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# Disclosure and Its Reciprocity as Predictors of Key Outcomes of an Initial Sales Encounter

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This study reports findings from an experiment designed to investigate how verbal exchange between a salesperson and a prospect influences sales outcomes of an initial sales encounter. One hundred ninety-six salesperson-customer dyads were videotaped controlling for sales situation variables. Findings provide support for the idea that elements of task and social disclosure differentially influence customer perceptions of interaction quality and business relationship potential. In addition, the study illustrates a methodology that can be used to investigate dyadic interchange.

## Introduction

The two-way flow of information is what distinguishes personal selling from other forms of promotion (Weitz 1981). It is through the act of disclosing information to the other party that buyers and sellers seek to determine both product-related suitability and interpersonal compatibility. The information provided by such disclosures also makes it possible for a salesperson to adapt during the sales encounter. Moreover, of the four interpersonal events that strongly influence relationship development (i.e., verbal disclosure, non-verbal body language, the physical environment, and interpersonal perceptions) disclosure is the primary means for advancing a relationship beyond a casual acquaintanceship (Altman and Taylor 1973). These factors point to the importance of conducting systematic research into how disclosed information affects sales performance.

This study introduces a framework for exploring the relationships between verbal disclosures and sales effectiveness in a sales encounter. Specifically, this investigation seeks to reveal how the type, volume and intimacy of verbal disclosure impact customer's perceptions of the quality of an initial sales encounter and of the relationship's potential.

While sales effectiveness and salesperson adaptiveness research typically examine only the salesperson side of the salesperson-customer encounter (e.g., Leigh and McGraw 1989; Weitz 1981; Weitz, Sujan and Sujan 1986; Macintosh et al. 1992), the research presented here explicitly considers the *interaction* between the customer and salesperson as an important determinant of sales effectiveness. Thus, this effort complements previous studies by examining simultaneously

both sides of the customer-salesperson exchange. By empirically investigating the balance of information exchanged between the customer and salesperson, the study reveals how reciprocation of disclosure impacts selling effectiveness. By focusing on the effects of reciprocity, in addition to the effects of disclosures alone, this study offers guidance to salespeople about what and how much to disclose *and* how to adapt in terms of the overall balance of the information exchanged in an initial sales encounter.

As successful sales personnel are often noted for their extensive network of long-standing customer relationships, it is important to examine how salespeople effectively lay the groundwork for future exchanges during initial transactions (Macintosh et al. 1992). The importance of focusing on *initial* buyer-seller interactions is further accentuated by research findings that show that parties in an exchange setting make projections concerning the likelihood of continuing a relationship, and that these projections are stable over time (Berg 1984). Thus, initial interactions between buyers and sellers not only determine the more immediate outcomes of the transaction (e.g., was the sales encounter satisfactory?) but also influence the nature and extent of longer-term outcomes (e.g., did the encounter enhance the salesperson-customer relationship?)

## The Verbal Disclosure Framework

Figure 1 illustrates the proposed framework by depicting the relationship between salesperson and customer disclosures and sales effectiveness within an initial sales encounter. The following discussion details the key variables and the hypothesized relationships shown in Figure 1.

## Conceptualization of Terms

*Disclosure Types.* In order to investigate information exchange in a systematic fashion, this study identifies two types of verbal disclosure for further analysis: task-specific disclosure and social disclosure. One type, task-specific disclosure, occurs during a sales interaction to facilitate a transaction, such as the prospect revealing needs to be filled by the seller's product or the salesperson revealing the best way to meet those needs. The other type, social disclosure, is used to explore non-transactional topics, such as common lifestyle interests or backgrounds, from which buyers and sellers derive personal non-economic satisfaction (Hosman 1987; Sheth 1975;

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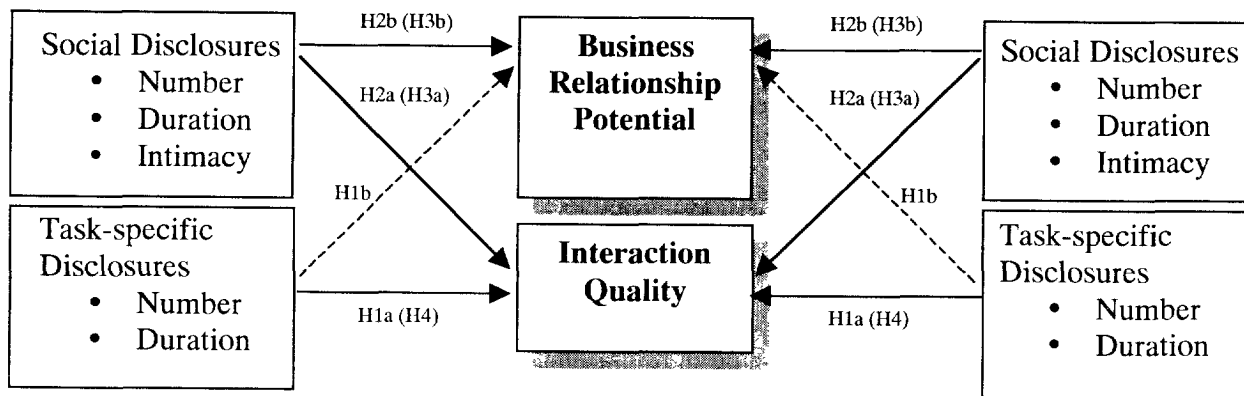
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Figure 1  
 Framework of Task and Social Disclosure, Reciprocity and Sales Effectiveness



Solid arrows indicate that disclosure elements *and* their reciprocity (i.e., parity) between customer and salesperson are hypothesized to positively impact sales effectiveness. Dashed arrows indicate that disclosure elements by salesperson and customer, but not their reciprocity, are hypothesized to positively impact sales effectiveness

MacNeil 1978). Formal definitions of each of these disclosure types are offered next.

*Task-specific disclosure* is information specific to the business purpose of the sales interaction and is the “necessary and sufficient disclosure” for an exchange to take place. That is, task-specific disclosure is the “bare bones” of information necessary for a sales transaction to occur. In the life insurance purchase process, for example, all customers must provide information about income, debts, and marital status. Customer task-specific disclosures provide the salesperson vital information essential to qualify the prospect—to assess the prospect’s need, ability to pay, and timeliness.

Analogously, the salesperson’s responses to customer task disclosures often take the form of task-specific disclosures. The salesperson may respond with advice such as, “I believe (think, feel) that people with your income should...” Frequently, salespeople will make task-specific disclosures concerning their values and ethics or self-evaluative statements about their qualifications (e.g., “I am well-informed about financial affairs”).

*Social disclosure* is personal information communicated beyond that required to complete the immediate task. This is disclosure that occurs during a sales encounter but is not necessary for the exchange to take place. For example, salespeople or customers might disclose social information about their personal interests in an attempt to establish social rapport (e.g., “I love attending local high school football games”). Social, clinical and counseling psychologists, communication specialists, and others often study social disclosure because of its effects on long-term relationship development (e.g., Chelune 1978; Derlega, Winstead, Wong, and Greenspan 1987). Especially when repeat sales are desired, disclosure by both the customer and the salesperson may extend beyond the task-specific information needed to facilitate the immediate exchange and include social information that may lead to the development of complex business and personal relationships (Crosby, Evans, Cowles 1990; Dwyer, Schurr and Oh 1987; Webster 1992).

*Disclosure Reciprocity.* Disclosures synchronized with the target and the stage of the relationship can have beneficial

effects for further relationship development (Chelune 1978; Derlega et al. 1987; Derlega and Grzelak 1979). This study explores disclosure during the initial stage of a relationship and sheds light on the importance of one particular synchronization guideline—the norm of reciprocity (Gouldner 1960). The norm of reciprocity is viewed as an organizing principle for communication (Altman and Taylor 1973; Cialdini 1988). In sales encounters, the norm of reciprocity implies that the balance between the disclosures of buyers and sellers may be critical in establishing buyer-seller relationships (Crosby Evans and Cowles 1990; Davis and Skinner 1974; Dwyer, Schurr and Oh 1987).

Formally, reciprocity is “a social interaction where movement of one party evokes a compensating movement in some other party” (Houston and Gassenheimer 1987, p.11). For this study, disclosure reciprocity is the degree of balance present in the dialogue between a customer and salesperson. Because disclosure reciprocity is linked to variables important for understanding sales effectiveness (e.g., satisfaction and relationship building [Altman and Taylor 1973], trust [Drag 1968; Johnson and Noonan 1972], and attraction [Archer, Berg, and Runge 1980]), it appears to be a particularly useful way to evaluate the conversation that occurs during a sales interaction.

It is important to recognize that disclosure and its reciprocity occurs over the duration of an interaction, and, as such, tit-for-tat disclosures are not the focus of this investigation (i.e., the customer immediately responding to the salesperson, or vice versa). Rather, this study explores the effects of disclosure balance within the context of an entire verbal exchange (i.e., a simulated sales interaction). A multifaceted representation of disclosure reciprocity is employed that allows for examination of individual elements of disclosure (e.g., the intimacy of social disclosure) on sales effectiveness.

*Sales Effectiveness.* *Interaction quality* is indicative of sales effectiveness within the specific sales encounter from which longer-term customer relationships at least partly derive. Interaction quality is conceived as a higher order construct (Anderson and Gerbing 1988) composed of (a) the amount of trust a buyer places in the salesperson and (b) the buyer’s

degree of satisfaction with the salesperson (Crosby, Evans, and Cowles 1990). In initial business interactions, a major objective is to establish the salesperson as a legitimate and credible partner (Wilson 1977).

Another important sales objective of many initial buyer-seller interactions is laying the groundwork for future exchanges. Interpersonal communication within the sales encounter is likely to involve disclosures that enable buyers and sellers to grow relationships beyond the immediate sales encounter (Wilson 1977). Thus, the customer's perception of *business relationship potential* is included in the study. Hypotheses relating disclosure and its reciprocity to sales effectiveness are outlined next.

### Hypotheses Regarding Disclosure and Its Reciprocity

The interpersonal relationship literature suggests that intimate personal relationships and successful communication episodes are enhanced through disclosure and disclosure reciprocity (e.g., Archer 1980). In part, this study explores whether that literature—based largely on social penetration theory (SPT) and uncertainty reduction theory (URT)—can be applied to a sales context.

Empirical investigation of the role of disclosure in a sales context is warranted for several reasons. For one, unlike intimate personal relationships, the interaction dynamics of sales encounters are often driven by complex objectives that include transactional and social goals. For example, salespeople may be motivated to simultaneously close an immediate sale *and* to establish a long-term relationship with the customer. Moreover, the continuity of a relationship may be predicated by the successful culmination of an initial sale (e.g., the sale of financial investments). Thus, getting a "foot in the door," by obtaining an initial customer order, may provide salespeople the opportunity to prove their worth and build the relationship. It could be that these early, modest commitments are trials used to assess the long-term viability of a relationship. Hence, disclosure and its reciprocation, within the context of an initial customer encounter, may impact sales outcomes differently than in purely social interactions. No empirical research to date, however, has addressed the impact of disclosure in a sales situation, and it remains unclear how disclosure and its reciprocation relate to sales effectiveness.

### Disclosure and Sales Effectiveness

Two theoretical perspectives offer insight into the effect of disclosure on interpersonal interactions: social penetration theory (SPT; Altman and Taylor 1973) and uncertainty reduction theory (URT; Berger and Bradac 1982). In brief, SPT contends that the growth of a personal relationship can be viewed as a process of disclosing progressively more intimate personal information between individuals. In URT, relationships are posed to prosper when uncertainty regarding the social situation is reduced through disclosure. Both theoretical perspectives highlight the importance of exploring the effects of disclosure and its reciprocity on business relationships and are detailed next.

SPT poses that social disclosure and its reciprocity are essential in establishing the foundation of a relationship (Altman and Taylor 1973). What is particularly compelling in applying SPT to sales is its focus on how the *volume* (i.e.,

number and duration) and *intimacy* (i.e., the degree to which the disclosure reveals non-transactional personal/private information) of social disclosure results in positive interpersonal encounters and relationship building (Altman and Taylor 1973; Chelune 1975, 1978). In brief, SPT theory contends that successful relationships shift over time to become more intimate through the disclosure of personal information, but for any stage of relationship the volume of social disclosures and their intimacy contribute to furthering the relationship. Moreover, relationships are viewed as progressing from basic human interactions to complex interpersonal relationships, which seems to parallel sales exchanges often building into longer-term relationships (Altman and Taylor 1973; Dwyer, Schurr, and Oh 1987).

URT is a complementary theoretical perspective that contributes to understanding the role of disclosure on the quality of interpersonal exchanges and on relationship development. Like SPT, URT highlights the importance of considering the impact of the *volume* of disclosure on relationship formation—though for different reasons. URT posits that communication facilitates the understanding of others in a social situation and provides procedural knowledge necessary to successfully conduct an interaction (Berger and Roloff 1982). Salespeople and customers in a given situation will disclose personal or task-specific information to reduce uncertainty about the sales/purchase task as well as the interpersonal setting. Thus, the act of disclosing reduces uncertainty by enabling buyers and sellers to predict how an interaction partner is likely to behave (e.g., are they trustworthy?). This is important because, "the role played by communication in the development of relationships is mediated by uncertainty reduction," or disclosure (Berger and Bradac 1982, p.5).

In particular, the importance of social disclosure is clear in the many sales settings where customers experience purchase uncertainty and rely on the credence properties of the salesperson. For example, highly intangible services, such as those in the financial industry, are often difficult for the customer to evaluate even after purchase and use (Zeithaml 1981). When a salesperson is able to reduce the customer's uncertainty about the salesperson's integrity and trustworthiness, the customer's perceptions of interaction quality should increase (Roloff and Miller 1987; Zeithaml 1981). Thus, uncertainty reduction affects how buyers evaluate the product or service, which partly determines whether immediate and future purchases will be made (cf. Bitner, Booms and Tetreault 1990; Szymanski 1988).

In sum, social and task-specific disclosure, on the part of the salesperson and the customer, appears to be necessary to offset the uncertainty that customers experience in early stages of a buyer-seller relationship and seems to play an important role in establishing a social rapport (Altman and Taylor 1973; Berger and Bradac 1982; Wilson 1977). Thus, elements of each disclosure type (e.g., intimacy, duration and number) are hypothesized to positively impact customer perceptions of sales effectiveness.

H1a: Volume of task-specific disclosure (i.e., number and duration of disclosures) by both customer and salesperson will positively influence customer perceptions of interaction quality.

H1b: Volume of task-specific disclosure (i.e., number and duration of disclosures) by both customer and salesperson will positively influence customer perceptions of business relationship potential.

H2a: Volume of social disclosure (i.e., number and duration of disclosures) and social disclosure intimacy by

both customer and salesperson will positively influence customer perceptions of interaction quality.

- H2b: Volume of social disclosure (i.e., number and duration of disclosures) and social disclosure intimacy by both customer and salesperson will positively influence customer perceptions of business relationship potential

### **Disclosure Reciprocity and Sales Effectiveness**

Since social bantering (e.g., discussing social acquaintances in common, proximity of residences, similarity of household configuration such as number and age of children) appears common in sales encounters, and since meeting customer needs and solving customer problems often seem to require bilateral disclosure, it is important to explore the balance of verbal disclosure on sales effectiveness (Crosby Evans and Cowles 1990; Davis and Skinner 1974; Dwyer, Schurr and Oh 1987). Although the volume and intimacy of disclosure may likely increase over several meetings (Davis 1976), communication patterns such as the reciprocation of social disclosure have been described as norms that largely transcend the stage of the relationship contributing to effective communication and relationship formation (Johnson and Noonan 1972). For personal selling, this supposition can be explored by examining the impact that the balance of customer and salesperson verbal disclosure has on customer perceptions of interaction quality and relationship potential.

Consistent with favorable reactions to disclosure reciprocity within a single verbal exchange (Johnson and Noonan 1972; Wilson 1977), a positive relationship is proposed between task-specific and social disclosure reciprocity and interaction quality (Crosby, Evans, and Cowles 1990). From the salesperson's perspective, reciprocation of the customer's disclosure should have a positive influence upon customer perceptions of interaction quality. Additionally, due to the relationship building properties of social disclosure reciprocity (Altman and Taylor 1973; Gouldner 1960), the balance of social disclosure elements between customer and salesperson should positively impact customer perceptions of business relationship potential. From the salesperson's perspective, reciprocation of the customer's social disclosures should help further business relationship potential.

- H3a: The reciprocity of social disclosure elements (i.e., number, duration and intimacy) will positively affect customer perceptions of interaction quality.
- H3b: The reciprocity of social disclosure elements (i.e., number, duration and intimacy) will positively affect customer perceptions of relationship potential.
- H4: The reciprocity of task-specific disclosure elements (i.e., number and duration) will positively affect customer perceptions of interaction quality.

While it seems reasonable that task-specific reciprocity would relate to business relationship potential, that relationship has not been established nor theorized in the extant literature, and therefore no hypothesis is offered. A quasi experiment is reported next that explores the proposed relationships advanced in the framework.

### **Method**

An observational study, conducted under laboratory conditions, examined the influences of disclosure and disclosure

reciprocity on sales effectiveness in an initial buyer-seller meeting. As it was an initial meeting between salesperson and customer, the stage of relationship development is controlled. A life insurance purchase was chosen as the context for the salesperson-customer interaction because it represents the class of high-involvement selling situations where an initial sales call is often used to establish the foundation for a long-term relationship. A life insurance purchase is an involving activity that requires considerable discussion between a salesperson and customer.

### **Sample**

A total of 116 married customer couples and professional salespeople were recruited to participate in this study (see Table 1). The couples were compensated for their participation. All couples were screened to ensure that they were prime candidates for life insurance purchase (i.e., married, male head 25 to 40 years of age, children at home if head younger than 30, both spouses at least high school graduates, household income between \$15,000 and \$100,000 at the time the study was conducted). Within these constraints, quotas were established for socio-demographic segments according to the population distribution of the major southwestern SMSA where the study was conducted.

The 116 salespeople who participated in the study, all insurance agents with recent experience in selling life insurance, were recruited primarily from local chapters of a major national trade association representing insurance agents (see Table 1). Because of no-shows, sporadic technical problems, and pre-testing of the content analysis, data from 98 sales interactions are used in the analyses.

As this study explores the relationship between disclosure and individual perceptions, the unit of analysis for this study is the customer-salesperson dyad. Accordingly, the sample size for analysis purposes is 196 customer-salesperson dyads.

### **Procedures**

Upon arrival at the research site, study participants were taken to separate rooms and shown a videotaped briefing concerning their roles in the buyer-seller interaction. Next, the customer couple and salesperson were led to a room decorated to resemble a living room. The couple and agent were introduced to one another and seated at a table. The researcher then left the room. Each agent-customer couple dyad interacted until a natural terminus (approximately one hour for most dyads). The sales encounter was video taped so disclosure and reciprocity in the sales encounter could be assessed later. After the sales interaction, the participants returned to the briefing rooms where each completed a questionnaire containing the paper and pencil instruments that included measures of business relationship potential and interaction quality. Care was taken to ensure husbands and wives did not discuss the sales encounter until after the pencil-and-paper measures were completed (see Appendix A for a summary of the measures).

### **Measures**

*Social disclosure.* Three properties of social disclosure (i.e., verbal utterances about personal topics not necessary for furthering the sales transaction) were measured: *number of*

**Table 1**  
**Profile of Dyadic Sample**

<i>Household Demographic Variables</i>	<i>Percentages</i>	<i>Agent Demographic Variables</i>	<i>Percentages</i>
<i>Age of Male Head</i>		<i>Years in Industry</i>	
Under 35	47.4 %	5 Yrs. or Less	46.6 %
35-39	25.9	6-10	19.8
40-44	26.7	11-20	17.2
Total	100.0 %	Over 20 Years	32.7
		Total	100.0 %
<i>Education of Male Head</i>			
H.S./Some College	46.6 %		
College Graduate	39.7		
Advanced Degree	13.7		
Total	100.0 %		
<i>Occupation of Male Head</i>			
Professional/Managerial	37.0 %		
Sales	15.5		
Technical/Administrative	20.7		
Other	26.8		
Total	100.0 %		
<i>Children at Home</i>			
Yes	90.5 %		
No	9.5		
Total	100.0 %		
<i>Household Income</i>			
Less than \$25K	11.2 %		
\$25K-34,999	26.7		
\$35K-49,999	42.2		
\$50K-74,999	13.0		
\$75K-99,999	6.9		
Total	100.0 %		
<i>Home Ownership</i>			
Yes	93.1 %		
No	6.9		
Total	100.0 %		

social disclosures, *duration* of social disclosures, and *intimacy* of social disclosures. Number of social disclosures is operationalized as the number of distinct social disclosures (facts or ideas mentioned) made by an individual. Duration of social disclosure is operationalized as total length of time (in seconds) of a person's social disclosures during the sales interaction. Intimacy is operationalized as the highest level of intimacy evidenced in a person's social disclosures. This intimacy value was obtained from Altman and Taylor's (1966; 1973) inventory of personal (social) disclosures and accompanying normed intimacy values. Their inventory contains 671 distinct personal disclosure items found to occur regularly in interpersonal interactions (an identifying number is associated with each item to ease its use by judges). The normed intimacy value can range from one (low intimacy of personal disclosure) to eleven (very high intimacy of personal disclosure). The maximum intimacy value for each person was then

identified and recorded as the maximum personal disclosure intimacy for that individual.

*Task-specific disclosure.* Task-specific disclosures are verbal utterances that contain information necessary for the sales transaction to take place. Information provided about product pricing and features exemplify task-specific disclosures. Two properties of task-specific disclosures are relevant to this study: *number* of task-specific disclosures and *duration* of task-specific disclosures. Number of task-specific disclosures was operationalized as the number of unique task-specific topics uttered by a person during the sales encounter. Duration of task disclosure was operationalized as the total length, in seconds, of a person's task-specific disclosures. Data for the indicators of social and task-specific disclosure were obtained by coding the sales interaction videotapes made of the sales interactions, as described later.

*Outcome variables.* Interaction quality and business relationship potential were the dependent variables of interest

**Table 2**  
**Descriptive Statistics for Disclosure Indicators**  
**(Means with Standard Deviations in Parentheses)**

Indicator	Disclosure			
	Task-Specific		Social	
	Salesperson	Customer	Salesperson	Customer
# Items	27.3 (16.9)	38.5 (22.4)	15.2 (9.9)	10.7 (8.2)
Duration in seconds	126.6 (75.3)	117.0 (98.4)	55.9 (44.1)	29.6 (31.0)
Intimacy	—	—	4.8 (2.3)	4.5 (1.8)

for this study. Both outcomes were measured using multiple indicators arrayed on a 7-point Likert-type format (see Appendix A). Interaction quality is a composite represented by two subgroupings of items: a trust subgroup and a satisfaction subgroup derived from Crosby, Evans, and Cowles (1990). Similarly, business relationship potential is a modified version of the "anticipation of future interaction" construct used by Crosby, Evans and Cowles (1990).

## Data Preparation, Analysis and Results

### Data Preparation

Data for the personal and task-specific disclosure properties were obtained by coding each of the videotaped sales encounters. Procedures pioneered by Taylor and colleagues guided collection of these data. Three expert judges were trained and used to cross-validate the form and volume of disclosure in the videotapes. In the few cases where level of agreement fell below 70%, the tape was re-evaluated to achieve satisfactory agreement (cf. Perreault and Leigh 1989).

Coded data were used to create indicators for the disclosure property indicators. Duration of personal (or task-specific) disclosure was obtained for each individual (husband, wife, or salesperson) by summing the duration of all audible personal (or task-specific) disclosures made by that person. Number of personal (or task-specific) disclosures was obtained by counting the number of distinct personal (or task-specific) topics disclosed by an individual. Personal disclosure intimacy was obtained by identifying the highest intimacy value associated with the personal disclosures uttered by each individual.

Table 2 reveals that, on average, the customer disclosed a greater variety of task-specific disclosure topics than did the salesperson, while the salesperson spent more time disclosing task-specific information. In contrast, the salesperson shared more personal disclosure topics, and spent more time disclosing personal information, than did the customer. Intimacy level of personal disclosure by salesperson and customer are similar.

### Analysis Overview

Edwards' (1993, 1994) procedures for the analysis of dyadic data were adapted for this study. Disclosure and disclosure reciprocity are assessed by including, as predictors, a customer and a salesperson disclosure element (e.g., duration of task-specific disclosures). With this method, a *disclosure effect* is evidenced when the regression coefficient for a disclo-

sure characteristic (e.g., duration of customer's task-specific disclosures) is statistically significant (see Figure 1). A *reciprocity effect* is evinced when the regression coefficients for customer and salesperson disclosure are (a) both statistically significant and (b) have opposite signs. A reciprocity effect implies that the outcome variable can be viewed as being impacted by the verbal information exchanged by both the salesperson and customer within the sales dyad. This identifies when disclosure reciprocity, rather than simply the disclosure of one party or the other, influences sales outcomes.

From each interaction episode, we extracted two data records: one for the husband, the second for the spouse. As husband and wife participated in the same sales interaction, the potential exists that the within interaction data are not independent (Cronin 1994). Independence testing procedures recommended by Kenny and Judd (1986) were applied to these data. We found no indication that independence was violated by these data.

Subsequent analyses proceeded as follows. To test for reciprocity, the impact of each disclosure element (e.g., duration of task-specific disclosures) on interaction quality and business relationship potential was first evaluated through multiple regression analysis using Edwards' (1993, 1994) methodology. Stepwise regressions, in which all disclosure properties for the salesperson and the customer were included were then conducted to identify the disclosure characteristics that explain the greatest proportion of variance in interaction quality and business relationship potential as the extant literature offered little guidance as to the relative influence of the disclosure elements. Table 3 summarizes the results.

### Results for Interaction Quality

*Number of task disclosure items.* Interaction quality was regressed on the number of topical items disclosed by the customers and the salesperson, revealing a statistically significant effect of disclosure by both customer and salesperson providing support for H1a (see Table 3). Further, a reciprocity effect is evident as both regression coefficients are statistically significant and have opposite signs yielding support for H4. Thus, reciprocity of number of disclosures matters. This finding suggests that interaction quality is enhanced as the salesperson reciprocates with disclosure of task-specific items (e.g., product details) to the customer.

*Duration of task disclosure.* Customer and salesperson duration of task disclosure both predict interaction quality. Because the customer and salesperson regression coefficients are both statistically significant, and opposite in sign, a reci-

**Table 3**  
**Summary of Disclosure Analyses**  
**Unstandardized (Standardized) Regression Coefficients**

Disclosure Type	Dependent Variables	
	Interaction Quality	Business Relationship Potential
<i>Task Disclosure</i>		
Number of topical items		
Customer	-.04 (-.17)**	-.02 (-.13)
Salesperson	.08 (.23)***	.07 (.24)***
R <sup>2</sup>	.07***	.06***
Duration of task disclosures		
Customer	-.01 (-.14)*	-.01 (-.16)*
Salesperson	.02 (.23)***	.01 (.23)***
R <sup>2</sup>	.07***	.07***
<i>Social Disclosure</i>		
Number of items		
Customer	.01 (.02)	.02 (.05)
Salesperson	.05 (.09)	.01 (.02)
R <sup>2</sup>	.01	.00
Duration of social disclosures		
Customer	.002 (.015)	-.00 (-.00)
Salesperson	.000 (.002)	-.01 (-.06)
R <sup>2</sup>	.00	.00
Intimacy of social disclosures		
Customer	-.11 (-.04)	-.15 (-.06)
Salesperson	.51 (.21)**	.21 (.12)
R <sup>2</sup>	.05**	.01
<i>Stepwise Regression Results</i>		
Salesperson task-specific disclosure duration	.01 (.20)**	.01 (.21)**
Salesperson social disclosure intimacy	.33 (.15)*	
Customer task-specific disclosure number	-.05 (-.21)**	
Customer task-specific disclosure duration		-.01 (-.16)*
R <sup>2</sup>	.11***	.07***

Note. R<sup>2</sup> is the squared multiple correlation coefficient for the overall model

\*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$

procuity effect is also evident. Interaction quality is enhanced as the salesperson reciprocates the duration of task-specific information disclosed by the customer. These findings provide further support for H1a and H4.

*Number of social disclosure topics.* Interaction quality is not predicted by the number of personal topics disclosed by the customer or the salesperson thus failing to lend support for H2a.

*Duration of social disclosure.* Interaction quality is not predicted by the duration of personal disclosures by customer or salesperson thus failing to lend support for H2a.

*Intimacy of social disclosure.* While the reciprocation of the intimacy of social disclosures did not impact interaction quality, regression analysis revealed that the intimacy of social disclosure by the salesperson is a statistically significant predictor of interaction quality. This suggests that while the balance of intimate disclosure does not affect interaction quality, salesperson disclosure intimacy does influence the quality of the interaction. These social disclosure results provide only partial support for H2a—the only element of social disclosure that impacted interaction quality was the salesperson's intimacy. Thus, no support for the reciprocation hypothesis, H3a, was found.

*Stepwise regression results.* The preceding analyses examined the various disclosure characteristics in isolation. A

stepwise regression analysis was conducted to investigate the relative predictive power of the disclosure characteristics. With all customer and salesperson disclosure characteristics included in the stepwise regression analysis, three emerged as statistically significant predictors of interaction quality ( $R^2 = .11$ ,  $F = 8.25$ ,  $df = 3, 195$ ,  $p < .001$ ). Specifically, *ceteris paribus*, customer perceived interaction quality is enhanced as the customer discloses fewer task-specific items, the salesperson spends more time disclosing task-specific information, and the salesperson discloses more intimate personal information.

### **Business Relationship Potential**

As mentioned, there is little guidance from the extant interpersonal literature on the effects of task-specific disclosure reciprocity on relationship potential, and thus no hypotheses were offered. However, due to the potential differences, outlined earlier, between a sales context and an interpersonal communications context, the impact of salesperson-customer task-specific disclosure and its reciprocity was analyzed.

*Number of task-specific topics disclosed.* Yielding partial support for H1b, it was revealed that the number of task-specific items disclosed by the salesperson enhances perceived



business relationship potential whereas the customer's number of task-specific disclosures did not.

*Duration of task disclosure.* Providing more support for H1b, the duration of task-specific disclosure is statistically significant for both the customer and the salesperson. Further, as the coefficients have opposite signs, a reciprocity effect is evinced. Business relationship potential is enhanced as the agent reciprocates by spending time disclosing task-specific information. This result may reflect the role of salespeople as providers of product information and seems a logical condition for future business opportunities to develop.

*Social disclosure.* Contrary to the hypotheses, no element of social disclosure (number of items, duration, or intimacy) by either the salesperson or customer explains a statistically significant amount of variance in business relationship potential. No support was found for H2b or H3b.

*Stepwise regression results.* The full set of salesperson and customer disclosure characteristics were considered as predictors in a stepwise regression analysis with business relationship potential as the outcome ( $R^2=.07$ ,  $F(2, 197)=5.36$ ,  $p < .001$ ). Duration of task-specific disclosures by customer and salesperson emerged as the only statistically significant predictors. Specifically, business relationship potential is enhanced as the salesperson spends more time reciprocating the task-specific disclosures of the customer.

## Discussion

This study examined the effects of task-specific and social disclosure reciprocity on salesperson effectiveness. A key implication arising from the study is that reciprocated and non-reciprocated disclosures play an important role in determining outcomes of initial buyer-seller interactions. The pattern of results of this study suggests that the two types of disclosure—task-specific and social—exert distinct influences on sales effectiveness. Because sales effectiveness in initial sales encounters is likely to be predictive of whether future interaction occurs (Berg 1984), salespeople desiring to build successful relationships must learn to effectively manage disclosures.

*Disclosure, reciprocation, and interaction quality.* Consistent with the predictions, task-specific disclosures and their reciprocation do explain a notable portion of variance in customer perceptions of the quality of the sales interaction. Most importantly, as salespeople invest more time in divulging task-specific information, interaction quality increases (see Table 3). These findings are not surprising. In a setting where it is the salesperson's responsibility to provide information, engaging in task-specific disclosure would be crucial in helping to identify customer needs. On the other hand, as the customer discloses task-specific information that is not reciprocated the customer may increasingly feel that a salesperson is ineffective—not being able to quickly diagnose the customer's needs.

The intimacy of salesperson social disclosure was also found to positively impact interaction quality. It may be that more intimate social disclosures put the customer "at ease" during the encounter. It could also be that more skilled salespeople are more likely to offer intimate social disclosure earlier in the customer relationship. Interestingly, reciprocation of social disclosure does not seem to hold as a norm for an initial sales encounter. Neither the volume nor the intimacy of customer social disclosure had an impact on the perceived quality of the sales encounter.

*Disclosure, reciprocation, and business relationship potential.* Inconsistent with the hypotheses, business relationship

potential arising from an initial encounter is not impacted by social disclosure whatsoever. Although unexpected, these findings are potentially explained by the stage of the business relationship examined in this study. It may be that in an initial encounter where a potentially important objective is the purchase of a product, social disclosure matters less than task-specific disclosure on customer's perceptions of relationship potential. Perhaps, reciprocated social disclosure prevents "getting down to business", which seems to better indicate relationship potential at this early relationship stage.

It may be the case, however, that later in the relationship reciprocation of social disclosures would play an increasing role in determining the relationship's potential (Davis 1976). Nevertheless, even in this early stage of the relationship, as noted earlier, salesperson social disclosure intimacy does play a role in determining selling effectiveness. The more reliable indicator of long-term relationship potential, however, appears to be the overall task-specific disclosures of the salesperson.

Finally, the reciprocation of the duration of customer task-specific disclosures did impact relationship potential. While social exchange theories did not provide theoretical rationale for creating formal hypotheses, it seems that the norm of reciprocation applies to the duration of task-specific disclosures. Apparently, the salesperson's willingness to spend time explaining task-specific information in response to the customer's disclosure is viewed by the customer as relationship building. Also, it was found that the number of salesperson disclosures, irrespective of the number of customer disclosures, positively affects customer perceptions of relationship potential.

In the stepwise model, however, the effect of the number of customer disclosures was overridden by the effect of the amount of time that the customer and salesperson spent on disclosing task-specific information. It seems that the customer's perception of relationship building is enhanced as the salesperson invests in responding to the customer's task-specific disclosure, irrespective of the number of topics the customer chooses to discuss. Perhaps as a salesperson reciprocates the duration of task-specific disclosures, the customer perceives the salesperson as concerned, thorough, and worthy of future business.

## Implications

*Theoretical implications.* Several theoretical implications are derived from this study. First, empirical evidence indicates that task-specific and social disclosures in buyer-seller interactions exert distinct influence on sales outcomes. Second, *reciprocation* of certain disclosure elements has been shown to explain a significant amount of variance in sales effectiveness. Hence, it is not simply the examination of disclosure but also its reciprocity that affords researchers and practitioners insight into how salespeople should verbally adapt during sales encounters.

*Managerial implications.* The distinction between two types of disclosure, task and social, is useful to managers in a variety of sales contexts where relational selling is desired. While the classification of whether a disclosure item is task-specific or social is partially dependent on the circumstances of the offering, managers and salespeople should not find it difficult to isolate task-specific items for emphasis in forthcoming sales encounters. This practice is particularly important because salespeople have direct control over their disclosures.

The evidence generated in this study suggests that salespeople would benefit in the initial stages of relationship for-



mation by focusing on disclosure reciprocity of task-specific items. Of the social disclosure elements, only the salesperson's intimacy was found to impact sales effectiveness. In initial interactions with prospects, salesperson reliance on other relationship building properties of social disclosure (i.e., number, duration) may not improve their chances for successful relational outcomes. This finding contradicts relationship development studies (conducted in non-business contexts) that would suggest that social disclosure would play a more influential role in initial interactions with prospects.

Similar to training given to counselors and therapists, salesperson training agendas should include disclosure reciprocity with recognition of the distinctive roles of social and task-specific disclosure in early stages of the buyer-seller relationship. For training applications, this study indicates that salespeople should learn to disclose intimate personal information in a relatively short amount of time. Consequently, this practice should result in more time available to focus on task-specific disclosures, which positively influence both interaction quality and business relationship's potential. Taken together, these findings imply a need to teach salespeople to recognize the rather delicate balance between being sufficiently personal to establish rapport and maintaining task-specific efficiency.

*Methodological implications.* Despite calls for its use, the content analysis of videotape is not commonly employed in the sales literature (Leigh and McGraw 1989). The method, however, confers advantage in that it permits researchers to target, observe, record and ensure reliability when examining the nature of buyer-seller interactions. Research examining possible biases of intersubjective reporting of disclosures point to methods such as the one adopted in this study, as does the interactive and dyadic nature of relationships (Clark and Reis 1988; MacIntosh, Anglin, Szymanski and Gentry 1992; Vink and Verbeke 1993).

Another important implication involves the use of congruency measures. Although widely recognized and used in marketing (Brown and Swartz 1989; Parasuraman, Zeithaml and Berry 1988) as well as in related social science research (Dindia 1988; Hammer and Gudykunst 1987; Hill and Stull 1982, Solano and Dunnam 1985), researchers employing measures of congruency should be made aware of the drawbacks of using difference scores (cf. Peter, Churchill and Brown 1993). The use of the Edwards methodology (1993, 1994) helps to overcome many of the difficulties in analyzing congruency measures that are used in a variety of marketing subject areas.

*Limitations.* Because of the artificiality of the setting and videotaping, subjects may not have performed in a normal manner. This concern was mitigated by the subjects' post-interaction confirmation of the realism of the setting and meeting. (Additional information on the realism measures can be obtained from the lead author.)

The insurance sales context investigated in this study requires a significant level of task-specific disclosure in order to assess customer needs and to identify appropriate products. Buyer-seller interactions concerning other products or services that require less task-specific information might unfold differently. Therefore, caution should be extended in generalizing the findings to other contexts. Further, speech rate, non-verbal communication, and intonation, to name but a few interpersonal communication issues, were not investigated in this study—any of which may be related to the criterion variables investigated.

The researchers informed both sides of the sales interaction that the encounter was to include an attempt by the salesperson to simulate normal selling behavior with study participants. Of course, all participants were informed that there would be no future sales contact; hence, long-term relationship development could not be assessed directly. Instead, behavioral intentions (i.e., the customers reporting the potential for a relationship) were used (cf. Ajzen and Fishbein 1980), which may or may not reflect the relationship that might exist and could be examined if longitudinal data were accessible.

*Future research.* The results of this study point to a number of opportunities for further research into buyer-seller relationship development. First, given the results of this empirical study, replications should be conducted using other stages of sales relationships. Second, researchers need to investigate the characteristics of task and social disclosure. The results in this study indicate that these two disclosure characteristics behave independently suggesting that future investigations might seek to refine the measures and effects of these constructs. Third, because sales territories are expanding to include other countries, cross-cultural studies seem appropriate. While our study did not consider cultural variances, it appears that in many countries a social relationship often is a prerequisite to a business relationship. Thus, social disclosure may play a critical role during the early stages of those relationships.

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