hypotheses were presented in this section, after the characteristics of the measures and the sample were reviewed. H1a, which predicted no self-monitoring effects on inference generation, was supported. H1b, which concerned self-monitoring effects on inference use, was not supported. H1c, which predicted that inference use would be related to the confidence with which evaluations are made for low self-monitors, was supported. H2 predicted that similarity would increase inference generation, and was not supported. H3 addressed the relationship between communication style compatibility and communication satisfaction for high and low self-monitors. This hypothesis was not supported for low self-monitors, even though certain aspects of compatibility were associated with increases in satisfaction with communication for low self-monitors. For high self-monitors, H3 was supported. As predicted, there were few significant relationships between communication style compatibility and satisfaction with communication. H4 proposed a relationship between communication satisfaction and evaluation outcomes. It was strongly supported for salespeople, and partially supported for customers. Supplemental findings were also reported for each hypothesis, and results of a stepwise regression procedure were offered.

CHAPTER V

CONCLUSIONS

Introduction

This chapter will begin with a summary of the research project. The results of the tests of the hypotheses and supplemental analyses will be interpreted in the second section. Implications for academicians and practitioners will be offered in the third and fourth sections. The fifth section discusses the limitations of the study. A study of the results, the interpretations of those results and the study limitations suggest a number of potential research opportunities. These will be described in the sixth section. The chapter will conclude with a brief summary.

Summary of the Research Project

This project was conceived in conjunction with the development of a comprehensive model of buyer/seller relationships, discussed at length in Chapter 2 and depicted in Figure 1. One of the gaps of the buyer/seller literature is that the initiation and early stages of the development of buyer/seller relationships have not received much attention. From a managerial and theoretical standpoint, these early stages are of critical importance. The objective

of this research was to contribute to the understanding of the cognitive and communication processes which occur as buyer/seller relationships form and develop.

The individual variable of self-monitoring and buyer/seller similarity were investigated for their influence on inference generation and use during the awareness stage of the relationship development process. In addition, self-monitoring was examined as an influence on the confidence with which subjects make judgments, and on the perceptions of communication compatibility in the buyer/seller dyad. Finally, the hypotheses that communication compatibility is associated with communication satisfaction, and communication satisfaction impacts the perceptions of the outcomes (costs, benefits and attractiveness of the relationship relative to the expected standard) of the relationship were explored.

The hypotheses were investigated during a field study conducted in the branch offices of a major regional bank in Tennessee. Customer service representatives (salespeople) and their new customers in Memphis and Knoxville participated in the on-site survey research. Subjects responded to items which measured self-monitoring, buyer/seller similarity, inference generation and use, confidence in the ability to use inferences to make judgments, communication styles (style preferred and

perceptions of partner's style use), communication satisfaction, costs, benefits and attractiveness of the relationship relative to the deserved standard. 51 dyads were surveyed, and on the basis of the self-monitoring scores of the dyad partners, the dyads were classified as customer low/salesperson low (CLSL), customer low/salesperson high (CLSH), customer high/salesperson low (CHSL), and customer high/salesperson high (CHSH).

The analysis of the data showed that self-monitoring was not associated with differences in inference generation and use. However, supplemental analyses showed that salespeople do generate and use more inferences than customers. For low self-monitors, use of inferences was positively correlated with confidence in the ability to make judgments. In general, similarity had no consistent significant effect on inference generation or inference use. There were, however, some significant correlations between certain indices of similarity and inference generation, for low and high self-monitoring salespeople. Likewise, there were also some significant correlations between similarity and inference use for both low and high self-monitoring salespeople as well as low and high self-monitoring customers.

Generally, the hypothesized relationships between self-monitoring, communication style compatibility and

communication satisfaction were not found. Again, some significant correlations were evident within dyad types, but no consistent patterns emerged. There was a strong relationship between communication satisfaction and outcomes for salespeople. For customers, the relationship seemed to vary depending on the self-monitoring level of the partner and the self-monitoring composition of the dyad. However, where significant relationships between communication satisfaction and outcomes were present for customers, they did support the study hypotheses.

Finally, a stepwise regression procedure was used to attempt to integrate and synthesize the findings of the study. The results of these analyses show that for low self-monitors the patterns of influence between the input variables (similarity, communication compatibility) and the outcomes (communication satisfaction, costs, benefits, attractiveness of the relationship relative to the deserved standard) are more complex than for high self-monitors. All of these results, and the findings from the supplemental analyses, will be interpreted in the following section.

Interpretation of Results

Recall that results from tests of the hypotheses and supplemental findings were reported for three levels of analysis: role (customer or salesperson), role by self-

monitoring level (e.g. low self-monitoring customer) and role within dyad type (e.g. low self-monitoring customer in the CLSL dyads). Examination at these levels often resulted in a large group of results for each test, and in some cases only a few significant findings emerged from the group of findings. The reader is cautioned that with a large number of results, some significant findings may result due to chance. (This is probably not the case in instances where consistent patterns of results were present, such as for the relationship between communication satisfaction and outcomes reported in Table IV-28.) Therefore, the interpretation of the body of findings is offered with the understanding that some of the relationships which emerged may be spurious.

Self-Monitoring and Role Influences on Inferential Processes

Consistent with the results of a previous study (Stayman & Kardes 1990), this research has provided evidence that self-monitoring is not associated with differences in inference generation. However, in contrast to previous studies (Stayman & Kardes 1990, Fine & Gardial 1990) where self-monitoring moderated inference use, in this study no differences in inference use due to self-monitoring level were found. The differences between this study and previous studies may help explain the lack of significant findings. First, Stayman and Kardes used student subjects, while this project used actual salespeople and their customers. In

addition, that study investigated the generation of inferences about products, while this project asked subjects to generate inferences about people. Finally, both the Stayman and Kardes and the Fine and Gardial experiments were conducted in laboratory settings, while the present study took place in a field setting. It is possible that the distractions present in a busy financial institution interfered with inferential processes, making it difficult for subjects to articulate their thoughts. It may be more demanding to infer things about people than about products, and the hectic atmosphere exacerbated the situation. In addition, the subjects in this study may not have been as focused on the research tasks as subjects in a laboratory setting, and therefore the hypothesized differences due to self-monitoring did not emerge.

It should not be concluded, on the basis of the non-significant findings, that self-monitoring is not associated with inference use. In addition to the limitations of the field setting, aspects of the methodology may not have been conducive to an effective exploration of inferential process. For example, a verbal elicitation task may be a more effective methodology than the writing task to assess inference generation. Salespeople were able to make complex and insightful inferences during informal discussions with the researcher and with their colleagues.

The limitations of the methodology of inference generation and use will be discussed in greater detail in the section on study limitations.

The results of the supplemental analyses suggest that in the setting employed in the study, a subject's role does influence inference generation and use. Relative to the customers in this study, the salespeople generated more total inferences, more relationship inferences, more interaction inferences, and more physical inferences. Only for the generation of trait inferences are no differences evident between the customer and salesperson subjects. In addition, salespeople used more relationship and physical inferences than their customer partners.

The relatively greater use of relationship and physical inferences by salespeople is probably a function of the nature of their job. Salespeople have quotas for each type of account and service, and are rewarded in financial and non-financial ways for promoting and selling those accounts and services. Salespeople may make a cognitive connection between the need to achieve quotas, and the generation of specific thoughts that will provide information to sell to each customer effectively. Physical and demographic cues such as the type of clothes a person is wearing and his or her marital status, for instance, could help a salesperson target products and services to the

customer. Effective targeting may help increase the level and rate of sales. This suggests that role expectations can impact the process of inference generation and use. Understanding the nature of this influence may provide an opportunity for future research that will be discussed further in the section on research opportunities.

Customers generated a greater proportion (62%) of trait inferences than any other type of inference. Wyer and Carlston (1979) suggest that the generation of trait inferences increases as experience with a person or group of people increases. The customers in this study had not met their salesperson partners previously, so no actual experience with the partner could be responsible for the generation of trait inferences. It is possible, though, that customers use their general knowledge of salespeople and service personnel when generating inferences about their salesperson partners.

The results of inference generation were also examined in a supplemental analyses at the level of role by self-monitoring level. A significant finding emerged for high self-monitoring customers such that they generated more interaction, trait, physical and total inference when their salesperson partner was a high self-monitor than when the partner was a low self-monitor. (Recall from the discussion of the methodology in Chapter 3 that subjects had only met

their partner for a brief time before participating in the inference generation stage of the research.)

These results suggest that a high self-monitor may project some types of cues that facilitate inference generation for their high self-monitoring partner. High self-monitoring is associated with the ability to modify expressive behavior (Lennox & Wolfe 1984). Perhaps that ability provides information which is discernible for other high self-monitors. Ludwig, Franco and Malloy (1986) propose that high self-monitors consistently disclose information about themselves at a higher level than low self-monitors. They also explain that high self-monitors might strive to appear friendly and outgoing in order to gain information from other persons which would help them structure their own behaviors. Perhaps in the act of seeking cues, the high self-monitors also provide information to their partners. The possible effects of a subject's self-monitoring level on the partner's ability to generate and use inferences represents a significant research opportunity. This opportunity will be discussed in a later section.

The low self-monitors in this study seem to be more confident in their ability to make judgments when they use the inferences they have generated, while high self-monitors tend to be uniformly (highly) confident. This is completely in keeping with self-monitoring theory and with previous

research (e.g. Stayman & Kardes 1990, Fine & Gardial 1990). Since low self-monitors tend to behave in accordance with their values, beliefs and attitudes (Snyder 1974), it is reasonable to expect them to be more confident when they use these beliefs and attitudes to make a judgment. This finding implies that low self-monitors should be encouraged to take a moment or two to think things through before making decisions or judgments.

The studies of Stayman and Kardes (1990) also help expand the implications of the findings from the present study. These authors found that low self-monitoring subjects were more confident in their product evaluations when they were given the opportunity to use inferences, than when product-based conclusions were presented to them explicitly. In situations where confidence may be important to performance, such as persuasive situations, generating and using inferences may help low self-monitors to feel more confident. In addition, where possible, low self-monitors should be allowed to come to their own conclusions, rather than being asked to consider explicit conclusion alternatives.

Similarity and Inferential Processes

The conclusion regarding the role of similarity in inferential process is that this relationship is still not clearly understood. Three bases of similarity were

considered in this study (values, activity preference and perceived global similarity). Perhaps these bases of similarity are not relevant for the partners in this research setting. The inconclusive results point to the need to consider different bases of similarity in the attempt to understand the relationship between similarity and cognitive processes. Further, it is unlikely that the subjects in this study had sufficient opportunity to determine much, if anything, about the values and activity preferences of their role partners. Therefore, those bases of similarity, even given the results of past studies (e.g. Jamieson, Lydon & Zanna 1987), may not have been reasonable choices for this study. Given the greater reliance of salespeople on physical and relationship (banking-oriented) inferences, perhaps similarity of personal appearance, demographics or attitudes about banking might have been a more appropriate measure of similarity.

For the total sample, and for the various levels of analyses at which similarity and inference generation were examined, very few significant relationships emerged between any measure of similarity and inference generation. Although there was no relationship predicted between similarity and actual inference use, it was explored in the supplemental analysis. Again, no consistent pattern of significant correlations was found. The literature on buyer/seller

similarity and on inferential processes may help explain the generally non-significant findings. First, the inferencing literature (e.g. Wyer & Carlston 1979) suggests that experience or familiarity facilitates the generation of certain types of inferences. Similarity was conceptualized in this study as a surrogate for familiarity. Perhaps this is not the case in the setting employed in this study. Perhaps similarity develops over time, as a result of a customer's relationship with the salesperson, and as a function of familiarity. Therefore, in this setting, familiarity may be a precurser to similarity, and therefore similarity is not a surrogate for familiarity.

Additionally, it has been suggested that studies of buyer/seller similarity have sometimes confounded expertise with similarity (Wilson & Ghingold 1981). These authors also argue that in studies employing both expertise and similarity, the manipulation of expertise may have been more powerful than manipulations of similarity. The role of the retail banking salesperson is consultative, and by definition s/he is supposed to be an "expert" on banking products and services. Upon entering the bank, the customer may have assumed that each salesperson was an expert. Generation of inferences may have been more affected by the perception of the salesperson as an expert, or at least as competent, than by any perceptions of similarity. Examining

the customer inferences provides some evidence for this conclusion. Compared to the other interaction thoughts generated, the statement "s/he can help me make decisions" was mentioned most frequently. In addition, the thought "s/he is knowledgeable" was one of the most frequently mentioned trait inferences. Perhaps in situations where one dyad partner is assumed to be an expert, the role of similarity in cognitive processes is reduced.

In addition, there were role and self-monitoring differences in perceptions of global similarity. Low customers perceived greater similarity than low salespeople, and high salespeople perceived more similarity than low salespeople. Perhaps the interaction of role and personality variables actually impacts perceptions of similarity. This possibility should be explored more thoroughly, and represents an opportunity for future research.

Finally, problems with the methodology may have obscured any possible results. There is some question that buyers and sellers did not have adequate time during the interaction to make a judgment of global similarity. Plus, the method of measuring value and activity preference similarity may have been inappropriate. This will be discussed in detail in the section on the study limitations.

Communication Compatibility and Communication Satisfaction

There were generally inconclusive results of the tests of the relationship between communication style compatibility and communication satisfaction. For low self-monitors, incompatibility on task orientation was significantly correlated with decreases in communication satisfaction. However, the correlation coefficient for low self-monitors did not differ significantly from that for high self-monitors (-.23 vs. -.13, $p<.31$). There were no significant correlations at the level of role by self-monitoring. At the level of role within dyad type, a significant correlation was found between task compatibility and satisfaction for low self-monitoring customers with high self-monitoring partners. For salespeople, two correlations were significant. Incompatibility on task orientation was positively correlated with satisfaction for salespeople in the customer low/salesperson low dyads (which is in the opposite direction of what was predicted). For salespeople in the customer low/salesperson high dyads, incompatibility on interaction orientation was negatively correlated with communication satisfaction.

The lack of a consistent pattern of results, and the presence of a correlation which is in the opposite direction of what was predicted, compel a consideration of the issue of compatibility. The idea that compatibility should affect

satisfaction is intuitively appealing. Therefore, perhaps the problem lies not in the conceptualization of the nature of the relationship, but in the conceptualization of compatibility. The results seem to indicate that compatibility may be insufficiently conceptualized. Sheth (1976) stated that the greater the distance between the buyer's orientation and the seller's orientation, the more incompatible they will be with respect to the style of interaction. Incompatibility, then, is predicted to lead to perceptions that the interaction is not effective. This research does not provide much support for that conceptualization.

However, Sheth also proposed that communication style orientations of individuals are often rooted in personality variables, socialization and life styles. It is possible that style compatibility is not congruence between one's preferences and the partner's style usage on the levels of the three style variables (task, self and interaction). Perhaps a certain personality type (such as a low vs. a high self-monitor) requires a certain combination of the three style variables, regardless of whether that combination is the same as his or her own combination.

This research does seem to point in this direction. Low self-monitoring customers report the highest level of preference for task orientation, while low salespeople

report the lowest level of preference for task orientation. High self-monitoring customers report the highest level of preference for interaction orientation (and the lowest level for self orientation), and high salespeople report the highest level of preference for self orientation. These results are presented in Table V-1. The interaction of the self-monitoring aspect of personality and role (with the socialization inherent in role prescriptions) could help to determine what communication style would be perceived as compatible.

A supplemental result may also shed light on the issue of compatibility and communication satisfaction. Whenever there were significant differences between customers and salespeople within a dyad type, on an aspect of compatibility, the customers' scores always suggested greater compatibility than the salespersons' scores. It has been shown that adaptability is viewed by salespeople as a factor in selling effectiveness (Spiro & Weitz 1990). The role prescriptions of salespeople may compel them to consider the customer's communication needs and adapt their own communication to suit the customer. This adaptation may involve more than communication style; it may also involve a consideration of communication content. Perhaps aspects of content had more effect on compatibility than aspects of style. The study of content was beyond the scope of this

Table V-1: Reported Preferences for Levels of Communication Style Variables
Role by Self-Monitoring Level

Subjects	Level of Communication Style Preferred		
	Interaction	Task	Self
Low Customers	39.9	<u>26.3</u>	9.4
Low Salespeople	37.7	<u>21.7</u>	9.5
High Customers	<u>41.8</u>	25.8	<u>8.8</u>
High Salespeople	38.5	24.3	<u>10.3</u>

Note: Underlined value is the highest (or lowest) for all four groups.

study. However, it represents an important focus in the buyer/seller literature (e.g. Soldow & Thomas 1984) and an opportunity for future research.

In addition, the results of the stepwise regression (presented in Tables IV-29 through IV-32) show effects for communication style variables that were not immediately apparent from the direct tests of the hypotheses. For the low self-monitoring customers in this sample, incompatibility on task orientation does seem to reduce satisfaction with communication. But, for low salespeople, incompatibility on self and interaction orientations actually were associated with increases in communication satisfaction. Recall from a previous discussion that low salespeople were identified having a relatively lower task orientation. These salespeople also perceived that their customers used a task orientation style even lower than they preferred. Therefore, unexpected differences in self and interaction orientation may have lead to positive perceptions because the partners were "even better" with regard to communication styles than they anticipated.

For high self-monitoring customers in this sample, incompatibility on self orientation was associated with increases in communication satisfaction. Their salespeople used a lower self orientation than these customers reported to prefer (6.2 vs. 8.8). However, these customers are

relatively more interaction oriented, and their perceptions of the salesperson's interaction orientation are quite similar to their own preferred level for interaction orientation (40.3 and 41.8). Therefore, the salesperson's relatively low self-orientation may have boosted the customer's perception of a high interaction orientation (since by definition, a person who is highly self-oriented would not also be highly interaction oriented).

Finally, in all cases, perceptions of the use of self orientation were associated with reduced communication satisfaction. Therefore, in this limited setting, a person who is highly self-oriented may not be as effective a communicator as one who is less self-oriented.

Evaluations of the Outcomes

The predicted relationship between satisfaction with communication and evaluations of the outcomes (costs, benefits and attractiveness of the relationship relative to the expected standard) was very strong for the salespeople in this study. Interacting with people is the most important aspect of their job. With new customers, financial reward or recognition by the organization as a result of the interaction might not be forthcoming immediately. (For instance, some quotas are annual quotas, and reward or recognition might not occur for a year from the time of sale.) One might speculate that if salespeople are satisfied

with communication, that communication satisfaction provides some sort of immediate, intrinsic feedback for salespeople as they do their jobs. This feedback could strongly influence their perceptions of their job outcomes.

For customers, the relationship between communication satisfaction and outcomes is much more complex. Perceptions of costs are influenced only for customers in "mixed" dyad types (customer low/ salesperson high [CLSH], customer high, salesperson low [CHSL]). Perhaps in these mixed dyad types, interaction is made more awkward by the different self-monitoring tendencies of the partners. This conclusion was also reached by Ickes and Barnes (1977), who found that a low self-monitor and a high self-monitor experienced difficulty in interaction. In these dyads, having satisfactory communication could reduce costs by making the interaction less difficult.

Perceptions of benefits are affected by the self-monitoring level of the salesperson role. When the salesperson is a low self-monitor, the customers' perceptions of benefits are positively correlated with perceptions of communication satisfaction. When the partner is a high self-monitor, the customers' perceptions of benefits are not correlated with perceptions of communication satisfaction. It is possible that when a customer works with a high self-monitoring salesperson, the

benefits come from aspects of the interaction other than communication. For instance, the general tendency of high self-monitors to be gregarious and outgoing might provide benefits by making the customer feel welcome and comfortable. When the salesperson is a low self-monitor, however, the customers' benefits may be more directly tied to what is said, and how it is said during the interaction.

The customers' perceptions of the attractiveness of the relationship relative to the expected standard are influenced by communication when customers are in "similar" dyads (customer low/salesperson low [CLSL], customer high/salesperson high [CHSH]). Further, for the high/high dyads, this is the only significant relationship between communication satisfaction and outcomes, and it is very strong (r=.91). For a high customer with a high partner, satisfaction with communication might provide a strong cue that his or her behavior in the situation was socially appropriate. Therefore, s/he would tend to think that this relationship is favorable relative to the expected standard, even though there is not a direct relationship between that communication satisfaction and costs or benefits.

In the low/low dyads, the relationship (for customers) between communication satisfaction and performance of the relationship relative to the expected standard is more difficult to interpret, since there is also a significant

relationship between satisfaction and benefits. Since the level of benefits is assumed to partially determine the performance of the relationship relative the standard, when satisfaction increases benefits, it also increases the perception of the performance relative to the expected standard.

This set of results may demonstrate the importance of the salesperson in the customer's evaluation. It is a belief of the management of the financial institution that all banking services are very similar across institutions, but that levels of service differ widely. This is supported in the literature on bank marketing which claims that deregulation of the banking industry have made all financial service institutions more homogeneous, but that quality people can differentiate among firms (Donnelly, Berry & Thompson 1985). This project shows that the salesperson, as the service provider and primary contact at the financial institution, probably does have an influence on customer perceptions (at least of costs, benefits, and performance of the relationship relative to the expected standard).

Additional Self-Monitoring Conclusions

The results of the stepwise regression procedure highlight some interesting differences between high and low self-monitors. For low self-monitors, each of the three

communication style variables is in some way influential in predicting communication satisfaction and outcomes. However, for high self-monitors, this is not the case. For high self-monitoring customers, a preference for interaction orientation and the perceptions of the interaction style the customer used are not significantly related to communication satisfaction or outcomes. This is interesting, given that this group expresses a high preference for interaction orientation. For high salespeople, neither preference for task orientation or perceptions of the level of task orientation used by the partner affects communication satisfaction or outcomes.

These differences can be explained by aspects of self-monitoring theory. The theory predicts that behaviors of low self-monitors are more influenced by beliefs and attitudes. By asking low self-monitors to state their communication preferences and to evaluate the partner's communication, it is possible that the beliefs and attitudes about communication were made salient and were used to guide the perceptions of both communication and outcomes.

By contrast, the high self-monitors, who tend to use cues from the environment and role expectations to regulate behavior, should be less likely to use attitudes about communication to form perceptions of communication and outcomes. They may have judged the partner's reaction

instead as a benchmark of the efficacy of their communication, rather than their own perceptions. For instance, if the partner seemed satisfied, the high self-monitor may have concluded that his or her own communication was effective, even if s/he was not completely satisfied with the content or style of his or her own communication.

These results also may help explain some of the insignificant results for the affect of self-monitoring on inference use. Asking subjects to evaluate the partner's communication style usage might be construed as a form of inference generation. These evaluations do have more influence for low self-monitors than for highs, as indicated by the regression results. Perhaps it is these inferences which were important for low self-monitors, and not the inferences that they were asked to generate prior to the interaction.

These regression results also show an unexpected effect of differences in values for high self-monitors. For high salespeople, as differences in values increased, communication satisfaction decreased. For high customers, as differences in values increased, benefits decreased. Recall that value difference was not a perceptual measure. It was based on the difference between the customers' and salespersons' own reports of the importance of values. Therefore, there was no reason to expect, a priori, that

either role partner would be able to assess the other's values. However, perhaps high self-monitors generate information about their partner's values from other inferences, such as those made about physical appearance and the banking relationship. If this is the case, then the role differences in inference generation and use are even more important. Suppose that high self-monitors can (and do) make judgments about values from other aspects of the customer, such as his or her appearance. The handling of finances might be strongly tied to a person's value system (e.g. family security, a comfortable life). The ability to infer values might enable these high self-monitoring salespeople to determine the customer's banking needs more effectively.

The relatively more complex system of interrelationships for low relative to high self-monitors, as shown by the stepwise regression procedure (see Figures 11, 12, 13 and 14), provides further support for findings from research conducted on self-monitoring and attitude accessibility (Kardes et al. 1987). According to these authors, the attitudes of low self-monitors are characterized by stronger object-evaluation associations and are more accessible from memory than are the attitudes of high self-monitors. The paths shown in the graphic depictions of the regression results suggest that more attitudes were accessed from memory by low self-monitors

than by high self-monitors. Therefore, these results add to the evidence that low self-monitors do have more accessible attitudes than high self-monitors.

The interpretation of these results have important implications for both the study and practice of marketing. The following two sections will address the implications of the study for academicians, and for marketing practitioners.

Implications for Marketing Academicians

This study is important to academicians because it demonstrates that both parties in the dyad can be studied simultaneously in the field, at the point(s) of the actual buyer/seller interaction. By intercepting the dyad as it forms and develops, researchers should be able to exploit the utility of the dyadic paradigm. Obtaining information from both parties also gives researchers the flexibility to consider multiple levels of analysis when conducting buyer/seller research. Role partners can be compared within dyad types, or customers or salespeople as a group can be examined across dyad types, for instance. This study begins to answer the call in the literature for dyadic research (Johnston 1981).

Another implication of this study for academicians is the use of established constructs from other disciplines to better understand buyer/seller interactions. It should be

concluded that much opportunity exists for borrowing concepts and methods from other disciplines. Both the self-monitoring concept (Snyder 1974, Lennox & Wolfe 1984), and the idea of evaluating the relationship by comparing costs and benefits to expected levels (Thibaut & Kelley 1959), are well-established in the social psychology literature. Since the buyer/seller interaction is a social process, involving two human beings with distinct personalities, researchers should look to the psychology, social psychology and sociology literature for theoretical, conceptual and methodological support.

Perhaps the major implication of this study for academicians, however, is the research opportunities suggested by the results. Like much research, this project generated more questions than it answered. Academicians should be encouraged, however. The area of buyer/seller relationship development represents a vast opportunity for the interested researcher. These opportunities will be described more fully in a later section.

Implications For Practitioners

This research also contributes to the management and practice of selling and sales management. First, the study offers some guidance for practitioners who are interested in increasing confidence. Confidence in evaluations of the

relationship may be a function of the generation and use of inferences for low self-monitors. Therefore, low self-monitoring buyers and sellers may be able to develop more confidence by carefully considering their attitudes and opinions, and using those attitudes and opinions to made decisions.

This research does not offer much guidance to managers, however, regarding the conventional wisdom of establishing bases of similarity to facilitate a buyer/seller interaction. Neither this project, nor the body of similarity research, offers clear guidelines about the role of similarity in the success of buyer/seller relationships. Although the conventional wisdom probably does not negatively impact the interaction, it may not help.

The importance of communication in the developing relationship is highlighted in this study. Satisfaction with communication was shown to affect perceptions of outcomes for buyers and sellers. Managers should discourage salespeople from using any one type (style) of presentation across customers, since there may be personality differences among customers which affect communication preferences. Additionally, it would be prudent for salespeople to attempt to determine the customer's communication needs, as well as his or her product needs. Finally, any tendencies toward a self-orientation should be

avoided. Salespeople should avoid talking about themselves, or acting as if they are preoccupied with their own needs.

The results of the tests of the relationship between communication satisfaction and perceived outcomes (Table IV-28) point to the critical role of the salesperson (and possibly the salesperson's self-monitoring level) in influencing the buyer's perceptions of outcomes. From a salesperson's standpoint, s/he should not assume that his or her perceptions of outcomes are mirrored in the customer. In other words, because the salesperson is satisfied with the communication and perceives high benefits and low costs (relative to the expected standard), there should be no reason to expect that the customer also perceives high benefits or low costs. The salesperson should always attempt to discover the customer's needs even when his or her own are met.

The next section will discuss the limitations of the study. Then, the opportunities for future research will be described.

Limitations

This study is not without limitations. The contributions and future research opportunities which are suggested by this study should be considered within the context of its conceptual and methodological limitations.

Conceptual Limitations

Self-monitoring has been conceptualized in this study as a unidimensional construct, by which subjects are classified as either high or low. In their presentation of the measure, Lennox and Wolfe (1984) posit that although all items load on a main factor, the construct was conceptualized with two dimensions: ability to modify self-presentation and sensitivity to expressive behaviors in others. These authors offer no clear advice to researchers to treat the scale as unidimensional or bi-dimensional; they simply offer the possibility that one could argue for the use of the scale either way.

This research has raised the possibility that the conceptualization of communication compatibility as the difference between one's preference and the partner's style use, as suggested by Sheth (1976), may be inadequate. Therefore, the reader is cautioned that the conceptualization of compatibility may not actually be capturing the nature of the construct. To operationalize compatibility without including some effect of personality has probably limited the usefulness of the construct.

This study is also limited by the conceptualization of similarity. The only measure of perceived similarity was a measure of perceived global similarity. The literature on self-monitoring and similarity suggests that perceived

similarity of values or activity preferences might affect how high and low self-monitors perceive their partners. However, activity preference and value similarity were operationalized by calculating the difference between the partners' responses to the activity preferences and value scales. Therefore, the researcher created the index of similarity. This is conceptually different from the subjects' perceptions of value or activity preference similarity of their partners.

Finally, there are a myriad of personality constructs which could possibly impact the relationships of interest. This study was limited by its focus on self-monitoring. Although there are sound theoretical bases for the use of self-monitoring to investigate relationship development, there are other aspects of personality (e.g. empathy, locus of control, dominance) which should be investigated.

Methodological Limitations

The coefficient alpha of the scales which measured task orientation and self orientation (both style preferred and style the partner used) were below .70. This may limit the ability to draw conclusions from results associated with these scales. Additionally, the measure of task orientation may also be bi-dimensional, instead of unidimensional, as indicated by the factor analysis.

The method employed to measure inference generation and use also represents a possible limitation of the study. It is possible that the act of writing down thoughts, particularly in a busy field setting, might have been a difficult task for the study's subjects. The task itself may have limited the number of thoughts each subject listed. More and richer inferences would have been obtained with another methodology - such as an interview.

Also, the instructions for indicating inference use might have confused the subjects. The instructions at the top of the page asked subjects to "place an X next to the statement(s) that would be most important to you." Additional instructions over the column where the marks were to be entered said "Place an X here if this statement is most important." It is possible that subjects interpreted the second set of directions to mean that only one statement could be chosen. Many subjects asked the researcher to clarify these directions, and were instructed to choose as many as are important to you. However, there is no way to determine if those subjects who did not ask for clarification understood the directions. Since 41% of the subjects who responded to these items only used one inference, there is cause to suggest the directions were difficult to understand. This may limit the study by

reducing the reporting of the rate and number of inferences used by many subjects.

The use of across-person difference scores (to assess value and activity preference similarity) and within person difference scores (to measure communication compatibility) may be problematic and may represent a limitation of the study. Both types of difference scores may be affected by common method variance. For across person scores, the responses may be highly correlated, with a consistent amount of distance between responses (e.g. where the customer responds with 1, the salesperson responds with 3 and where the customer responds with 2, the salesperson responds with 4). Therefore, difference may not be true difference, but an artifact of response styles. However, these correlations were calculated, and the customer's responses were not correlated with the salesperson's responses in any dyad type, for either activity preference or value similarity (all correlations had p values greater than .10).

Within-person scores could also be affected by a person's responses tendencies. In this research, this possibility was reduced for salespeople because some time passed between the time the communication style preference scores were measured, and assessment of the partner's communication style usage. In no case did less than 24 hours transpire between the completion of the two

instruments. However, the scores on both sets of measures were correlated for customers, and for salespeople the scores were correlated for task and interaction orientation. Therefore, this limitation of difference scores should be noted.

This study proposes to study the early stages of relationship development, but there is no assurance that all of the study participants will actually continue the relationship. The pre-tests and focus group interviews suggested that once initiated, the relationships in this context are important to the participants. However, some customers might not have reason to meet with the salesperson again. Similarly, some salespeople might not continue in the sales position. The severity of this limitation is probably diminished, however, because the responses to the survey instruments should not be affected by whether or not the subjects will meet again.

Finally, the choice of the particular sample and setting represent limitations to ability to generalize from the study. In some ways, selling of financial services is different from the selling of other products and services. The service is often difficult to understand and present. There are issues of security and privacy that are not present with some other types of services. Therefore,

results can probably only be generalized to similar settings until the research is replicated in many settings.

Research Opportunities

This study has raised numerous questions which represent research opportunities in the area of buyer/seller interactions.

Methodological Research Opportunities

The conclusions from the study findings indicate that there is opportunity to explore alternate methods for eliciting inferences and for measuring inference use. Some of the sociological research employing ethnographic methods might provide direction. For instance, Prus (1989) conducted extensive interviews with persons involved in many different types of selling to understand how they influenced their prospects. The methodologies might be tailored to the specific area of inferences to obtain more and richer inference statements, and to understand how people use those inferences.

Further, given the mixed results of the study, there is opportunity to explore the entire realm of buyer/seller behaviors with more qualitative methods. There are many gaps in the knowledge about the development of buyer/seller relationships. This study attempted to address one of those gaps; to better understand the cognitive and communication

processes at the early stages of relationship development. However, theory development and conceptualization might profit from the use of depth interviews, observation and participant observation. Although these methodologies are time-consuming and may require a larger commitment from subjects, the benefits could be substantial.

Another methodological research opportunity suggested by the study is the need to test the evaluation measures (cost, benefits and attractiveness of the relationship relative to the expected standard) in different settings. These measures were developed to be relatively context-independent. If they also perform well in other exchange situations, it would facilitate the conduct of programmatic research and would encourage replication and expansion of the issues pertinent to buyer/seller relationship development.

Similarly, there is opportunity to test the measure of interpersonal communication satisfaction (Hecht 1978) in a variety of settings. This measure was developed "to facilitate the examination of the role of communication in relationship development (p.253)." Given the interest in the role of communication in the buyer/seller dyad in marketing (e.g. Spiro & Weitz 1990, Williams, Spiro & Fine 1990, Soldow & Thomas 1984, Sheth 1976), it is somewhat surprising that a marketing based measure of communication satisfaction

has not been developed. However, the Hecht measure seems to serve the purpose quite well, but the generalizability of the measure should be ascertained. Next, the opportunities for conceptual development will be examined.

Conceptual Research Opportunities

The tests of each of the study hypotheses suggested research opportunities for conceptual development. Regarding inference generation and use, there is a need to understand how role variables affect inferential processes. For instance, do salespeople view inference generation as a role prescription? Do the customer's role demands somehow decrease the propensity to generate and use inferences?

Additionally, the notion that characteristics of the partner might serve as some triggering mechanism for inference generation and use is intriguing. Perhaps certain characteristics of the partner reduce or increase the likelihood of inference generation. This question has interesting implications for both the person giving off cues, and for the perceiver. If certain personality types give off cues, can they be taught to "control" those cues to give them an advantage in negotiation? Can the perceiver be made aware of a general category of persons who are likely to be "cue-givers," and who might be better prospects?

The construct of self-monitoring is possibly one of the personality characteristics that is associated with a

partner's ability to generate inferences. Highs do seem to facilitate inference generation for other high self-monitors. This possibility represents a potential extension and clarification of the self-monitoring concept. Most of the focus of the research on self-monitoring has been on the subject's perceptions, behaviors and attitudes. Clearly, however, Snyder's original formulation and early tests included perceiver differences related to the subject's self-monitoring tendencies (see Snyder 1974).

Most of the buyer/seller research which has considered self-monitoring has examined it as a trait of salespeople that might enhance selling abilities (e.g. Spiro & Weitz 1990, Dubinsky & Hartley 1986). Self-monitoring as a concept with utility for the study of personal selling may be more powerful when employed as a characteristic of both dyad partners, and not merely as a salesperson trait. This represents further opportunity to consider the dyad as the unit of analysis in selling. Of course, this thinking could be extended to other personality variables, such as interpersonal control (Paulhus 1983) or empathy (Johnson, Cheek & Smither 1983).

The role of similarity has been the focus of much buyer/seller research since 1963, and few issues have occupied researchers as much as similarity. This project suggests that there is still opportunity to further

conceptualize buyer/seller similarity. Perhaps similarity research would be facilitated by the development of a typology of bases of similarity (attitudinal, demographic, activity preference, etc.) and a typology of selling situations where each base might be salient. There should also be a consideration of "actual" vs. "perceived" similarity.

There may also be opportunity to explore the role of personality or role characteristics in perceptions of similarity. Do certain types of people perceive that they are generally more similar to others? Again, as with inference generation issues, the characteristics of the perceiver and the person who is perceived might be important.

The functions of similarity, as well as types of similarity, should also be investigated. For instance, does similarity function as a surrogate for familiarity? By what mechanisms does similarity impact both the processes and outcomes of buyer/seller interactions? Is similarity a condition that develops during a relationship, instead of an antecedent condition? This implicates the need for longitudinal research to assess the possible development of similarity as a characteristic of the relationship.

The issue of communication compatibility also offers opportunity for research on conceptual development. As

suggested in the interpretation of the results, compatibility may be more complex than congruence of style usage and preference. One possibility is that certain personality types recognize a particular combination of levels of interaction, task and self styles as compatible. Another possibility is that compatibility can not be assessed with communication style alone, but must also include aspects of communication content. Finally, it should be determined whether communication compatibility is solely a judgment of the perceiver, or if it resides at the dyadic level. For instance, can a person logically describe his or her communication preferences without referring to a particular communication partner in a given communication context?

The findings regarding the role of the salesperson dyad partner in influencing the customer's outcome perceptions offer possibilities for further research on how salespeople affect customer outcomes. These issues might seem self-evident, but more information is needed on how and when salespeople can influence the perceptions of outcomes and the actual outcomes for customers. Similarly, it would be fascinating to explore how the customer impacts the salesperson's perceptions of his or her outcomes. Again, these questions might be first explored through qualitative

techniques to develop propositions which could be tested with empirical methods in different situations.

To conclude, the thousands of meetings which occur daily between those engaged in selling and those engaged in buying represent fertile ground for the development of methodologies and theories. Even the early stages of relationship development, which were the focus of this project, offer many opportunities for further exploration. It is hoped that the model reviewed in Chapter 2, as well as the suggestions for future research, will facilitate these explorations.

Summary

The chapter began with a brief summary of the research project designed to explore the early stages of buyer/seller relationship development. The results of the tests of the hypotheses and supplemental analyses were interpreted, and based on those interpretations, implications for academicians and practitioners were offered. Limitations of the study were described. Finally, research opportunities suggested by the study results and interpretations of those results, and by the study limitations, were suggested.

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APPENDICES

APPENDIX A

Summary of Research Hypotheses

H1: Inference generation as an influence on buyer/seller behavior has more impact on the behavior of low self-monitors than high self-monitors.

H1a: Self-monitoring will not be associated with differences in the amount or nature of inferences generated.

H1b: Low self-monitors will use more inferences generated to make an evaluation of potentiality than high self-monitors.

H1c: The number of inferences used will be positively correlated with the confidence with which evaluations are made by low self-monitors, but not by high self-monitors.

H2: Similarity of a dyad partner increases the number of inferences generated to form evaluations about that partner.

H3: Perceived compatibility of communication styles and satisfaction with communication will vary as a function of self-monitoring levels.

H3a: Low self-monitors will perceived the communication style used by a partner as more satisfactory when the partner's style is similar to their preferred style than when the partner's style is dissimilar to their preferred style.

H3b: For high self-monitors, there will be no relationship between satisfaction with communication and the difference between their preferred style and the style used by the partner.

H4: Communication satisfaction will be related to evaluations of the relationship.

H4a: Communication satisfaction will be positively related to perceptions of benefits to accrue from the relationship.

H4b: Communication satisfaction will be negatively related to perceptions of costs of continuing the relationship.

H4c: Communication satisfaction will be positively related to perceptions of the attractiveness of the relationship relative to the standard of the expected level of outcomes.

APPENDIX B

Self-Monitoring Scales

1. I find it hard to imitate the behavior of other people. (-)*

2. My behavior is usually an expression of my true inner feelings. (-)

3. At parties and social gatherings, I do not attempt to do or say things that others will like. (-)*

4. I can only argue for ideas which I already believe. (-)*

5. I can make impromptu speeches even on topics about which I have almost no information.*

6. I guess I put on a show to impress or entertain people.*

7. When I am uncertain how to act in a social situation, I look to the behavior of others for cues.

8. I would probably make a good actor.*

9. I rarely need the advice of my friends to choose movies, books, or music. (-)

10. I sometimes appear to others to be experiencing deeper emotions than I really am.

11. I laugh more when I watch a comedy with others than when alone.

12. In a group of people I am rarely the center of attention. (-)*

13. In different situations and with different people, I often act like very different persons.*

14. I am not particularly good at making other people like me. (-)*

15. Even if I am not enjoying myself, I often pretend to be having a good time.

16. I'm not always the person I appear to be.*

17. I would not change my opinions (or the way I do things) in order to please someone else or win their favor. (-)*

18. I have considered being an entertainer.*

19. In order to get along and be liked, I tend to be what people expect me to be rather than anything else.

20. I have never been good at games like charades or improvisational acting. (-)*

21. I have trouble changing my behavior to suit different people and different situations. (-)*

22. At a party I let others keep the jokes and stories going. (-)*

23. I feel a bit awkward in company and do not show up quite as well as I should. (-)*

24. I can look anyone in the eye and tell a lie with a straight face (if for a right end).*

25. I may deceive people by being friendly when I really dislike them.*

Note: Items marked with a "*" are included in the 18-item scale.
Items marked with (-) are reversed scored.

Sources: 1) Snyder, Mark (1974) Self-Monitoring of Expressive Behavior. Journal of Personality and Social Psychology, 30, 526-537.

2) Snyder, Mark & Steve Gangestad (1986) On the Nature of Self-Monitoring: Matters of Assessment, Matters of Validity. Journal of Personality and Social Psychology, 51, 125-139.

APPENDIX C

Measures of Study Constructs

Lennox and Wolfe Self-Monitoring Scale

Ability to Modify Self Presentation:

1. In social situations, I have the ability to alter my behavior if I feel that something else is called for.
2. I have the ability to control the way I come across to people, depending on the impression I wish to give them.
3. When I feel that the image I am portraying isn't working, I can readily change it to something that does.
4. I have trouble changing my behavior to suit different people and different situations. (-)
5. I have found that I can adjust my behavior to meet the requirements of any situation I find myself in.
6. Even when it might be to my advantage, I have difficulty putting up a good front. (-)
7. Once I know what the situation calls for, it's easy for me to regulate my actions accordingly.

Continued on the next page.

Sensitivity to expressive behavior of others:

1. I am often able to read people's true emotions correctly through their eyes.

2. In conversations, I am sensitive to even the slightest change in the facial expression of the person I'm conversing with.

3. My powers of intuition are quite good when it comes to understanding others' emotions and motives.

4. I can usually tell when others consider a joke to be in bad taste, even though they may laugh convincingly.

5. I can usually tell when I've said something inappropriate by reading it in the listener's eyes.

6. If someone is lying to me, I usually know it at once from that person's manner of expression.

Note: Items marked with (-) are reversed scored.

Source: Lennox, Richard D. & Raymond N. Wolfe (1984) "Revision of the Self-Monitoring Scale," Journal of Personality and Social Psychology, 46 (6), 1349-1364.

Inference Generation and Use Instrument

Now, please list all the thoughts and opinions you have about the bank representative you are going to meet. List all the thoughts and opinions you have, even if you do not think they are important. Please only list one thought per line.

Then, place an X next to the statement(s) that would be most important to you if you had to evaluate the performance of the bank representative.

Place an X here if this statement is most important	LIST YOUR THOUGHTS AND OPINIONS ON THESE LINES
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

PLEASE ANSWER THE FOLLOWING QUESTION:

If you did have to evaluate the performance of this bank representative, are you confident that you could use the thoughts and opinions you listed to make that evaluation?

Circle your response.

NO - NOT AT ALL CONFIDENT — YES - VERY CONFIDENT

1 2 3 4 5 6 7

Global Similarity Items

1. The salesperson (customer) and I have similar backgrounds.

2. The salesperson (customer) and I think alike.

3. The salesperson (customer) and I have a similar outlook on life.

4. The salesperson (customer) and I did not have much in common. (-)

Note: Items marked with (-) are reversed scored.

Subjects respond to items on a 7 point scale of Strongly Agree to Strongly Disagree.

Value Similarity Items

1. A comfortable life
2. An exciting life
3. sense of accomplishment
4. A world at peace
5. A world of beauty
6. Equality
7. Family Security
8. Freedom
9. Health
10. Inner Harmony
11. Mature Love
12. National Security
13. Pleasure
14. Salvation
15. Self-respect
16. Social recognition
17. True Friendship
18. Wisdom

Source: Rokeach, Milton (1973) The Nature of Human Values. The Free Press: New York.

Note: the usual administration of this instrument involves asking subjects to rank order these terminal values "according to how important each value is to you, as a guiding principle in your life". For purposes of assessing value similarity, subjects were asked to rate how important each value is on a scale of 1 to 7, with 1 meaning not at all important and 7 meaning very important. Then, difference scores were calculated for each dyad on each value, and the differences were summed to arrive at a measure of "value similarity."

Activity Preference Similarity Items

How much do you enjoy, as opposed to dislike, engaging in each of the following activities? Respond on a 7 point scale when 1 corresponds to enjoy very much, and 7 corresponds to dislike very much.

1. listening to pop music
2. playing a musical instrument
3. going to movies
4. doing photography
5. watching television
6. reading the newspaper
7. talking on the telephone
8. listening to country music
9. playing Trivial Pursuit
10. eating in ethnic restaurants
11. doing the laundry
12. exercising
13. going shopping
14. going to watch an athletic event
15. going on picnics
16. doing arts and crafts
17. hiking
18. reading novels
19. bicycling
20. going to parties
21. dancing
22. camping

Source: Jamieson, David W., John Lydon & Mark Zanna (1987) "Attitude and activity preference similarity: differential bases of interpersonal attraction for low and high self-monitors," Journal of Personality and Social Psychology, 53 (6), 1052-1060.

Communication Style Measures

Interaction Orientation

1. This salesperson (customer) was easy to talk with.
2. This salesperson (customer) genuinely enjoyed helping me (my help).
3. This salesperson (customer) likes to talk to people.
4. This salesperson (customer) was interested in socializing.
5. This salesperson (customer) was friendly.
6. This salesperson (customer) tried to establish a personal relationship.
7. This salesperson (customer) seemed interested in me not only as a customer (salesperson) but also as a person.

Task Orientation

1. This salesperson (customer) tried hard to complete the sale (solve his or her business problem).
2. This salesperson (customer) wanted to complete the sale (solve his or her business problem).
3. This (salesperson's) customer's primary concern was to (help me) solve a business problem.
4. This salesperson (customer) wanted to do as good a job as possible.

Self Orientation

1. This salesperson (customer) seemed more interested in himself or herself than in what I had to say.

2. This salesperson (customer) was primarily interested in what he or she had to say, and not in what I had to say.

3. This salesperson (customer) tried to dominate the conversation.

4. This salesperson (customer) tried to impress me with himself or herself.

Communication Style PREFERENCE will be measured with the same items. However, subjects will be instructed to respond to the items based on what they prefer in a meeting with a salesperson/customer.

Subjects respond to items on a 7 point scale of Strongly Disagree to Strongly Agree.

Source: Adapted from Williams, Kaylene and Rosann Spiro (1985) "Communication Style in the customer/salesperson dyad," Journal of Marketing Research, 22,434-442.

Interpersonal Communication Satisfaction

1. I would like to have another conversation like this one.
2. Nothing was accomplished. (-)
3. I was very dissatisfied with the conversation. (-)
4. I was very satisfied with the conversation.
5. I did not enjoy the conversation. (-)
6. The conversation flowed smoothly.

Subjects respond on a 7-point Likert Scale ranging from strongly disagree to strongly agree. Items marked by (-) are reversed scored.

Source: Hecht, Michael L. (1978) "The Conceptualization and Measurement of Interpersonal Communication Satisfaction," Human Communication Research, 4 (3), 253-264.

Note: Communication compatibility was measured by calculating the differences between the subject's preferred style and the style s/he perceived the partner used during the meeting.

Cost of the Relationship Items

1. I spent a lot of time preparing for the meeting.
2. The meeting required a lot of energy from me.
3. I had to look for ways to compromise to have a successful meeting.
4. It was difficult to find out what the salesperson could offer (customer wanted) during this meeting.
5. I felt stress because of this meeting.
6. It was difficult for me to make a purchase from this salesperson. (make a sale to this customer).
7. This salesperson (customer) would cause problems for me.
8. This salesperson (customer) would take up too much of my time.*
9. Working with this salesperson (customer) would make me feel uncomfortable.*

Note: Items marked with "*" were added after the pre-test.

Benefits of the Relationship Items

1. The salesperson (customer) made my job easy.

2. I would be happy to tell my manager how I handled myself in this meeting.

3. This salesperson was able to help my business. (I was able to help this customer's business).

4. This salesperson (customer) made me feel good about the job I was doing.

5. I would profit financially from doing business with this salesperson (customer).

6. This salesperson (customer) would be polite.*

7. This salesperson (customer) would listen to what I have to say.*

Subjects respond to items on a 7 point scale of Strongly Agree to Strongly Disagree.

Note: Items marked with "* were added after the pre-test

Comparison to Expected Standard Items

1. I could have done a better job with another salesperson (customer). (-)

2. I would like to work with this salesperson (customer) again.

3. If I had to do this sales meeting again, I would prefer another salesperson (customer). (-)

4. This meeting would have been easier with another salesperson (customer). (-)

5. This salesperson (customer) would want to do business with me on a long-term basis.

Subjects respond to items on a 7 point scale of Strongly Disagree to Strongly Agree.

APPENDIX D

Results of Factor Analyses Of Study Constructs

Factor Structure of Self-Monitoring Instrument

Item Number	Factor Loadings 1	2	3	4
1	.54	.24	.24	-.58
2	.73	.37	-.14	-.26
3	.35	.46	.19	.69
4	.72	.37	-.17	-.04
5	.41	.54	-.07	.13
6	.54	.12	.53	-.12
7	.74	.23	-.09	.09
8	.65	-.40	.24	.04
9	.50	-.27	-.62	-.18
10	.55	-.45	.19	.20
11	.57	-.48	.36	-.03
12	.75	-.32	-.14	.12
13	.52	-.25	-.41	.21

Factor Structure of Cost Measure

Item Number	Factor Loadings 1	2	3
1	.45	.68	-.13
2	.04	.81	.22
3	.42	-.42	.43
4	.73	-.16	.15
5	.72	-.07	-.37
6	.43	-.02	.62
7	.76	.01	-.23
8	.61	-.18	-.36
9	.66	.18	.22

Factor Structure of Benefit Measure

Item Number	Factor Loading
1	.54
2	.53
3	.67
4	.82
5	.61
6	.59
7	.70

Factor Structure of Attractiveness of Relationship Relative to Expected Standard Measure

Item Number	Factor Loadings
1	.66
2	.72
3	.79
4	.81
5	.79

Factor Structure of Perceived Similarity Measure

Item Number	Factor Loadings
1	.72
2	.81
3	.82
4	.85

Factor Structure of Communication Style Measure
Interaction Orientation

Item Number	Factor Loadings 1	2
Style Preferred:		
1	.56	-.57
2	.52	.66
3	.66	-.16
4	.73	.30
5	.70	-.14
6	.71	-.47
7	.48	.61
Style Used:		
1	.72	-.42
2	.61	-.37
3	.79	.06
4	.59	.55
5	.75	-.41
6	.58	.66
7	.75	.10

Factor Structure of Communication Style Measure
Task Orientation

Item Number	Factor Loadings 1	2
Style Preferred:		
1	.40	.83
2	.73	.31
3	.88	-.28
4	.81	-.39
Style Used:		
1	.78	-.45
2	.52	.73
3	.71	.46
4	.79	-.44

Factor Structure of Communication Style Measure
Self Orientation

Item Number	Factor Loadings
Style Preferred:	
1	.64
2	.75
3	.67
4	.76
Style Used:	
1	.50
2	.86
3	.80
4	.77

Factor Structure of Interpersonal Communication Satisfaction Measure

Item Number	Factor Loadings	
	1	2
1	.47	.64
2	.76	.31
3	.85	-.11
4	.84	-.08
5	.51	-.70
6	.61	-.04

VITA

Leslie M. Fine was born in New Orleans, Louisiana on May 28, 1958. She attended elementary and high school in the New Orleans area and graduated from Grace King High School in 1976. She entered Louisiana State University in 1976 and received a Bachelor of Arts degree in Journalism (Advertising) in December of 1979. She was awarded the Master of Science degree in Marketing from Louisiana State University in May of 1982. Upon graduation, she was employed by AT&T as an associate account executive in Baton Rouge until October 1984. Between October 1984 and July 1987 she help various sales and marketing management positions in Baton Rouge. In August of 1987 she entered the Ph.D. program in Business Administration (Marketing) at the University of Tennessee. Upon graduation in August 1991, she will be employed as an Assistant Professor at Ohio State University (Columbus).