

# Importance of Emotional Intelligence in Retailing for Salesperson

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**Abstract.** At present the retail industry in India is expanding at a fastest rate. In recent past, retailing has gained lot of importance due to rising investment in this sector. These investments will only be justified with pure performance of the retail outlets and the performance of the retail outlets depend on individual sales performance of retail sales people. Dealing with customer problems and maintaining a smile in difficult situations is very demanding in retail sales and therefore, retail sales providers need to be more supportive and understanding in nature to deal with such demands effectively. Emotional intelligence is the ability to restrain from the negative feelings stemming out of such situations and focus on positive feelings which determines success (Gangai et al., 2013). This paper tries to explore and investigate the relationship between EI and retail sales people performance.

**Keywords:** Emotional Intelligence, Retail Stores, Sales People, Sales Performance, Sales Success

## 1 Introduction

The concept of emotional intelligence was firstly introduced by Salovey & Mayer (1990) as a type of social intelligence, separated from general intelligence which involves the ability to monitor one's own and others' emotions, to discriminate among them and to use the information to guide one's thinking and actions. Building on the Salovey & Mayer's model Goleman (1995), who was responsible for the popularization of the concept, viewed EI as "the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships.". He also identified the four elements as the components of emotional intelligence: Self-awareness, Self-management, Social-awareness and Relationship management, to them he called as Emotional competencies.

In last few years EI received very much research attention especially its impact on work performance. So many researches worldwide attempted to explore the relationship between EI and workplace performance, they suggest that people with higher levels of EI lead more effectively (Barling et al., 2000; Bass, 2002; Caruso et al., 2002; Higgs and Aitken, 2003; Kerr et al., 2006; Palmer et al., 2001; and Rosete and Ciarrochi, 2005); are efficient job performers

(Abraham, 2000; Carmeli, 2003; Loundsbury et al., 2003); feel satisfied with their job (Carmeli, 2003); and are committed both to their career and to their employing organization (Carmeli, 2003). Emotional intelligence also has been shown to be related to enhanced customer satisfaction (Kernbach and Shutte, 2005; Langhorn, 2004). Walker (1995) pointed out that all elements of a service encounter, including the physical surroundings, waiting time, and importantly, the behavior and performance of service providers, can influence customers' level of satisfaction.

Barlow and Maul (2000) theorized that high emotional intelligence in service providers contributes to customer satisfaction. They posited that customer satisfaction relates to a customer's emotional experience during the service encounter, and that service providers with high emotional intelligence should be better able to create a positive emotional experience for customers. Therefore the EI is an important quality of service provider (Muchinsky, 2000; Weisinger, 1998). Theoretical research in sales suggests EI may also be an essential quality of successful salespeople. As Walker, Churchill, and Ford (1977) explained in their work that personal variables such as EI are considered antecedent variables influencing the salesperson's motivation, aptitude, and role perceptions that, in turn, are linked directly to performance.

## **2 RETAILING IN INDIA**

Retailing in India is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP. The Indian retail market is estimated to be US\$ 450 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people. As of 2013, India's retailing industry was essentially owner manned small shops. In 2010, larger format convenience stores and supermarkets accounted for about 4 percent of the industry, and these were present only in large urban centers.

## **3 EMOTIONAL INTELLIGENCE:- DEFINITION AND STRUCTURE**

Emotional Intelligence helps a person to assess one own emotions and that of others, thereby learn to use feelings to encourage, inspire and attain success in one's life (Abraham, 2000). Emotional Intelligence is defined as "the ability to monitor one's own and other's feelings and emotions, to discriminate among them and to use this information to guide one's thinking and action" (Mayer & Salovey, 1997). They further improvised this definition and stated as

follows: “Emotional intelligence involves the ability to perceive accurately, appraise and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth”. According to this definition, Mayer and Salovey have suggested five branches of EI:

- i) Perception, Appraisal and Expression of Emotion
- ii) Emotional Facilitation of Thinking
- iii) Understanding and Analyzing Emotions; Employing Emotional Knowledge
- iv) Reflective Regulation of Emotion to Promote Emotional and Intellectual Growth

Thus, Goleman define EI as all-encompassing view that covers traits, values, personality, motivation, and character Goleman (2001) identified the four elements as the components of emotional intelligence: **Self-awareness, Self-management, Social-awareness and Relationship-management**, to them he called as **Emotional competencies**. This range of skills can be divided into two key areas within an emotional competence framework, namely: Personal Competences (how a person manages himself/herself) and Social Competences (how a person manages relationships); these two groups also feature sub-competences as given in *figure 1*.



#### 4 DEVELOPING EMOTIONAL INTELLIGENCE OF SALES PEOPLE

Developing emotional intelligence of salespeople could be a four-step process:

- 1) **Identification of Crucial Emotional intelligence Competencies Required:** First the crucial EI competencies need to be recognized. This can be done with reviewing the literature available in the field (Weitz, Castleberry, and Tanner 2000 Spencer & Spencer, 1993; Spencer, McClelland, & Kelner, 1997). Some other sources can also be used, for example as mentioned above in the current paper is the finding of a recent survey conducted by leading EI consultancy and research firm (Talent Smart, Hay/McBer Research and Innovation Group etc ). These findings are generalized and with the help of these a baseline can be established.
- 2) **Assessing These Competencies Of Salespeople :** Although no single EI testing tool has emerged as the dominant favorite for assessment purposes, there are several assessment scales available, the most popular tests include the following: EQ-I (Reuven Bar-On 1997), Emotional Competency Inventory (Goleman, 1998), Multi-factor Emotional Intelligence Scale (Mayer, Caruso and Salovey, 1998) and others (Feldman 1999; Schutte et al. 1998; Weisinger 1998). Each scale has benefits and drawbacks depending upon time factors, ease of use, parsimony, and scoring simplicity. EQ-I (Reuven Bar-On 1997) assessment tool is particularly helpful because this is a self-report questionnaire. With this the crucial EI competencies can be assessed.
- 3) **Identification Of Emotional intelligence Gap** Once the crucial EI competencies are identified and these are assessed, each individual salesperson will have an idea as to which aspects of EI he/she needs to improve the most or help of expert can be taken to identify the gap between required competencies and the actually possessed by sales force in the organization .Gap could be as some salesperson may be very strong in the intrapersonal dimensions of self-regulation and self-awareness, but may need to improve the interpersonal skill of perceiving others' emotions. This can actually help in constituting a good training program or approach to enhance EI of salespeople.
- 4) **Bridging The Gap / Improving EI of Salespeople:** Once salespeople have assessed their EI strengths and weaknesses, exercises to enhance their EI can be used. While there are a number of literature is available with ideas on how to improve emotional

intelligence at workplace (e.g. Epstein 1998; Feldman 1999; Weisinger 1998) none speak specifically to the needs of the salespeople. Here the author present ENCORE, a six step self-development approach, which can be instrumental in enhancing EI of salespeople.

- E- "Emotional Awareness", let's start with self-evaluation, looking honestly deep inside. What are the weaknesses and strengths? Accepting short comings and working on some areas to make them better.
- N- "Neutralizing emotional dissonance" Examine how you to react to stressful situations which demands higher emotional labor. The ability to stay calm and in control in difficult situations is highly valued - in the business world and outside it. Means understanding the required and felt emotions and trying to bridge the gap in between i.e. neutralizing emotional dissonance.
- C- "Constraint" – watching emotional responses, put a check on negative emotions that can damage relationships, inflict pain in others especially customers and colleagues.
- O- "Observation" - Observe how to react to people, develop emotional radar. Do not rush to judgment before all the facts are clear. Look honestly at interaction with other people, be a better listener and observer.
- R- "Realization" – Examining how one's actions affect others before taking those actions. Try to put yourself in their place, and be more open and accepting of their perspectives towards decision.
- E- "Establishing Rapport with Others" (social skills/relationship management) – communication openly with others. Accepting the point of view of others in conflict resolution, giving others a chance to shine.

## **5 SCOPE FOR FUTURE RESEARCH**

This paper has been an attempt by researchers to investigate the need and applications of EI in retailing from which future research can be generated. New researches might investigate importance of each single dimension of emotional intelligence such as self-management, relationship management etc in retailing. Also researches focusing on specific areas for example the impact of ability to recognize customers' emotions, capacity to handle emotional labor, ability to deal with emotional dissonance etc on their performance. Even the importance of EI competencies from buyer point of view can also be studied.

## 6 CONCLUSION

Emotions are an integral part of all stages of the retailing experience for customers. During their shopping experiences, consumers may experience a range of emotions such as excitement, happiness, hope, love, sadness, fear, anxiety, anger, disgust, etc., each of which may uniquely impact consumer decision making, purchase behavior, and interactions. Retailers are faced with the unique challenges of not only understanding and predicting the consumers' emotions and experiences, but also with shaping retail environments and service encounters to cultivate desired emotions and eliminate undesired emotions.

Much research has been done to find the impact of emotional intelligence on sales performance but there is less knowledge and empirical evidence to articulate that sales people EI predicts their sales performance and sales success in retail industry. This paper open up avenues for researchers to expand research in analyzing the growth format of emotional intelligence in sales persons. Since customer is the one who ultimately determines success of sales interactions, research can be taken up to examine whether EI in sales people translate into higher levels of customer satisfaction, loyalty, trust, word of mouth etc. which are directly related to sales success of retail sales personnel.

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