# BUYER-SELLER INTERACTIONS: THE ROLE OF ETHICAL PERCEPTIONS ON CUSTOMER ATTITUDES AND INTENTIONS

*Barry J. Babin, The University of Southern Mississippi*
*James S. Boles, Georgia State University*
*Mitch Griffin, Bradley University*

## ABSTRACT

The importance of salespeople in the exchange process has been long recognized in the marketing literature (Strong 1925). Recently, however, considerably greater emphasis has been placed on the salesperson role for several reasons. First, the importance of the sales function has become more obvious due to the direct link to a firm's revenue stream. Second, there is considerable evidence that salespeople actually come to represent the firm in the mind of the buyer (Crosby, Evans, and Cowles 1990). Finally, the interactions between a salesperson and the buying organization play an important role in establishing and maintaining the marketing relationship between buying and selling organizations (Boles, Barksdale, and Johnson 1996).

We believe the importance of the buyer-seller interface is difficult to overestimate. While this may be particularly true for industrial sales (Saxe and Weitz 1982), it is evident as well in many retail settings (Bush, Bush, Ortinau, and Hair 1990). For example, interactions between a customer and salesperson have been shown to directly relate to salesperson performance (MacIntosh 1992; Weitz 1981), intentions to continue doing business with the salesperson (Crosby, Evans, and Cowles 1990), and customer satisfaction with the salesperson (Oliver and Swan 1989). Furthermore, and perhaps of even greater importance, the buyer's assessment of the salesperson has been indirectly linked to customer satisfaction with the selling firm and manufacturer (Goff, Boles, Bellenger, and Stojack 1997). Therefore, an organization can realize a significant amount of benefit, or harm, from the behavior of their salespeople.

One area of considerable importance in the buyer-seller interaction involves the role played by a salesperson in providing ethical treatment of customers (Hawes, Mast, and Swan 1989). In an experimental investigation of this issue, Dabholkar and Kellaris (1992) report that two types of questionable sales practices were judged to be highly unethical by consumers. The first revolved around monetary matters. Any questionable behavior that created monetary harm to the buyer was deemed as very unethical. The second area involved the target of ethical transgressions. Respondents judged infractions against customers as less ethical than those that involved salesperson transgressions against his/her own firm. Similar findings have been reported from field studies, where unethical behavior was found to have a direct negative influence on buying decisions in a business-to-business sales setting (Trawick, Swan, McGee, and Rink 1991).

Our study was conducted to provide additional insight into the role of ethical evaluations of salesperson behaviors on marketing relationships. Specifically, the study examines an individual retail buyer-seller sales encounter and the effects of that encounter on customer satisfaction with the salesperson. In addition, this research identifies the effects of that sales encounter on customer attitude toward the retailer. Finally, the we assess the influence of this buyer-seller interaction on probability of a continued relationship with the firm and salesperson.

Respondents were clustered based on their responses to eight ethical judgment ratings. This approach was motivated by the possibility that consumers' moral construals were distinct enough to produce identifiable segments (Robin, et al. 1997) and by histograms of these items showing multimodal distributions. A three group solution was selected because it produced stable clusters and was most efficient in explaining the item dispersion. Group 1 rated their treatment most negatively on every item and felt strongly that the behavior received was unfair, unjust, unacceptable, and not morally right. Group 2 rated their treatment most positively on every item, perceiving their treatment as fair, just, acceptable, consistent with promises/contracts, and morally right. Group 3 tended to express perceptions between these two extremes, but believe their treatment did not violate any promises.

Using MANOVA to investigate differences between Groups produced a Wilks' Lambda of .31 ($F = 11.2$, $p < .0001$) suggesting a significant effect on the dependent variables. Given this outcome, univariate results were considered further. Each attitude and relationship measure was related significantly to group membership. As might be expected, the strongest relationship was seen in the attitude toward the salesperson variable. Interestingly, however, the effect on attitude toward the firm is

nearly as strong. Likewise, the effects on the two relationship variables are similar in size for the salesperson and the firm.

The results of the study illustrate some interesting points. First, our assumption that a considerable number of customers feel that salespeople engage in unethical practices appears to be true. Second, the fact that discrete clusters of customers emerged has implications for future research in this area, and possibly other research in the marketing discipline. Frequently, marketing researchers make a concerted effort to obtain a sample reflecting a set of general characteristics (typically demographic) of the population. Then, these diverse elements are assumed to have a single normal distribution for conceptual and analytical purposes. However, if multimodal response patterns are present, basic assumptions of the analytical procedures are violated and relationships between constructs may be attenuated. Third, this study further illustrates the importance of the boundary spanning role of sales personnel. The results strongly suggest that buyer-seller interactions can color a customer's perception of the organization as well as the individual. In this instance, we can see that a favorable attitude toward the salesperson is associated with a positive attitude toward the firm and intended future relationship with that organization.

The present study has limitations that must be recognized. First, the study is not based on a tight theoretical framework and testable research hypotheses. Second, the use of a convenience sample can be criticized. Together with the lack of a sound theoretical foundation, the convenience sample may bring the generalizability of the results into question.

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For further information contact:
Mitch Griffin
Bradley University
Peoria, IL 61625
Phone: (309) 677-2287
E-Mail: mg@bradley.edu

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