

# Dyadic Perceptual Discrepancy (DPD) of Buyer-Supplier Relationships: Review and Operationalization

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## Abstract

Research in personal selling paid much attention to how salespeople's perceptual accuracy of buyer-seller relationship quality and how it influences sales performance (Hall et al. 2015; Mullins et al. 2014; Barnes et al. 2007). The perceptual accuracy is defined as the extent to which a salesperson correctly evaluates a given customer's perception of the relationship quality. The focus in this construct is the level of congruence of the perception between the sales person and the customer on their perceptions of the relationship quality. This definition is very much constrained to the individual's feeling about the interorganizational relationship quality. But the business relationship goes beyond the interorganizational level, and intertwined with the interpersonal relationship.

This research reviews concepts on both interpersonal and interorganizational relationships. Friendship is an important type of marketing relationship, and is associated with satisfaction, service quality, and positive WOM. Friends-interpersonal relationships run on the logic of appropriateness, yet business relationships operate under the logic of consequences/contracts. Interpersonal relationships can be both positive and negative for the business relationship.

This research seeks to clarify and improve upon the "perceptual accuracy" construct by proposing a new construct "dyadic perceptual discrepancy". This formative construct incorporates both the interorganizational and interpersonal aspect of the relationship quality. In addition, this construct would be more dyadic than "perceptual accuracy" in emphasizing "discrepancy" rather than the "accuracy" of the sales person's perception, by comparing the sales person's perception with the customer's perception.

People often do not agree about being friends, and sometimes even do not agree about being best friends (Korsgaard et al. 2015). Previous research on perceptual (in)accuracy did not distinguish, for example, the following two kinds of inaccuracies: 1. The sales person considers the customer a friend, yet the customer does not see it that way; 2. The sales person does not think the customer want to be personal friends, yet the customer considers the sales person a friend. These two different kinds of perceptual inaccuracies may have different implications, and the proposed "Dyadic Perceptual Discrepancy" (DPD) may have the potential to separate these two conditions. The word "discrepancy" does not make the assumption of inaccuracy, and it could be bi-directional, indicating there could be "beneficial discrepancies". The word "discrepancy" is more objective than the word "(in)accuracy", which is more of a subjective perception from the sales persons' perspective.

On the business side of the relationship, the perceptions on trust, commitment, power, and dependence all have two different kinds of "discrepancies", one from the sales person, one from the customer, and they could be either positive or negative to sales performance (Homburg et al. 2014). Previous measure on the level of "In-Congruence" of the perceptions from sales person and customers classifies most "inaccuracies" as having negative consequences (Hall et al. 2014; Johnson and Sohi 2016). Following McEvily et al. (2017), this research seeks to clarify this theoretical deficiency, and pointing out the beneficial aspects of the Dyadic Perceptual Discrepancy between buyer and suppliers.

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**Relevance to Marketing Educators, Researchers and Practitioners:** The development and operationalization of a DPD construct have methodological and theoretical implications. The beneficial aspects of DPD will have practical implications for improving sales performance.

**Track: Business-to-Business Marketing/Supply Chain Management**