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Judging by the Watch: Salespersons' Responses to Status Signals and Stereotypes of Luxury Clients

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Judging by the Wristwatch: Salespersons' Responses to Status Signals and Stereotypes of Luxury Clients

Abstract

This paper investigates how the activation of a customer stereotype affects salespersons' interpersonal orientation in the context of luxury car purchases. The results of three complementary studies (observation in-situ, survey among luxury car clients, lab-experiment among apprentice-salespeople) indicate that status trumps gender; Gender-stereotypes are activated only when status is not, indicating the expectancy-based nature of sales stereotyping. Our research highlights the mechanism that leads to privileged behaviors: salespeople attribute a higher purchase budget to clients with visible signs of status. Addressing changes in customer orientation is particularly important in luxury retail settings where service excellence is a priority.

Keywords: customer stereotypes, interpersonal orientation, status, gender, luxury retail, luxury car industry

1. Introduction

In the movie *Pretty Woman*, Julia Roberts' character enters a luxury boutique and is snubbed by the sales staff because she appears to lack sufficient financial resources. If such discriminatory behavior based on stereotypes occurs regularly, luxury retailers may experience inconsistent brand performance and lose sales—or possibly gain sales. In the context of the car sector, salespeople might judge prospects by their wristwatches. Wearing a Rolex, for example, might signal financial well-being and a higher likelihood to purchase an expensive car. Yet, the presence or lack of an expensive wristwatch might be misleading, particularly when dealing with younger generations who have unconventional purchasing behaviors; these people are less reluctant to mix and match cheaper brands with luxury ones compared to their senior cohorts. At the same time, to more efficiently manage the sales process, salespeople have to make judgments about the sales potential of prospects—judgments that may be based on segmentation. Segmenting markets leads to more frequent use of efficient selling patterns, such as deciding which features to emphasize early on in a conversation with a prospect. This, in turn, leads to higher sales.

Stereotyping is the process of ascribing characteristics to a person based on traits and behaviors assigned to a group (Cowart and Brady, 2014). Stereotypes are "widely shared assumptions about certain types of people" (Babin et al., 1995, p. 95). The assumptions are commonly formed on the basis of a person's age, gender, ethnicity, sexual orientation or social class and serve as cognitive economizers (Babin et al., 1995), providing immediate access to information about an individual. Empirical investigations that the use of stereotypes increases when people are pressured for time (Freund et al. 1985). Yet stereotypes are a simplification of reality, limit information processing, and lead to stereotype-based behaviors.

Because stereotyping is a form of cognitive economizing in which many stimuli are reduced to one conclusion, salespeople may benefit from using stereotypes as they become

reinforced over time by patterns of sales success and failure. The minute a customer enters a store, salespeople might form an impression based on readily available information such as a person's gender or status signals, and then adapt their investment in the selling process based on the rapid judgments they form (Evans et al., 2000). Although a salesperson's impressions of a customer may change during the sales encounter, initially categorizing him or her may help the salesperson size up a customer prior to any interchange. The first impressions provide a frame of reference that directs the initial buyer–seller interaction (Macan & Dipboye, 1988; Bergeron et al., 2008). The categorization process might lead to positive discriminating behaviors, such as offering a customer a lower price or prioritizing his or her service. Or, the categorization could lead to negative discriminating behaviors, such as making the client wait for service (Ainscough & Motley, 2000; Bone et al., 2014). Positive discriminating behaviors are important because it has been demonstrated that employee proactivity, or being able to plan in advance rather than adapting and reacting to situations, has a strong impact on customer satisfaction (Söderlund, 2018; Lau et al., 2017).

Our research uses interpersonal orientation theory (Humphreys & Williams, 1996) to investigate the effects of activating a consumer stereotype based on wealth when it comes to a luxury retail salespersons' service delivery. As far as we know, our research is the first to examine the impact of social status stereotypes on retail salespeople's interpersonal orientations, reactivity, and preferential treatment of prospects. The research setting is the luxury car industry, due to the importance of interpersonal interactions in the car selling process and the luxury purchase ceremony (Cervellon & Courdriet 2013). The research setting is also important due to the potential stigmas surrounding women drivers and unprofitable clients. The selling ceremony, that is, the diligence and ritual surrounding how welcome prospects are made to feel, is crucial to reassure them and make them feel like valued

potential customers. At the same time, the selling ceremony provides an opportunity to observe how salespeople alter how they treat prospects due to stereotyping.

This paper presents a series of three complementary studies intended to assess through an interpersonal orientation lens the extent to which luxury retail salespeople engage in customer stereotyping and the effects of such stereotyping. These different methodological approaches allowed us to study the topic from different perspectives: the perspective of salespersons as a result of a lab experiment, the perspective of the clients as a result of a customer survey, and a more objective approach based on measures and observations of how different customers are treated at a car dealership. This multimethod approach strengthens the reliability of our findings. The current set of studies offers both academic and managerial implications for how salespeople are recruited, trained, and managed, particularly in luxury retail and service settings, where research is very limited.

2. Literature Review

2.1 Interpersonal Orientation and the Assessment of Service Quality

In luxury industries, store environments play a central role in communicating a brand's identity and reinforcing it on each customer's visit (Ehbauer & Gresel, 2013). In luxury fashion retail settings, brand ideology is conveyed to consumers through the magic of store design (Dion & Arnould, 2011). In addition, the brand is embodied and magnified through the sales ambassadors and the selling ceremony (Cervellon & Courdriet, 2013). Salespeople do not simply transact a luxury-good sale but play an important role in delivering a unique, extraordinary experience any time a customer enters the store. Indeed, the contact time with the customer is generally long and based on trust (Abbes & Goudey, 2015). Clients are extremely demanding, expect personal attention, and recognition (Cervellon & Courdriet,

2013; Ehbauer & Gresel, 2013). At the same time, salespeople have to maintain a certain distance with clients as a sign of deference (Ward & Dahl, 2014).

Luxury goods and services are a context in which interpersonal orientation should be high. Interpersonal orientation, a concept developed for business-to-business sales by Humphreys and Williams (1996), is part of the customer orientation (CO) framework and focuses attention on the process by which salespeople interact with buyers. The interpersonal orientation corresponds to the "soft quality" and more specifically to "the individualized customer attention to solve the buyer's need and to the salesperson's desire to provide friendly and expedient service" (Humphreys & Williams, 1996, p.50). The interpersonal orientation construct also corresponds to the reliability and empathy dimensions of service delivery discussed by Parasuraman et al. (1988). The construct includes the salesperson's (1) consideration for the client; (2) ability to respond quickly to the client's requests; (3) willingness to satisfy customers; (4) creativity in meeting clients' needs; and (5) ability to do the job right the first time (Humphreys & Williams, 1996). In business-to-business settings, those interpersonal processes have a higher impact on customer satisfaction than tangible elements such as a product's technical features, added-value attributes (warranties etc.), or price (Humphreys & Williams, 1996). Interpersonal processes add value to the salesperson performance: salespeople are able to attend to clients' needs in a faster and more precise way. In luxury industries, customer satisfaction is not driven by tangible features (such as price promotions) but by the quality of the client's experience in a store, which depends on the person's interaction with the store's sales staff at the point of sale (Lent & Tour, 2009).

In the car industry, several studies highlight the importance of the interpersonal orientation and being customer oriented as well as being committed to the satisfaction of the customer rather than one's own short-term self-interest (Saxe & Weitz, 1982). A study of 522 car buyers confirms the positive relationship between the customer orientation of salespeople,

how satisfied customers are with their salespeople, a car dealer, and ultimately the car's manufacturer (Goff et al., 1997). Two other studies also underscore the fundamental role automobile salespeople play in terms of customer satisfaction and loyalty (Spaulding & Plank, 2007; Lee et al., 2011). Yet, despite research that points to the role salespeople play when it comes to the satisfaction of customers and the car dealers they choose to patronize, professional reports indicate that more than a quarter of customers who leave a dealership without buying a vehicle do so primarily because they don't like the way the sales staff conducted the sales process (Darley et al., 2008). Whatever the selling process that led to these failures, the salesperson likely did not adapt to customers' expectations regarding the relationship. Further, these studies identified, from the consumer's perspective, the importance of the interpersonal orientation but did not establish causes of better or worse interpersonal orientation.

2.2 Interpersonal Orientation and Consumer Stereotypes

In retail, the highest performing salespersons tailor the selling episode not only to the individual needs of each customer but also to each consumer's unique purchasing process (Spiro & Weitz, 1990). Accurately perceiving customers is therefore critical to the effective use of interpersonal selling (Sharma & Lambert, 1994). Salespeople (1) develop impressions of the customer decision process; (2) formulate strategies and develop messages for each customer; (3) transmit the messages; (4) evaluate customer reactions to their sales presentation; and (5) make appropriate adjustments to the message. This sequence of events highlights the importance of the salesperson's perceptions of the customer (Sharma & Lambert, 1994) and the effect on customer orientation (Crosby et al., 1990). The difficulty for a salesperson is to get the right impression of the customer, which is particularly difficult in the first selling episode. Customers might be willing to visit the showroom several times before purchasing a vehicle or they already have a good sense of what they want to purchase. The best salespersons are able to adapt the selling episode to customers' needs but also to

different customers' journeys. Stereotype-based behaviors might occur during the first visit. Later on, salespeople adjust their perceptions, and their service delivery is less likely to be less negatively affected as a result.

In the process of understanding the needs of clients, salespeople might use a number of mechanisms to help them adapt quickly to different clientele. One of those mechanisms involves relying on readily accessible information, such as visual signs of a client's age, gender or wealth. Marketplace discrimination, which involves treating customers differently in the marketplace based on their perceived group-level traits, is then common during service encounters (Walsh 2009). A stereotype that might affect the quality of the salesperson-client relationship, particularly in the luxury industry, is the social-class stereotype. Classism involves stereotypes, prejudice, and discrimination based on a person's socioeconomic status. Classist stereotypes involve beliefs attributed to individuals given their membership in a socioeconomic status category (Fiske, 1998). People seem to form impressions of others' status based, in part, on how they dress (Johnson, Schofield, & Yurchisin, 2002). For example, an employee may conclude that a guest belongs to an upper class based on the way that person dresses. Once the employee has assigned the guest to a class, the employee may provide a different service level based on the hypothetical expectations about that guest. Research indicates that like peacocks' tales, men might use luxury goods and clothes as signals of status, power, and financial dominance (Nelissen & Meijers, 2011). Today, anyone can own a purse, a watch, or a pair of shoes, yet specific brands of purses, watches, and shoes are discriminant signals of having social status (Han et al., 2010). Based on the preceding literature, we propose that in the context of a luxury retail setting, salespeople might adapt their service delivery to the social signals they identify. If the signals indicate that a customer's social status is high, this stereotype should positively affect the interpersonal

orientation the client receives, his or her service quality, and likelihood to get preferential treatment.

H1a. Stereotyping a customer as having a high social status will positively affect a salesperson's interpersonal orientation,

H1b. Stereotyping a customer as having a high social status will result in the customer waiting less before being served.

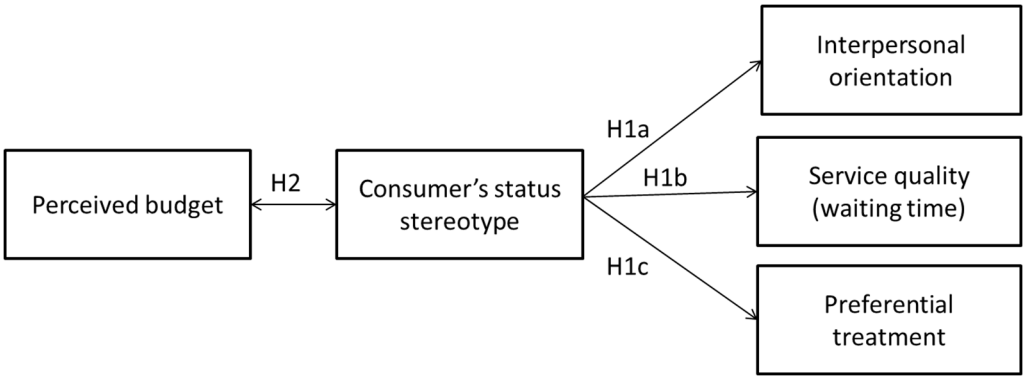
H1c. Stereotyping a customer as having a high social status will increase the likelihood of the customer getting preferential treatment (a price offer and a test drive)

Status signaling might lead to preferential treatments such as service priority (Nelissen & Meijers, 2011). Arnold et al., (2005) reported that casually dressed potential customers felt ignored by salespeople. In the same vein, Paulins' (2005) research indicates that service quality in retail stores, measured through the SERVQUAL, is higher for students dressed in business attire than for students dressed in casual attire. In the context of a luxury environment, we argue that clients who signal status by wearing luxury attire are judged to be more profitable customers, leading to better interpersonal relations with salespeople, and preferential treatments, such as being served faster and rewarded with a test drive. This mechanism (estimating a customer's budget based on the status she or he signals) provides an explanation for the differences in service delivery between customers.

H2. Estimating a customer's budget does correlate to status stereotype-based behavior

Figure 1 encapsulates the hypotheses and relationships proposed between a customer's perceived budget and a salesperson's status stereotype activation and service delivery.

Figure 1: How Status Stereotype Activation May Affects a Salesperson's Behavior



Research has studied the effect of gender stereotyping on the interpersonal orientation of salespeople. In terms of customer service, Walsh (2009) found that male employees hold sexist opinions and treat women differently than they do men, perhaps because they believe women have less power, less status, and lower salaries than men (Eagly & Steffen, 1984). In the context of this research, we propose that in luxury car sector, customers' genders might interact with their statuses and affect a salesperson's interpersonal orientation: Consequently, being a male should reinforce the benefits of status signaling when a customer is purchasing a luxury car. We also investigate other indicators, such as the customer's wait time and whether or not the person was offered a test drive, might indicate preferential treatment (see Prieto & Caemmerer, 2013 for further factors affecting consumers' purchasing decisions).

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H3. There is an interaction effect for status and gender: being a male should reinforce the benefits of status signaling when purchasing a luxury car.

3. The Studies

The hypotheses were tested in the context of three studies. First, we investigated the reality of stereotype-based behaviors from the perspective of an external observer in a mystery shopping setting; then through a survey of luxury clients, we considered clients' perceptions of their salesperson's interpersonal orientation. Last, we assessed through a lab experiment

the existence of stereotype-based behaviors in salespersons. This multimethod approach reinforces the reliability of our findings. Across studies, we refer to the European Commission definition of the luxury car segment, which includes the top ranges of BMW, Mercedes, and Audi automobiles. The definition is based on the price and performance of the car, which makes our research representative of the luxury car sector overall.

3.1 Study 1: Mystery Shopping

The first study is a field experiment utilizing mystery shopping observations of salespersons when they dealt with clients, manipulating the sending of status signals. In this study, we attempted to observe the reality of the existence of status and gender stereotyping.

3.1.1 Method

Mystery shopping, used in the first study, involves a person acting as a customer or potential customer to evaluate the delivery of a product or service (Tanner, 1994). Over a period of three months, confederates, both a man and a woman in their 40s, separately visited 14 dealers of luxury cars, either single-brand or multi-brand, in the South of France. All dealers' cars ranged from entry-level cars to ultra-luxury cars priced at more than 150,000 euros. Both the man and woman had been judged equally attractive based on their pictures in a pretest. Each dealer was visited twice a month apart. The visits occurred when the dealers opened in the mornings. Once the man and the woman were wearing regular clothes (jeans, jumper, tennis shoes, and caps); once they were dressed in luxury attire (suits, Weston shoes, a Rolex watch for the man; a work dress, Louboutin shoes, and Lancel Adjani bag for the woman). To enhance the credibility of the scenario, the storyline delivered to a dealer was the same, whatever dealer was visited: the man or the woman entered in the store to get information on one of the cars displayed. The car was priced approximately the same across

brands, between 50,000 and 60,000 euros, which is the average selling price for a midsize luxury car, according to the Kelley Blue Book. After entering a dealership, the mystery shopper looked attentively at the designated car and waited for a salesperson. The mystery shopper timed the period between the moment he or she entered the dealership and the moment the salesperson started a discussion. We use time since it is a good indicator of salesperson's interpersonal orientation when it is not possible to administer a questionnaire to the salesperson (Tanner, 1994).

After leaving the dealership, the mystery shopper evaluated the quality of his or her interaction with the salesperson on Humphreys and Williams' (1996) interpersonal orientation scale. The mystery shopper also noted if the salesperson offered to allow the shopper to sit in the car or schedule a test drive.

3.1.2 Results

On average, the quality of the service encounter was very good. All clients received a warm welcome. The mystery shopper waited 266 seconds on average (between 4 and 5 minutes), and the overall evaluation of the interpersonal interaction was good (M=4.08, SD 1.46), with no difference between brands. Univariate analyses of variance on time and interpersonal orientation with gender and status as fixed factors indicate no significant differences based on the gender of the client. Both men and women were served equally and waited on average the same amount of time (See table 1 and table 2). They were treated the same with regard to an invitation to sit in or test drive a car. The only observed difference was the content of the discussion: it was centered on the performance of the car when the client was a man; and it was centered on the design and the comfort of the car when the client was a woman. This difference indicates nonetheless the existence of a gender-stereotype based on salespeople's beliefs of the different benefits that women and men would expect from a car.

However, there was a difference in terms of the wait time and service quality when a status stereotype is activated. The perceived quality of the interaction was lower in the low-status (regular attire) condition compared to the high-status (luxury attire) condition (M_{luxury}= 4.64, SD 1.22 vs. $M_{regular}$= 3.53 SD 1.48, F(1,52)= 9.22, p = .004). In the low-status, or regular attire, condition, the mystery shopper waited significantly longer than in the high-status, or luxury attire, condition ($M_{regular}$=332 SD 174 vs. M_{luxury}=202 SD 125, F(1,52)= 10.1, p = .003). These results support hypothesis H1a and H1b.

Table 1: ANOVA on the Perceived Quality of the Interpersonal Orientation

R^2=.170	Df	Sum of Squares	F value	p value
Status	1	17.16	9.22	.004
Gender	1	2.16	1.16	.286
Status*Gender	1	.45	.24	.626
Model	3	19.77	3.54	.021
Error	52	96.79		

Table 2: ANOVA on the Waiting Time

R^2=.163	Df	Sum of Squares	F value	p value
Status	1	65.79	10.00	.003
Gender	1	.87	.13	.718
Status*Gender	1	.13	.02	.889
Model	3	66.79	3.38	.025
Error	52	6.58		

In 72% of the visits, the mystery shopper was not offered to sit in or test drive the car. Yet, there was a relationship between the status of the client and the proposition to test drive the car. When luxuriously dressed, the mystery shopper was offered to test drive the car in 43% of the visits; when regularly dressed, the mystery shopper was offered to test drive the car in only 14% of the visits (χ^2 (1) = 5.6, p = .018), supporting H1c. These results point to the existence of better quality of service when the client signals status. In addition, even though the results do not reach significance, we noticed that the ratings are more advantageous to male clients demonstrating status than to women. The second study will investigate this phenomenon further.

3.2 Study 2: Customer Survey

The first study examined the service quality and preferential treatment of luxury car salespeople when presented with a shopper of high or low status. The findings support the activation of a status stereotype leading to preferential treatment for customers signaling higher statuses. While there was no support for a gender bias resulting in lower-quality

treatment of women, the fact that the salespeople emphasized styling and comfort when the shopper was female and performance when the shopper was male does suggest that while the gender bias may not operate entirely as expected, it is present. In the second study, luxury-car clients were surveyed on their perceptions of salespeople right after a selling episode. The survey enabled us to test the hypotheses as to whether a salesperson's interpersonal orientation might be affected by stereotyping.

3.2.1 Method

Participants were recruited as they were exiting luxury car dealers in the South of France and Monaco; 77 clients evaluated the dealer service quality on a SERVQUAL survey, including an interpersonal orientation dimension. Only those clients who had shopped for, but had not purchased, a luxury car were surveyed in order to measure service quality on the same basis across participants. Also, participants were filtered to include only people who own a luxury car as defined by the European Commission (F-Segment), from BMW Series 7 or Audi A8 up to luxury-only brands, such as Ferraris or Bentleys. Due to the target industry (luxury cars), only 15% of the clients in the sample were women. As a comparison, women are under-represented among Porsche clients, and they represent one-fourth of the drivers of Porsche's best-selling model to women in 2016, according to Domink Gruber, Porsche France Public Relation manager, Le Figaro (2016). The average age of a client was 39.7 years (25th percentile 23.5 years; Median 41 years; 75th percentile 49.5 years) with a 19-years-old minimum and a 73-years-old maximum. After the interaction with the researcher, clients were coded as corresponding to the luxury status or the regular status stereotype, based on displays of status signals (luxury watches, shoes, clothes, bags, etc.) or not. Sixty percent were subjectively considered as corresponding to a luxury status stereotype.

3.2.2 Results

A univariate analysis of variance was conducted on the interpersonal orientation with luxury status (yes or no) and gender as fixed factors. Confirming H1a, there was a significant main effect of a client's luxury status on the interpersonal orientation (see table 3). Clients displaying visible luxury signs rated their salespeople's interpersonal orientations higher (M= 5.52 SD 1.02 versus M= 4.46 SD 1.64, F(1,73)= 16.09, p = .00). There was also an interaction gender X luxury status. Women displaying signs of status were treated equally to men, confirming H3. In contrast, women displaying no signs of status evaluated the interpersonal orientation of their salespeople to be lower than their male counterparts (M= 3.14 SD 1.66 vs. M = 4.86 SD 1.44, F(1, 73)= 5.65 p= 0.02). Again, this result indicates the activation of a gender-stereotype that is overwhelmed by the concomitant status-stereotype activation.

Table 3: ANOVA on the Perceived Quality of a Salesperson's Interpersonal Orientation

R^2=.249	Df	Sum of Squares	F value	p value
Status	1	24.31	16.09	.000
Gender	1	6.01	3.98	.060
Status*Gender	1	8.53	5.65	.020
Model	3	36.60	8.07	.000
Error	73	110.297		

3.3 Study 3: Experiment

To consider whether the activation of gender-based or wealth-based sales scripts were influenced by a salesperson's training and/or experience, the final study was a lab experiment that examined stereotyping as the basis for customer segmenting and how it affected the

interpersonal orientation of salespeople. Because the training salespeople receive may be based on findings from segmentation research suggesting that there are wealth differences in buyers, a study was conducted involving a sample of salespeople in training; in this case, graduate students preparing for sales careers. These future salespeople, in their first year of sales training, had not been exposed to segmentation strategies that might be based on marketing research.

3.3.1 Method

A total of 207 questionnaires were collected from a sample of masters students in marketing and sales management. Given that they are pursuing a master's in sales, it was interesting to evaluate the existence of the students' initial stereotypes before being trained within companies. The sample was comprised of more women (67%) than men. However, there was no significant difference in the proportion of male and female scenarios across gender ($\chi^2(1)$= 0.942, p = .530). The average age of a student was 21.55 years old (SD 3.09).

In order to test the hypotheses, a scenario that simulates real-life experiences was developed and pretested with a panel of marketing experts. The scenario method, also called the vignettes method, originates from projective techniques used in psychology. The participants, placed in a hypothetical situation, should respond "as if" they really were in such a situation. The advantage of this approach is to make the experience more realistic and to involve respondents in the creation of meaning (Schoenberg & Ravdal, 2000). Participants were exposed to a randomly-assigned picture of a character supposedly entering in a luxury car dealer in order to purchase a luxury car (see the study's appendix). The pictures showed the same man and the same woman across different status conditions in order to avoid introducing a confound effect related to their physical attractiveness. The four sets of attire were extracted from the catalogue of a high-end luxury e-tailer. Stereotype activation was

manipulated between subjects along a 2 gender (female, male) X 2 status (luxury, regular) design.

A manipulation check consisting of the following statement at the end of questionnaire read: "The client pictured above is a client of the luxury industry." There was a significant difference for the manipulation check item between the luxury and regular conditions (M_{luxury}= 5.65, SD 1.02 vs. $M_{regular}$= 2.48 SD 1.08, F(1,203)= 437.54, *p*= .000), but no difference for the gender condition (F(1, 203)= 3.377, *p* = .07) and no interaction effect between conditions (F(1, 203)= 0.100, *p* = .752), suggesting that the status manipulation was successful.

After being exposed to the scenario, participants answered a set of questions. Humphreys and Williams' (1996) five item scale was used to measure the interpersonal orientation (interp1: consideration for the client; interp2: ability to respond quickly to requests; interp3: willingness to satisfy customers; interp4: creativity in meeting clients' needs; interp5: ability to do the job right the first time). All items were anchored from 1 (not likely at all) to 7 (extremely likely). The measure's reliability was good (Cronbach's α= 0.89). Thus, the five items were aggregated into one measure of interpersonal orientation. Also, respondents had to estimate the price of the car (the budget) that would be purchased by the character in order to test H2, as well as the character's waiting time and likelihood of being offered a test drive.

3.3.2 Results

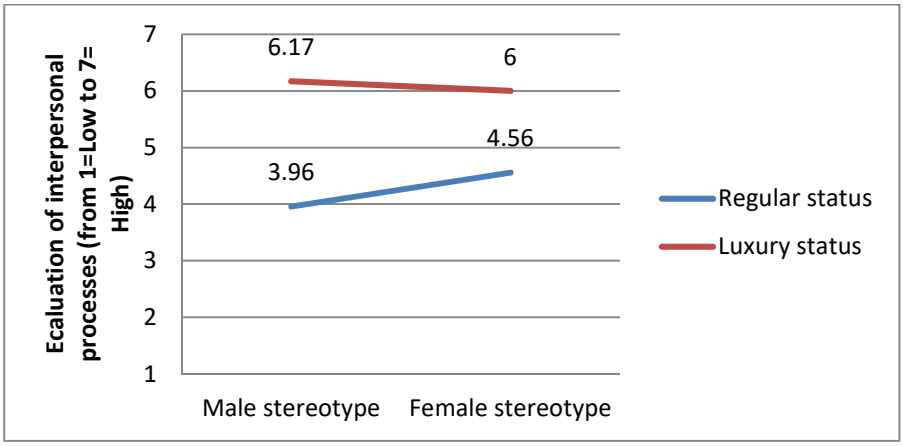
First, a univariate analysis of variance was conducted with salesperson interpersonal orientation as the dependent variable and status group, gender group, and student gender as fixed factors. There was no main effect of gender and no main effect of gender stereotype (see table 4). However, there was a main effect of status stereotype. In the luxury status group, the

character was perceived as more likely to get a higher-level of interpersonal orientation compared to the regular status group (M_{luxury}= 6.07 vs. $M_{regular}$= 4.17, F(1, 185)= 140.624, *p* = .000), confirming H1a. Also, there was an interaction effect between the conditions of gender stereotype and status stereotype. The effect of status stereotyping on a salesperson's interpersonal orientation was stronger when the male stereotype was activated than when the female stereotype was activated, confirming partially H3 (see graph 1, F(1, 185)= 5.6, p = .019). No other 2-way and 3-way interactions were significant. When status stereotyping was activated, the difference between the treatment of men and women students expected was not significant. However, differences in the expected treatment based on gender became apparent when status symbols were not visible.

Table 4: ANOVA on the Perceived Quality of a Salesperson's Interpersonal Orientation

R^2=.563	Df	Sum of Squares	F value	p value
Status_stereotype	1	106.12	140.62	.000
Gender_stereotype	1	1,84	2,44	,120
Participant_Gender	1	1.03	1.36	.244
Status*Gender	1	4.23	5.60	.019
Status*Participant	1	.001	.001	.979
Gender*Participant	1	.14	.18	.670
Status*Gender*Participant	1	.55	.72	.396
Model	7	180.00	34.08	.000
Error	185	139.60		

Figure 2: The Effect of Stereotypes on a Salesperson Interpersonal Orientation

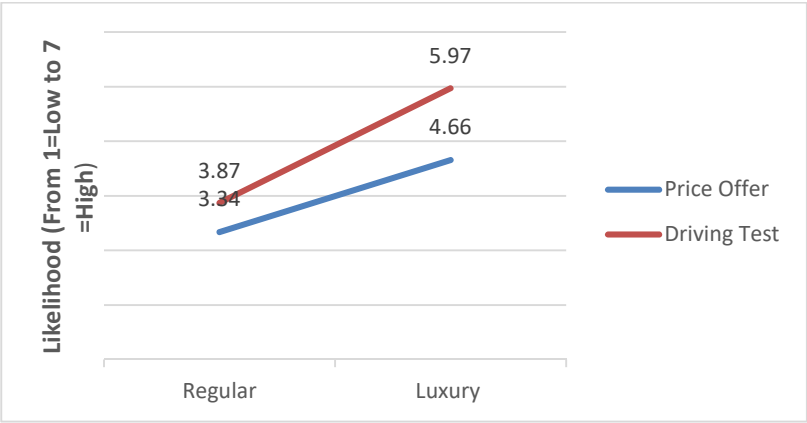


Second, the effect of stereotypes on a character's waiting time was assessed through a univariate analysis of variance with the status group, gender group, and student gender as fixed factors. There was a significant effect of the status condition, which indicated that in the luxury status condition the character was expected to wait an average of 7 minutes, significantly less than in the regular status condition (18 minutes, $F(1, 187)= 28.69$, $p = .000$). H1b is then supported. No other effects or interaction effects were significant: being a woman did not result in an increase or a decrease in the waiting times students expected.

Third, a multivariate analysis of variance was conducted to gauge the expected likelihood of a character to get preferential treatment (a price offer and a test drive) as dependent variables and status group, gender group, and student gender as fixed factors. There was no main effect and no interaction effects between the conditions on the likelihood to get a price offer. Yet, there was a main effect of status stereotype on the likelihood to be

offered a test drive. The character in the luxury status condition was perceived as more likely to be offered a test drive than in the regular condition ($F(1, 195)= 72.31$, $p = .000$) : H1c is then accepted. No other main effects or interactions were significant.

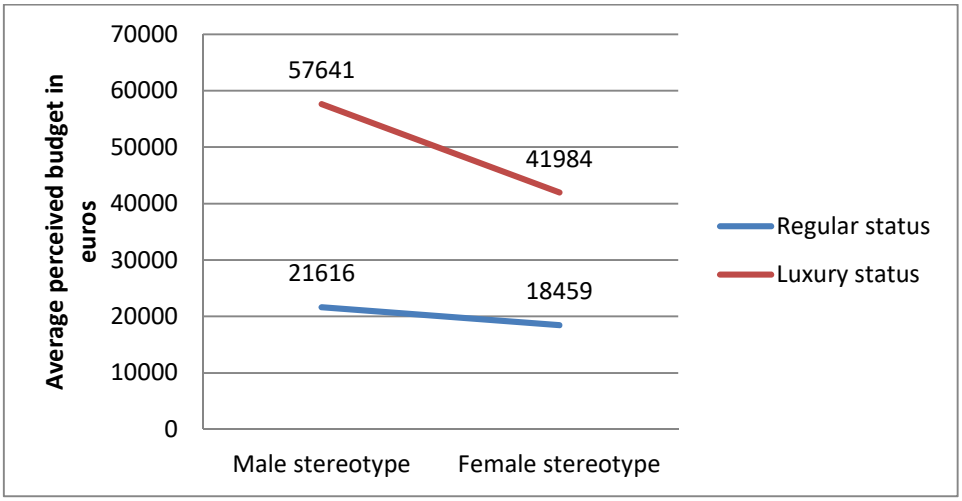
Figure 3: The Effect of Status Stereotypes on a Character's Preferential Treatment



In order to test H2, a univariate analysis of variance was conducted with a character's budget as the dependent variable, and status group, gender group, and student gender as fixed factors. The results showed that the character's budget was perceived to be significantly higher for the male stereotype than for the female stereotype ($F(1, 187)= 7.709$, $p = .006$, $M_{malestereotype}$= 44507 euro vs. $M_{femalestereotype}$= 28445 euro). The budget was also perceived to be significantly higher for the luxury status stereotype than for the regular status stereotype ($F(1, 187)= 31.204$, $p=0.000$, M_{luxury}= 52634 vs. $M_{regular}$= 20318). There was also an interaction effect between conditions. A character's perceived budget was higher for male luxury clients than for female luxury clients, which confirms the interaction between gender and status (see graph 2, $F(1, 187)= 4.994$, $p = .027$). Last, there was an interaction effect between gender stereotype and participants' gender. Male and female participants estimated the same budget for the male character. In contrast, male participants estimated the budget of the female character to be lower than female participants estimated ($M_{maleparticipants}$= 21682 euro vs. $M_{femaleparticipants}$=

39080 euro, F(1, 187)= 4.883, p = .0028). This result might point to stronger discriminatory behaviors regarding women among men than among women.

Figure 4: Characters' Perceived Budgets in Euros



A series of regression analyses indicate, as expected, that the perceived budget of a character was a significant predictor of the waiting time, the quality of a salesperson's interpersonal orientation, and the likelihood of the character to get a test drive, as expected by the students (See table 5). However, there was no relationship between a character's perceived budget and the likelihood of him or her getting a price offer (see Table 5: Regression Analyses with Budget as a Predictor).

Table 5: Regression Analyses with a Character's Perceived Budget as a Predictor

	β	t-value	p-value
Budget -> Interpersonal relationships	.386	5.636	.000
Budget -> Test drive likelihood	.219	3.115	.002
Budget -> Waiting time	-.257	-3.642	.000

Budget -> Price offer likelihood	-.013	-.176	.861

The moderating role of the status stereotype on a character's perceived budget and a salesperson's interpersonal orientation was significant (Wald χ^2= 3.802, p = 0.050); a character's perceived budget was also significant in terms of the likelihood of the character to get a test drive (Wald χ^2= 4.877, p = 0.027). The more the character was perceived as having a high budget, the better the interpersonal orientation and the higher the expected likelihood he or she was to receive preferential treatment; these effects were stronger when the status stereotype was activated. Activating a gender stereotype did not moderate the relationship between a character's perceived budget and the dependent variables (interpersonal orientation, waiting time, and preferential treatment).

4. General Discussion

4.1 Summary of Main Results

In 1994, Sharma and Lambert noted that the negative consequences of inaccurate perceptions of potential customers by salespeople can be quite severe; thus, it is surprising that this issue has not received greater research attention. Our results show that the activation of a customer stereotype alters the way salespeople serve customers, possibly interfering with a positive development during the initial phase of the relationship for some, while possibly enhancing the development of a relationship for others. As underscored by Evans et al. (2000), the first minutes of the first meeting between a seller and a client can be decisive. Our findings suggest that in those first minutes, the salesperson makes a judgment that can influence the entire sales encounter. Some opportunities to advance the sale may be missed and margins lost due to inaccurate perceptions of a prospect's status leading to sub-optimal treatment. In contrast, possibly greater benefits may accrue if salespeople overestimate a prospect's status.

The results of these three studies highlight that luxury retail salespersons are more responsive to a customer who signals status, and that the quality of their interpersonal orientation is higher in this case is also. These customer's also wait less on average and obtain opportunities to test drive cars more frequently. These findings are in line with Paulins' (2005) research, which reported that customers' dress styles affect service quality (measured through Servqual) in the retail sector. The results indicate that status signals also indicate to salespeople that a prospect has a higher budget and that the likelihood of a sale is greater.

Gender-based stereotype behaviors in relation to waiting time and opportunities to test drive a car were observed only in the absence of status stereotypes being activated. Men and women were equally likely to obtain quality service, including test drives, when they signaled status. If they did not, they had to wait longer and were less likely to receive a opportunity to test drive a car. Yet subtle forms of gender bias appeared in the content, suggesting that gender may lead to assumptions that could influence sales outcomes, positively when assumptions are proven accurate, and negatively when they are not, regardless of a prospect's status signals. Recent research (Friedman & Brueller, 2018) indicates that the quality of service is equally important to both men and women when choosing a service; further, both experiential and utilitarian characteristics are important. Our research tends to show that assumptions based on gender stereotypes are present when a prospect's status is hidden. Gender stereotypes led salespeople to emphasize different product characteristics selling to men versus women.

4.2 Managerial Implications

As suggested by Study 3, status biases are not likely to be the result of any training or company strategy; rather, status biases are engendered by the activation of a perceived status stereotype. As was observed, even salespeople devoid of experience in the field, recognize

visible signs of status and attribute higher budgets and more profitable opportunities to prospects who exhibit these signs. Thus, recruiting salespeople with a low tendency to stereotype might be a first step in the elimination of prejudices, if desired. Their interactions with customers may be perceived as more authentic. In contrast, salespeople who have a high tendency to stereotype might experience cognitive dissonance when trying to fight this tendency, which may lead to lower-quality service (Andrzejewski & Mooney, 2016). Our results indicate that men might be more likely to exhibit discriminating behaviors toward women. Thus, recruiting women in a sector that is male-dominated might be a good way to break these patterns.

But hiring more women may not be enough. Many brands like Mercedes[1] train the employees to avoid the so-called "Rolex effect," or judging prospects by status signals such as their wristwatch brands. Training helps salespeople understand their biases and act appropriately in spite of them. One option is the use of a consumer persona. In marketing, consumer personas are fictional representations of consumers. In a way, personas are stereotypes with exaggerated traits but based on actual market segmentation data, which help define the selling proposition (c.f. Tanner, 2014). In sales, it would be interesting to train salespeople with personas that might present exaggerated traits regarding a product category. Role plays involving different types of consumers might reveal salespeople's biases and lead to a more considered use of stereotypes.

More than any other sector, the luxury sector is the place where customer should be given an extraordinary experience. In this setting, the salesperson is the principal actor and should not miss the introduction of the play (Bergeron et al., 2008). Every contact with a person entering the scene is an opportunity to create a relationship, and salespeople should be aware of their crucial roles. As such, they should also be conscious that their work is an

[1] First author personal communication

emotional work (e.g. Tang et al., 2013); therefore, luxury brands should offer their salespeople training on emotional exchanges and emotional intelligence (e.g., Singh et al., 2018)

Another possible implication of this research is related to the sales setting. Sales managers may want to consider posting reminders of the importance of providing service excellence to all clients in order to create the appropriate attitudes and responses among salespeople. For example, Luxury Attitude, a consulting firm specializing in the luxury sector, created "Les Maximes de Sophie" (https://www.luxury-attitude.com/maximes-de-sophie/). Through reinterpretations of maxims known to all, the endearing Sophie reveals the essential ingredients to ensure clients experience high-quality service. Such reminders are expected to help salespeople overcome their bias.

4.3 Future Research and Limitations

Future research should investigate the consequences of the activation of other forms of stereotypes on salespersons' behaviors in a variety of industries and in the context of services. For instance, age might be related to the activation of a status stereotype (older people might be perceived as wealthier), which could also lead to preferential treatment and unjustified salespeople behaviors. Further, in the context of this research, we investigate only the negative effects of segmenting the clientele, which might lead to stereotyping. Yet, there are benefits related to segmenting a market based on a prospect's status, gender, or age. Segmentation leads to the more frequent use of efficient selling patterns, such as which features to emphasize early in the conversation, which can lead to higher sales. For example, perhaps men do appreciate a car's performance dimensions more than do women; perhaps for women, styling may be more important. While this particular form of adaptation to gender was easy to observe in the mystery shopping study, other, more subtle, forms of segmentation

may occur that yield efficiency. Considering adaptation based on segmentation characteristics and its effects on the efficiency and performance of salespeople is an important track for future research.

In addition, future research should investigate in depth the other biases related to customer stereotyping in order to improve the training salespeople receive. Looking at covariates such as the company's policy in terms of its service quality and the role managers paly in the development of a customer orientation could enrich the present work. Indeed, customer orientation cannot depend exclusively on the salesperson. The market orientation of the company influences the attitude of salespeople and their customer orientation (Siguaw et al., 1994). Thus, a firm that is dedicated to excellence in terms of service must pay special attention to employees and the cues by which they judge customers. Hartline et al. (2000) believe that the organizational involvement and the socialization of employees are ways of instilling a customer-oriented culture conducive to better quality of service, yet this study illustrates that stereotyping can potentially adversely affect service quality.

This study focused on the signaling of status through clothing and other visible symbols. Future research should consider intentional status manipulation, such as a prospect displaying counterfeit goods like a fake Rolex (e.g., Davidson et al., 2019), and the possible effects of a salesperson's perceptions of such a false status. Similarly, behaviors as status cues (e.g., Smithson, 2010), such as a prospect displaying product knowledge or mentioning memberships in exclusive organizations, should also be considered.

The study of employee-customer identification is a very interesting track of research because as suggested by Korschun et al. (2014, p.27), "frontline employees use what they know about customers as a means to define themselves at work." On the one hand, in the luxury sector, customers may find themselves being stereotyped as haughty. On the other hand, salespeople who identify with these customers may emulate their behavior by acting

haughtily towards other customers, like the salespeople in *Pretty Woman* (Ward & Dahl, 2014). It might be interesting to study how the stereotypes held by salespeople and the stereotypes held by customers might interact with each other, creating a "stigma magnification effect" (Mikolo et al., 2016).

4.4 Conclusion

Past research has investigated the influence of customer traits (age, gender, appearance, etc.) on service delivery (Ainscough et al., 2014; Johnson et al., 2002; Nelissen & Meijers 2011). This paper contributes to this line of research by emphasizing that signaling status in a luxury purchase context supersedes all other traits, including gender, an individual trait used as segmentation variable in the car sector (Darley et al., 2008; Ayres & Siegelman, 1995). The findings highlight the mechanism at play, a mediating process leading salespeople to perceiving the budgets of customers displaying signs of status to be higher than those who do not display these signs. Depending on salespersons' perceptions, customers might benefit of preferential treatment, leading to satisfaction or, on the contrary, might experience a bad service delivery, leading to the loss of a client. The gold standard in the luxury industry is to avoid focusing on a selling episode but instead to focus on a customer's lifetime value (CLV), which is based on creating solid relationship with the clients over time. Every client should have the impression of being a very important client. "Ladies and gentlemen serving ladies and gentlemen."; this is Ritz-Carlton motto, which "exemplifies the anticipatory service provided by all staff members." (http://www.ritzautomobilelton.com/en/about/gold-standards), a perfect service no matter the client's gender, age, ethnicity or wealth.

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Appendix 1: Stereotype Manipulation Pictures

Female Luxury Client

Female Regular Client

Male Luxury Client

Male Regular Client

Appendix 2: Scenario (Translated from French)

Please use your imagination to describe the purchasing process for a car. The picture below will help you describe the purchase episode. Have a close look at the customer on the picture. He/she will be entering at a car dealer. Describe what will happen when he/she will be in the store.
In your opinion, what brand of cars will purchase the client?

This client enters a luxury car dealership. Please describe with as much details as possible the selling episode. In your opinion, what is the client's budget (in euros)? In your opinion, how long will this client be waiting before the salesperson takes care for him (in minutes)? To what extent do you agree with the statements below (interpersonal orientation scale, satisfaction scale, preferential treatment)