One-to-One and One-to-Many Business Relationship Marketing: Toward a Theoretical Framework

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One-to-One and One-to-Many Business Relationship Marketing: Toward a Theoretical Framework

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ABSTRACT
Purpose. This work addresses mixed findings in relationship marketing literature regarding the importance of micro-level (interpersonal) relationships on firm outcome.

Methodology/Approach: The article leverages impression formation theory to advance a framework to understand one-to-one and one-to-many marketing relationships to better predict firm outcome.

Findings: The authors suggest that 5 framework moderators—the type and consistency of the encounters, relationship age, purchase frequency, relationship interruptions, and two customer side characteristics (i.e., need to evaluate [NTE] and need for cognitive closure [NFCC])—can qualify the relationship building process and impact the effectiveness of interpersonal and/or group relationships on firm outcome.

Practical Implications: The framework suggests that (1) highly consistent sales team behaviors reduce the risk of losing business in case of a sales team member leaving; (2) low frequency purchases are better suited for one-to-many selling relationships; (3) temporarily suspending relationships by individual salespeople is more harmful than suspending relationships by sales teams; (4) involving the customer in the acquisition process facilitates team selling; and (5) a positive first impression is more important for high (vs. low) NFCC and high NTE customers.

Originality/Value. The theoretical framework (1) distinguishes between individual-to-individual and individual-to-group relationships, (2) suggests a distinction between micro-level individual-to-individual and individual-to-group relationships and macro-level individual-to-firm relationships, (3) analyzes the impact of micro-level relationships under the influence of context-related and customer-related factors, and (4) provides managerially relevant guidelines for strategic sales planning.

KEYWORDS relationship marketing, customer-to-salesperson relationships, customer-to-sales team relationships, impression formation, industrial marketing, business marketing
Imagine that a small company owner is considering outsourcing the accounting function and two businesses compete for the contract. Company A sends Maria, an experienced CPA who is a moderately pleasant person with a professional demeanor. Maria’s behaviors seem relatively consistent and a stable impression is easily formed. Company B sends Sarah and Tim, two equally experienced CPAs; however, one is funny and very sociable, the other one is professional but quite distant. In other words, they perform similarly in one dimension (both are equally experienced CPAs) but inconsistently in other dimensions (gender, demeanor). Such variability caused by quantitative (e.g., opinions, beliefs) and qualitative (e.g., race, gender) perceived differences is not conducive for a clear impression of the team (Harrison and Klein 2007; Ahearne et al. 2010). This vignette illustrates the nuances involved in impression formation that shape customer-to-salesperson and customer-to-sales team relationships—the focus of this work.

Developing inter-firm relational bonds is considered key in safeguarding businesses in an information-volatile environment (Berry 1995; De Wulf, Odekerken-Schroder, and Iacobucci 2001; Palmatier et al. 2006). This has motivated research toward monetary quantification of relational assets (e.g., Palmatier, Gopalakrishna, and Houston 2006), yet mixed findings have somewhat tempered enthusiasm of the predictive validity of relationship marketing; sometimes, for example, relationships predicted to be beneficial prove ineffective or even detrimental to businesses (e.g., Cao and Gruca 2005; Colgate and Danaher 2000; Xiong and Bharadwaj 2011).

Interestingly, these mixed findings have coincided with relationship marketing research moving from micro-level investigations of individuals in relationships to more macro-level forms of relationships—such as structural (i.e., Electronic Data Interchange, inventory control, expediting) and financial relationship programs (e.g., free products, special pricing, discounts) or inter-firm marketing and R&D alliances (e.g., Johnson 1999; Johnson and Sohi 2001; Palmatier 2008; Xiong and Bharadwaj 2011). Calibrating inter-firm relationships at impersonal macro-levels may overlook potential confounding variables located at personal micro-levels—such as key customer and contextual variables known to affect relationships and possibly firm outcome. This work acknowledges the importance of macro-level examination of inter-firm relationships but provides a conceptual framework to motivate a reconsideration of micro-level investigations in the relationship marketing domain to increase precision in predictability on firm outcome.

One way to examine micro-level relationship marketing is to map business relationships onto decades of social cognition research or research on how people perceive others (Evans, Kleine, Landry, and Crosby 2000; Creyer and Ross 1994; Hamilton and Sherman 1996). Specifically, research on how a buyer perceives the salesperson or sales team is of particular interest (i.e., one-to-one and one-to-many relationships) (Iacobucci and Ostrom 1996; Weitz and Bradford 1999; Palmatier et al. 2006). Although prior sales literature suggests buyer relationships should occur with a salesperson (Churchill et al. 1985; Biong and Selnes 1997; Harrison-Walker and Coppel 2003) or with a sales team (Smith and Barclay 1993; Moon and Armstrong 1994; Arnett, Macy, and Wilcox 2005; Jones et al. 2005; Ahearne et al. 2010), we remain neutral. This allows us to focus on the overlooked micro-level processes between buyer and salesperson or buyer and sales team relationships in different business-to-business exchange contexts.

Accordingly, the goal of this article is to (1) more clearly delineate the salesperson—sales team distinction in relationship marketing; (2) propose a set of boundary conditions, based on social cognition research on human impression formation, that can increase explanatory and predictive precision of one-to-one and one-to-many relationships on firm outcome; and (3) provide practical guidelines for selling firms in designing sales team composition and future research directions in understanding one-to-one and one-to-many relationship marketing.

The rest of the article is as follows. First, we outline human impression formation theory on individuals and groups discussing the underlying cognitive processes (i.e., on-line versus memory-based impression formation, respectively). This theory is then used to explain the reclassification of business-to-business relationships into one-to-one or one-to-many, resulting in predictions of firm outcome based on key customer and context related variables. Last, we discuss the implications of this reclassification based on impression formation theory for researchers and practitioners.

**BACKGROUND**

Although traditional business research often aggregates results of individual and team selling efforts, social cognition research has informed a reclassification of interpersonal relationships into two types—salesperson to
buyer (i.e., one-to-one) or sales team to buyer (i.e., one-to-many) (Doney and Cannon 1997; Palmatier, Scheer, and Steenkamp 2007; Palmatier et al. 2006, 2007). This reclassification of interpersonal relationships into one-to-one and one-to-many leverages research on what is known about human relationships. Notably, relationships take time to develop. Information exchange and behaviors of business partners shape actors' assessment of a relationship. This assessment can result in an overall impression formation leading to particular firm outcomes. This impression formation should depend, in part, on consumer processing styles that guide the storage, retrieval, and evaluation of information (Ostrom et al. 1993; Susskind et al. 1999; Bizer et al. 2006).

Different customer processing styles can occur as a result of what is being perceived—either individual or group (e.g., Brewer 1988, Brewer, Weber, and Carini 1995; Sedikides and Ostrom 1988; Park and Judd 1990). On-line information processing, for example, involves an evaluation of the information during encoding, such that the information receiver forms an integrated impression about an individual. At judgment time the receiver retrieves only the overall evaluation (Bizer et al. 2006; Mackie and Asuncion 1990; Hastie and Park 1986). Expectations of unity and coherence in the traits of individuals motivate people to search for consistency in individual behavior and form stable on-line impressions (Hamilton and Sherman 1996; Gurhan-Canli 2003).

In contrast to on-line information processing, memory-based information processing implies that pieces of information do not coalesce into an evaluation at encoding, but rather are stored in memory. At judgment, the receiver forms an impression based only on the most recent information about a group (Susskind et al. 1999; Hamilton and Sherman 1996; Hirt, Errickson, and McDonald 1993). Expectation of coherence does not exist in the case of groups. Lack of motivation to form overall impressions or find explanations of inconsistent information about a group result in people encoding information without simultaneously evaluating it (i.e. memory-based process) (McConnell, Sherman, and Hamilton 1994).

Despite its relevance for perceiving individuals and groups, impression formation theory (i.e., on-line and memory-based consumer processing) has been relatively ignored in relationship marketing. Relationship marketing research has mainly contrasted relationships at micro (individual) versus macro (firm) levels (see Iacobucci et al. 1996; Reynolds and Beatty 1999; De Wulf et al. 2001; Palmatier et al. 2007), or investigated effects of macro-level relationship marketing alone (Morgan and Hunt 1994; Doney and Cannon 1997; Samaha et al. 2011). While making significant progress toward a taxonomy of business relationships, these investigations have overlooked differences between same-level (micro) relationships (i.e., individuals and groups; see Table 1).

This work explores and contrasts micro-level business relationships by applying impression formation theory. We detach our research from investigating any firm-level relationship marketing and examine the human component of business relationships only. This approach potentially isolates the effects of individuals and groups on firm outcome better than firm-level relationships, where relationships aggregate effects of individual and group impressions alongside other extraneous variables—such as corporate image, advertising, firm size, capital assets, R&D, or strategic networks—on firm outcome.

One-to-One and One-to-Many Relationship Marketing

A conceptual framework that integrates impression formation theory in relationship marketing is presented in Figure 1. The left side of the model captures the customer side variables that measure relationships as one-to-one or one-to-many, whereas the right side presents a set of firm outcomes that are hypothesized to be affected by relational constructs. Impression formation theory suggests that individual (vs. group) level relationships show stronger positive outcomes (Iacobucci and Ostrom 1996; Palmatier, Scheer, and Steenkamp 2007), but an identified set of moderators may disrupt these results. We first outline the nature of customer relationships and seller outcomes. Then, we propose a set of contextual and customer variables that may be key boundary conditions for established salesperson and sales team relationships with customers on seller outcomes.

Customer Relationships

Customer relationships, defined as a sum of relational bonds and exchange norms a customer shares with a seller, are most often operationalized using trust—"the willingness to rely on an exchange partner in whom one has confidence" (Moorman, Zaltman, and Deshpande 1992), commitment—"an enduring desire to maintain a valued relationship" (Moorman, Zaltman, and Deshpande 1992), and relationship satisfaction—"an emotional state that
<table>
<thead>
<tr>
<th>Relevant literature</th>
<th>Measurement level</th>
<th>Industry/sample size</th>
<th>Findings/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwyer et al. (1987)</td>
<td>Not defined</td>
<td>N/A</td>
<td>Provides a theoretical framework based on the relational exchange theory (Macneil 1980), transposed to business contexts; assumption is that relationships form with an individual.</td>
</tr>
<tr>
<td>Crosby et al. (1990)</td>
<td>Individual-to-individual</td>
<td>Insurance; $n = 151$ whole life policy holders</td>
<td>Relationship quality is a two-dimensional construct consisting of customer satisfaction and trust. Salesperson's perceived similarity and expertise positively influence sales success. Relationship quality directly related to anticipation of future interaction.</td>
</tr>
<tr>
<td>Morgan and Hunt (1994)</td>
<td>Not clear (i.e., mixed individual-to-individual and individual-to-firm relationships)</td>
<td>National tire dealers; $n = 204$</td>
<td>Relationship commitment, acquiescence, propensity to leave assume firm-to-firm relationships; constructs, such as shared values, communication, trust, cooperation, functional conflict assume individual-to-firm relationships.</td>
</tr>
<tr>
<td>Doney and Cannon (1997)</td>
<td>Individual-to-firm; firm-to-individual</td>
<td>Industrial manufacturing and distribution (SIC codes 33-37); $n = 210$ responses</td>
<td>Trust in a supplier is strongly related to intentions for future interaction; idiosyncratic investments build trust; trust of supplier firm is positively affected by buying firm's trust of salesperson. No theoretical explanation of differences between micro- and macro-level relational variables.</td>
</tr>
<tr>
<td>Iacobucci et al. (1996)</td>
<td>Individual-to-individual; individual-to-firm; firm-to-firm</td>
<td>98 MBA students rated . 45 dyadic relational stimuli</td>
<td>The article uses interchangeably the terms 'firm' and 'group' when describing business relationships. No theoretical framework to explain differences in relationship levels.</td>
</tr>
<tr>
<td>Reynolds and Beatty (1999)</td>
<td>Individual-to-individual; individual-to-firm</td>
<td>Retail; $n = 45$ department store 'call customers'</td>
<td>Customers that develop relationships seek functional and social benefits. The benefits directly determine satisfaction with salesperson, only (and indirectly drive satisfaction with firm, loyalty to the salesperson and company, word-of-mouth, and share-of-purchases).</td>
</tr>
<tr>
<td>Colgate and Danaher (2000)</td>
<td>Individual-to-individual</td>
<td>Retail banking; $n = 834$ respondents</td>
<td>Poorly implemented business relationships (vs. no business relationship) can hurt performance.</td>
</tr>
<tr>
<td>Authors</td>
<td>Relationship Type</td>
<td>Industry/Context</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>De Wulf et al. (2001)</td>
<td>Individual-to-firm</td>
<td>Food and apparel industries; ( n = 1,727 ) in 3 countries</td>
<td>Relationship quality measured as second-order construct consisting of trust, commitment, and relationship satisfaction. Customer characteristics found to impact the effectiveness of relationship marketing investments; relationship investments impact relationship quality.</td>
</tr>
<tr>
<td>Palmatier et al. (2006)</td>
<td>Individual-to-individual and individual-to-firm</td>
<td>B2B; ( n = 511 ) manufacturer representatives</td>
<td>Introduces the impression formation theory (Hamilton and Sherman 1996) as theoretical framework. Salesperson-owned loyalty is a stronger long-term predictor of performance than firm-owned loyalty.</td>
</tr>
<tr>
<td>Palmatier et al. (2007)</td>
<td>Individual-to-individual; individual-to-firm</td>
<td>B2B; ( n = 511 ) manufacturer representatives</td>
<td>Describes individual-to-firm relationships through the prism of the individual-to-group framework used in Hamilton and Sherman (1996); In other words, it does not discriminate between individual-to-group and individual-to-firm relationships. Relationships with individual have different effects on firm outcomes than relationships with firms.</td>
</tr>
<tr>
<td>Palmatier et al. (2008)</td>
<td>Individual-to-individual</td>
<td>B2B; ( n = 269 ) buyer-seller dyads in diverse industries</td>
<td>Introduces relationship orientation as an important moderator that increases the impact of relationship marketing activities on trust in salesperson and reduces exchange inefficiency.</td>
</tr>
<tr>
<td>Ahearne et al. (2010)</td>
<td>Team-to-individual</td>
<td>Pharmaceutical industry; medical reps in ( n = 185 ) sales teams contact individual physicians.</td>
<td>Team consensus plays an important role in sales performance; empowerment increases team effort, helping, and sales performance; positive effect of leader’s empowerment is increased if team consensus about own empowerment is acknowledged.</td>
</tr>
</tbody>
</table>
occurs in response to an evaluation of interaction experiences" (Westbrook 1981 in Crosby, Evans, and Cowles 1990). Trust, commitment, and satisfaction are frequently used as standalone variables (e.g., Morgan and Hunt 1994; Doney and Cannon 1997) or under the umbrella of a second-order construct: relationship quality (e.g., Palmatier et al. 2007). For the sake of parsimony, Figure 1 assumes relationship commitment, trust, and satisfaction are independent relational constructs, though interaction effects are possible (e.g., Palmatier et al. 2006).

**Seller Outcomes**

On the right side of Figure 1, different seller outcomes are depicted: the share of purchase the seller acquires from the customer, the customer’s willingness to pay a premium and its associated decreased price sensitivity, and the positive word-of-mouth or “free advertising” in which the customer is willing to engage (Palmatier et al. 2007). Figure 1 presents the three variables as a homogenous unit, as the customer side variables are hypothesized to drive them in the same direction (although in different degrees).

**Effects of Salesperson and Sales Team Relationships on Firm Outcomes**

Under optimal conditions, business relationships pay off both for customers and the selling firm (Reynolds and Beatty 1999). Beyond product acquisition, customers can obtain ancillary benefits from relationships with a salesperson (sales team)—such as by saving time or making decisions with higher confidence; this is especially true for services that are difficult to evaluate prior to purchase (Berry 1995). Positive ancillary benefits can translate into a more loyal customer behavior, higher share of purchases from that firm, and positive word-of-mouth (Palmatier et al. 2007). Positive word-of-mouth can lead to increased efficiency of a firm’s marketing program (due to a “pull effect” of word-of-mouth) and can trigger potential cross-selling opportunities, or decreased sensitivity to price increases or competitive actions (Reichheld 1996; Gwinner, Gremler, and Bitner 1998; Reynolds and Beatty 1999). Such positive outcomes of relational variables often appear in the marketing literature at both one-to-one (Ganesan 1994) and one-to-many relationship levels (De Wulf et al. 2001; 2003).

Moreover, research on loyalty (Palmatier et al. 2006), satisfaction (Reynolds and Beatty 1999), relationship quality (Palmatier et al. 2007), and trust (Doney and Cannon 1997) suggest that customer relationships developed with individuals are better predictors of firm outcome than relationships with groups. This is because on-line relationship impressions are easier to retrieve, more consistent over time, more resistant to persuasion, and linked more strongly to behavior than the memory-based impressions that are characteristic of group evaluations (Bizer et al. 2006, Palmatier et al. 2006). Thus,

\[ P_1: \text{Customer's impressions of a salesperson (vs. sales team) should have a greater positive impact on firm performance.} \]
Naturally, effects of one-to-one and one-to-many relationships are subject to context-related influences. We consider what is known to impact impression formation and evaluative processes in prior marketing (Doney and Cannon 1997; Cooil et al. 2007; Myslinski Tipton et al. 2009; Nelson and Meyvis 2008) and psychology studies (McConnell, Sherman, and Hamilton 1994; Kruglanski and Webster 1996; Tormala and Petty 2001).

**Context-Related Boundary Conditions**

**Length of Relationship**

Prior interactions with a salesperson can influence the strength of an impression of that salesperson more so than with prior interaction with a sales team (Doney and Cannon 1997). Consider, for example, a company salesperson that has helped a customer over eight years with an expensive piece of equipment versus a company’s “sales team” that has helped a customer over eight years with the same expensive piece of equipment. In the former case, there is an expectation of behavior consistency with the salesperson. In the latter case, there is an expectation of behavioral variability across the sales team (Hamilton and Sherman 1996).

Customer impressions of a salesperson formed from expectations of behavioral consistency are necessarily time dependent; that is, these impressions rely on on-line evaluations that are updated “on the spot” as relationship duration increases resulting in stronger and stronger impressions (positive or negative) of a salesperson. The stronger the impression the easier the impression is to retrieve and the better the impression predicts firm outcome (Bizer et al. 2006).

In contrast to customer impressions of a salesperson, customers’ impressions of a sales team formed from expectations of behavioral variability are not necessarily time-dependent; that is, these impressions rely on memory-based evaluations that are less dependent on relationship length and more dependent on what is remembered from more recent encounters with a sales team or sales team member (Hamilton and Sherman 1996). Because, however, there is little expectation of behavioral consistency with a sales group, relationship length is not expected to strengthen customers’ impressions of a sales group on firm outcome. More formally,

\[ P_2a: \text{Relationship duration will strengthen customers' impressions (positive or negative) of a salesperson on firm outcome.} \]

\[ P_2b: \text{Relationship duration will have a smaller effect (positive or negative) on customers' impressions of the sales team on firm outcome.} \]

**Sales Team Consistency**

Some sales teams obey strict dress codes and feature individuals with similar attributes such as gender or personality traits. This consistency in appearance and/or behavior (i.e., entitativity, unity), or “the perception that a social aggregate is perceived as having the nature of an entity, of having real existence” (McConnell, Sherman, and Hamilton 1997) is likely to affect customer information processing styles leading to stronger connections between impression formation and firm outcome (Lickel et al. 2000). This is because salient sales team consistency (e.g., dress code, gender, personality traits) can result in on-line impression formation of the group that is more stable than impressions made from salient group inconsistency (Johnson and Queller 2003; Welbourne 1999; Dasgupta, Banaji, and Abelson 1999). These stable impressions formed from perceived group consistency are easier to recall and therefore should bolster existing perceived positive or negative relationship impressions resulting in stronger firm outcome. Specifically,

\[ P_3a: \text{Perceived group consistency will strengthen the relationship between customers' impressions (positive or negative) of a sales team and firm outcome.} \]

Similarly, because group consistency should impact the relationship between perceived relationships (positive or negative) with a sales team more so than a salesperson on firm outcome, the difference between relationship types on firm outcome should be minimal. This is because of a possible ceiling effect for the effect of consistency on the perceived relationship with a salesperson on firm outcome. That is, a customer is likely already creating an on-line impression of the salesperson without the added benefit of consistency. As a result, there is likely more movement regarding the effect of consistency on perception of relationships with sales teams on firm outcome than the effect of consistency on perception of relationships with a salesperson on firm outcome—all else being equal. More formally,

\[ P_3b: \text{The higher the consistency of the group, the smaller the difference between the two types of customer relationships (one-to-one and one-to-many) on firm outcome.} \]
Contact Frequency

Contact frequency is closely associated with the development of business relationships (Dagger, Danaher, and Gibbs 2009). Research has shown that frequent interactions signal commitment and strengthen relationships (Nicholson, Compeau, and Sethi 2001); conversely, relationships are difficult to develop with limited interactions (Dagger, Danaher, and Gibbs 2009). Consider, for example, in-vendors and out-vendors. In the first case, in-vendors possibly have a choice regarding contact frequency because they are the preferred vendor. In the second case, out-vendors may have limited contact with the customer. If out-vendors are necessarily restricted regarding contact frequency with a customer, what relationship type could lead to stronger predictions of firm outcome—one-to-one or one-to-many?

Impression formation theory suggests that contact frequency in individual-to-sales team relationships is likely to affect firm outcome more so than individual-to-salesperson relationships. For individual-to-sales team relationships, customer’s memory-based impression formation is already a less reliable predictor of firm outcome than individual-to-salesperson on-line information processing (Bizer et al. 2006). However, foreknowledge of infrequent contact likely increases saliency of each encounter in impression formation (McConnell, Sherman, and Hamilton 1997). This saliency can result in increased memory, retrieval, and stronger impression formation of the sales team leading to better predictions of firm outcome (McConnell, Sherman, and Hamilton 1994). Thus,

\[ P_1: \text{Low contact frequency will increase the impact of customer's relationship with the sales team (vs. salesperson) on firm outcome.} \]

In contrast to contact frequency in individual-to-sales group relationships, on-line customer impressions formed from a salesperson are already likely to be strong regardless of how frequent (within a reasonable range) a customer has interacted with that salesperson over a longer period of time (Dagger, Danaher, and Gibbs 2009). Thus, while contact frequency may slightly increase prediction of already strong impressions of one-to-one relationships on firm outcome (Crosby and Evans 1990), contact frequency is much more likely to increase the strength of impressions of one-to-many relationships on firm outcome. The following proposition suggests as much:

\[ P_2: \text{Lower contact frequency should result in smaller differences between the two types of customer relationships (one-to-one and one-to-many) on firm outcome.} \]

Type of Events

Business relationship interactions sometimes involve negative events. A customer, for example, may contact a longtime known salesperson to complain about equipment purchased. Alternatively, a customer may be routed through a call center to different sales team members every time the customer calls to complain about equipment purchased.

In case of negative events, the relationship with both individual salesperson and a sales team is likely to suffer a loss as it has been suggested that “it takes twelve positive service experiences to overcome a negative one” (Liswood 1989, in Bolton and Drew 1992). However, negative events may impact one-to-one and one-to-many relationships differently. Because individual on-line impressions trigger extensive global evaluations of a salesperson, whereas group memory-based impressions involve only a small set of recalled information about a sales team, the weight of the negative event should be larger in the latter case (McConnell et al. 1997; Susskind et al. 1999). Thus,

\[ P_3: \text{Negative events will have a stronger negative impact on the positive relationship with a sales team (vs. salesperson) on firm outcome.} \]

Relationship Interruptions

Business relationships are not always continuous events, and once they lose intensity, relationships need to be reactivated. For example, a relationship between a client and its advertising company may end after a campaign. However, the relationship needs to be re-established with the start of the next campaign because “personal bonds may be maintained between individuals from both companies” even after business relationship dissolution (Freeman and Browne 2004). In other words, the dissolution process—where “activity links, resource ties and actor bonds are broken, disconnecting the former parties from each other” (Tahtinen and Halinen-Kaila 1997, p. 560)—does not imply that relationships completely cease to exist (Havila 1996). However, a cycle of interruptions and reactivations may impact the overall quality of a relationship with a salesperson or a sales team.

 Interruption features—such as timing and frequency—may have a different effect on consumer on-line individual vs. memory-based group impressions of relationships (Luna-Nevarez et al. 2012). Early relationship interruptions can interfere negatively with early impression formation that is a hallmark of individual on-line information processing resulting in weaker predictions of firm outcome (McConnell, Sherman, and Hamilton 1994). Thus,

\[ P_4: \text{Low contact frequency will increase the impact of customer's relationship with the sales team (vs. salesperson) on firm outcome.} \]
1994; Luna-Nevarez et al. 2012). In contrast, late relationship interruptions are less likely to interfere with on-line impression formation, but may interfere with group memory-based impression formation—as more recent information is usually used to create impressions (Hastie and Park 1986). Finally, because frequent relationship interruptions can impact negatively the continuous nature of individual on-line evaluations, but not recall in memory-based group impressions (Luna-Nevarez et al. 2012), customers' impressions of a salesperson relationship on firm outcome are more likely to be affected than customers' impressions of sales team relationship on firm outcome. The following two propositions follow:

P6a: Early (late) relationship interruptions will disrupt the impact of customer's relationships with individual salespeople (sales teams) on firm outcome.

P6b: Frequent relationship interruptions will negatively affect the impact of customer's relationships with individual salespeople on firm outcome to a greater extent than customers' relationships with sales teams on firm outcome.

We next consider how key customer-related boundary conditions such as the need to evaluate (NTE) and need for cognitive closure (NFCC) are likely to affect both one-to-one and one-to-many relationships on firm outcome. This is because of how needing to both “evaluate” and “have cognitive closure” affects customers’ impression formation strategy: either on-line or memory-based (Tormala and Petty 2001; Kruglanski and Weber 1996). Both boundary condition variables are discussed regarding their likely effect on firm outcome.

**Customer-Related Boundary Conditions**

**Customers’ NTE**

Consider a customer who always questions statements. The customer may want to know every piece of information about a product purchased or service provided in excruciating detail. It is not that the customer is trying to be obstructive, but rather the customer has a high NTE.

A customer who is quick to make evaluative impressions (e.g., express evaluative opinions) in a relationship with a salesperson or sales team can be said to be high in their NTE. This “chronic tendency to engage in evaluative responding” (Tormala and Petty 2001) helps customers automatically form impressions about a salesperson and sales team; such tendency is non-existent in customers who are low in evaluative responding (Hermans, DeHouwer, and Eelen 2001). Research has found that respondents who score high on their NTE remember predominantly evaluative impressions (e.g., “some of the songs at the concert were really good”), whereas respondents with lower scores usually rely on non-evaluative statements (e.g., “woke up at 8 a.m. and took my dog out first thing”) (Jarvis and Petty 1996). This is because on-line impression formation dominates for those higher in their NTE, whereas memory-based impression formation dominates for those lower in evaluative responding (Tormala and Petty 2001).

Individual-to-salesperson impressions—that by default are evaluated in an on-line fashion—should remain resistant to context and time as long as the NTE is high. However, high need for evaluative responding should increase prediction strength of individual-to-sales team impressions on firm outcome, as it generates a change of the default processing style from memory-based to on-line. Specifically,

P7a: Customers' high NTE will strengthen the effect of individual-to-salesperson and individual-to-sales team relationships on firm outcome.

P7b: Customers' high NTE will have a more positive impact on the effect of individual-to-sales team (vs. individual-to-salesperson) relationships on firm outcome.

**Customer’s NFCC**

Consider the customer who always seems pressed for time (e.g., approaching decision deadlines). As a result they may be quick to pass judgments or impressions that may not necessarily be accurate. Because of the customer's high NFCC they demand concrete details instead of talking in generalities.

A customer who responds quickly and trades accuracy for speed in decision-making is said to be high in their NFCC. Conversely, those low in their NFCC search extensively for information before reaching a conclusion (Kardes et al. 2007). Differences in customers' motivation to find closure may impact relationship impressions with individuals or groups.

NFCC captures individual differences in one's tendency to form (i.e., urgency to “seize” closure) and lock an opinion permanently (i.e., tendency to “freeze” closure) (Webster and Kruglanski 1994; Kruglanski and Webster 1996). High NFCC customers translate their ambiguity aversion and limited information processing in early seizing and freezing of impressions. While potentially leading to attribution biases and focus on stereotypical information, decisions are quick and permanent (Kardes et al. 2007). In contrast, low NFCC customers focus on diagnostic information that generally leads to better decision-making, at the cost of time. They are more
comfortable with ambiguous situations and are more willing to “unfreeze” an opinion once new information is received. Hence, we suggest that customers who have a higher “need for closure” are more likely to form impressions based on initial contact and influence impressions dominated by a primacy effect (i.e., processed in on-line fashion). Customers who have a lower “need for closure” are more likely to consider information in later stages of a relationship to create impressions dominated by recent encounters with a salesperson or sales team member (i.e., memory-based) (Webster and Kruglanski 1994; Bizer et al. 2006). Specifically,

\[ P_{ha}: \text{Customers with high NFCC will increase the effect of customer-to-salesperson relationships on firm outcome.} \]

\[ P_{lb}: \text{Customers with low NFCC will increase the effect of customer-to-sales team relationships on firm outcome.} \]

**DISCUSSION**

To navigate business-to-business (B2B) exchange complexity, current research in relationship marketing has shifted from micro-level investigations of inter-firm relationships to abstract macro-level investigations (Johnson and Sohi 2001; Xiong and Bharadwaj 2011; Doney and Cannon 1997; Palmatier et al. 2006, 2007). Unfortunately, calibration of inter-firm relationships at macro levels has resulted in a loss of predictive power of relationships on firm outcome—possibly because micro-level relationship variables (e.g., contextual and customer related) have been overlooked (see Table 1). In this work, we have attempted to provide key contextual and customer-related boundary conditions—based on what is known about human impression formation (i.e., on-line versus memory-based)—that are likely to affect the predictive power of relationships on firm outcome. In doing so, our attempt was to move toward a more micro-level theoretical framework of one-to-one and one-to-many marketing relationships. We provide additional insight by examining five statements—based on the theoretically informed framework—for further consideration and discussion.

**1. Highly Consistent Sales Team Behaviors Reduce the Risk of Losing Business in Case of a Sales Team Member Leaving**

In highly consistent groups, behaviors of individuals are likely to be considered a result of the rules and procedures implemented at the group level, as self-identities get reshaped and aligned to group norms (O’Laughlin and Malle 2002). Should a sales team member decide to leave, a customer is left with largely the same consistent behaviors of other sales team members deflecting what would normally be considered a “loss” had the customer only been associated with an individual salesperson for the duration of a relationship. Thus, increasing consistency in sales teams is preferable to the extent that it is possible. This may include corporate training on how sales teams should deal similarly with customer issues, engaging the customer in conversation in similar ways and creating a corporate culture that promotes shared values.

**2. Low Frequency Purchases Are Better Suited for One-To-Many Selling Relationships**

Because low frequency purchase contexts necessarily suggest higher stakes for each relationship encounter, customers are more likely to form impressions that are a result of elaborate processing. Because of this elaborate processing, impressions are formed in an on-line fashion—akin to perceiving individuals. Thus, because impression formation of individuals is a stronger predictor of relationships to firm outcome, it follows that low frequency purchases (vs. high frequency purchases) are better for individual-to-sales team selling relationships. Nevertheless, this effect could be counter-balanced by one-to-one interactions followed by acknowledgments (e.g., thank you notes). Research on non-profit organization-donor relationships has shown that even in low-frequency interactions, simple thank-you notes will strengthen a business relationship (Merchant et al. 2010); hence, individual-to-salesperson relationships may still remain effective.


Continuous on-line information processing that describes customers’ relationship with a salesperson is heavily impacted by breaks, independent of when they happen—early or late, frequent or infrequent. In contrast, memory-based impressions of a sales team should be affected only by most recent (i.e., late) relationship interruptions that are remembered, but not by those that
occur early and are most likely forgotten (independent of their frequency).

4. Involving the Customer in the Acquisition Process Facilitates Team Selling

From a sales strategy perspective, involving the customer in interactions helps the firm keep the customer in an evaluative mode and thus develop stronger on-line impressions. Highly involved customers process information similarly for both individuals and groups, and thus a team selling strategy would work well. However, over the time the interest or involvement in the purchasing process may decline quicker when the relationship is with a group (vs. individual). In this case, additional spending may be needed to keep customer interest and involvement at higher levels.

5. A Positive First Impression Is More Important for High NFCC and High NTE Customers

Because both high NFCC and high NTE customers are quick to form impressions, initial encounters with the sales team or salesperson are key. However, with no foreknowledge of a customer before an initial encounter, a firm should put forth their most personable salesperson or sales team member. Although this suggestion may not make much a difference for those low on these consumer dimensions, putting forth a personable employee to initially encounter a customer may avoid a potential negative initial encounter—a situation that would be diagnostic for customers high on these dimensions resulting in a possible relationship deterioration or loss.

LIMITATIONS AND FUTURE RESEARCH

The theoretical framework presented in this work is sophisticated, yet simple. However, five major areas need further attention and suggest new areas for theory testing. First, the theory builds on the assumption that individual-to-individual impressions are based on on-line inferences, whereas individual-to-group impressions are memory-driven. Though in most cases correct, some research has found that the impression formation process is mediated by perceived variability within the individual or group—suggesting on-line judgments may be possible for high unity groups and memory-based impressions may be used for inconsistent individuals (Welbourne 1999). Future research could examine boundary conditions in which customers’ impression formation would be opposite than predicted from the basic tenants of this work.

Second, our framework does not explain when and how individuals switch from on-line to memory-based processing. For example, a group is by default expected to behave inconsistently, but a consistent behavior may trigger changes in expectations. Both when and how these expectations change is not covered by our framework.

Third, our framework does not explicitly cover group-to-individual and group-to-group situations. In the first case, impressions formed should be similar to individual-to-group processes; the only difference should be perspective: In this work we assumed customers were always unitary for the sake of mapping existing social cognition research on how individuals perceive other individuals or groups. However, this may not always be the case; it may be that a customer team may interact with a salesperson or sales team. In the latter case, it would seem more important to understand group norms, which is a more macro-level approach and beyond the scope of this work. Nevertheless, a broader framework is needed to encompass these additional specific concerns.

Fourth, we recognize that a business may not have the option to choose between one-to-one and one-to-many relationships. This is especially true when products are complex, business cycles are longer, cost of purchase is higher, and specific expertise is needed in servicing a customer account. In these cases, however, there is strong theoretical support that increasing team consistency—if a business is engaged in a one-to-many relationship—will lead to positive results. For example, cohesive work groups result in displays of greater courtesy than otherwise would be predicted from ratings of job satisfaction (Kidwell, Mossholder, and Bennett 1997; De Wulf, Odekerken-Schroder, and Iacobucci 2001; Ahearne et al. 2010). Our framework does not dictate in which relationship type a business should engage, but rather likely outcomes given a particular business relationship.

Fifth, we recognize other psychological theories may be useful in providing additional detail to the framework proposed in this work. Attachment theory, for example, may tap more deeply into the emotional dimensions that drive customer relationships (Johnson and Thomson 2003; Thomson and Johnson 2006). Future research could attempt to synthesize what is discussed in this work with other psychological theories that would provide a more complete rendering of business-to-business relationships.
The theoretical tenants upon which this article is based (i.e., impression formation theory) provide a potential parsimonious account of relationships in business-to-business contexts; these tenants have proved useful in other marketing areas—such as the effect of individual (vs. family) branding (Gurhan-Canli 2003), and the effect of interruptions on product (vs. product bundle) evaluations (Luna-Nevarez, Niculescu, and Payne 2012). Other business marketing contexts may benefit from this approach as well: organizational communication (inter-department communication with individual vs. group), B2B public relations events (management team vs. CEO), B2B advertising (spokesperson vs. group endorsement), or sponsorships (sponsoring an athlete vs. a team), that can lead to primacy and recency effects, as predicted by the impression formation theory. The broader approach to the theory offers an integrative explanation of various contexts and consumer boundary conditions that could ultimately help academics and managers understand business behavior better.

### IMPLICATIONS FOR BUSINESS MARKETING PRACTICE

Developing business relationships is a double-edged sword. If implemented correctly, relationships may add value to both seller and buyer. However, even seemingly unrelated decisions, such as choosing the sales strategy—individual or team selling, respectively—may backfire.

In this article, we explore the differences between customer-to-salesperson and customer-to-sales team relationships and provide decision-making support to practitioners involved in strategic sales planning by offering several suggestions supported by our conceptual framework.

First, we suggest that—especially if sales personnel turnover is low, or reputation of the firm is high—companies may want to encourage consistency of behavior of individual salespeople and sales teams.

Second, in less optimal conditions involving high turnover volatility and reduced loyalty to firm, a team selling strategy may be recommended—as it protects the firm against potential loss of business. It is not unheard of that a salesperson will leave together with a customer with whom the salesperson has developed a relationship (e.g., American Express estimates that in 30% of cases, customers leave with salespeople). Fortunately, the company can reduce the risk by engaging in several behaviors.

Third, we suggest that customer-to-salesperson and customer-to-sales group relationships should produce similar effects if the purchasing frequency is low. When relationships with individuals and groups predict similar results, it is always better to choose to develop individual-to-group relationships.

Fourth, if keeping a continuous relationship is too expensive for the customer, we recommend team selling over individual selling, as research suggests that temporarily suspending relationships by sales teams is less harmful than suspending relationships by individual salespeople.

Fifth, involving the customer in the acquisition process facilitates team selling. Customer involvement may require more effort in team selling (vs. individual selling), as it involves many individuals, but research suggests that it offsets the risk of losing the customer in case a team member defects to competition.

Finally, first impressions are more important for customers that trade decision accuracy for speed in their search for solutions, as they tend to seize and freeze judgments early in the evaluation process. In contrast, customers that take time to make an informed decision are more likely to correct misrepresentations of individuals or groups, once they obtain additional diagnostic information.

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